



# Camden Council

2013/14 General Purpose & Special Purpose  
Financial Statements



# Camden Council

## General Purpose Financial Statements

for the financial year ended 30 June 2014

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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 15 October 2014. Council has the power to amend and reissue these financial statements.

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## General Purpose Financial Statements

for the financial year ended 30 June 2014

### Understanding Council's Financial Statements

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#### 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 2014.

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 specialise 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.

# Camden Council

## General Purpose Financial Statements for the financial year ended 30 June 2014

### 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.

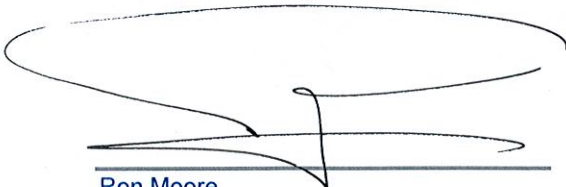
Signed in accordance with a resolution of Council made on 9 September 2014.




Cr Lara Symkowiak  
MAYOR



Cr Theresa Fedeli  
DEPUTY MAYOR



Ron Moore  
GENERAL MANAGER



Paul Rofe  
RESPONSIBLE ACCOUNTING OFFICER

## Executive Summary - 2013/14 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 2013/14 and 2012/13:

<b>Income Statement</b>	<b>2013/14 \$'000</b>	<b>2012/13 \$'000</b>
Total Income from Continuing Operations	\$117,695	\$121,752
Total Expenses from Continuing Operations	\$78,283	\$71,414
Surplus Operating Result from Continuing Operations	<b>\$39,412</b>	<b>\$50,338</b>
Grants and Contributions provided for Capital Purposes	\$52,844	\$58,988
Net Operating Result before Grants and Contributions provided for Capital Purposes (deficit)	<b>(\$13,432)</b>	<b>(\$8,650)</b>

### 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, it 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 \$39.4 million (after capital items) does not mean Council has additional funds of \$39.4 million to spend. Alternatively the fact that Council's Income Statement has a reported deficit of \$13.4 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 2013/14 Operating Result after accounting for capital income is a surplus of \$39.4 million (\$50.3 million 2012/13). 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 2013/14 was \$36.9 million (\$48.7 million 2012/13). Accounting standards require the dedication of assets to be brought to account as income which inflates the surplus reported.

The decrease in the operating surplus (after capital items) from \$50.3 million in 2012/13 to \$39.4 million in 2013/14 is predominately a result of a decrease in non-cash dedications received by Council and extraordinary operational expenditure relating to the upgrade of Springs Road (\$5.1 million) and the establishment of a provision for the repayment of Section 94 contributions (\$1.4 million).

The 2013/14 result has also been impacted by the Federal Government's decision to not pay the Financial Assistance Grant in advance by up to 50% (as has been the case in previous years). Whilst this does not represent a loss of income (rather a timing issue), this has also resulted in a reduction in income of approximately \$0.95 million (based on 2013/14 allocation).

### Operating Result (before capital items)

Council's operating result before capital items is a deficit of \$13.4 million. This result excludes capital income of \$52.8 million. In comparing this result to the previous year deficit of \$8.6 million the increase in the operating deficit of \$4.8 million is predominately a result of extraordinary operational expenditure relating to the Springs Road upgrade (increase in expenditure of \$5.1 million), a one-off provision for Section 94 refunds (non-cash increase in expenditure of \$1.4 million) and a change in the timing of payment of the Financial Assistance Grant to all Councils (decrease in income of \$0.95 million). Upon excluding the extraordinary items and changes in payment terms of the Financial Assistance Grant the adjusted operating deficit is \$5.95 million which is an improvement on the previous year of \$2.7 million.

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 re-current loan borrowings which part funds the road reconstruction program. With no reliance on re-current loan borrowings by 2022/23.

✓ **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 recently adopted adaptive organisational framework and Organisational Improvement Plan a new asset management section has been created dedicated to understanding the financing and resourcing needs of our current and future asset base. This will enhance Council's decision making and longer term forecasting.

✓ **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.

✓ **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 \$934 million (\$891 million in 2012/13). 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 \$20.1 million with a net increase of \$2.3 million from 2012/13; primarily a result of an additional \$2 million borrowed under the Local Infrastructure Renewal Scheme (Round 2) to part fund the Community Infrastructure Renewal Program. The LIRS is attractive as it provides savings to Council in the form of a 3% loan interest rate subsidy. A decision by the State Government on Council's Round 3 application is pending.

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 will in 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

In 2013, Council received a moderate (neutral outlook) rating from New South Wales Treasury Corporation (TCorp). TCorp's report also indicated that Council is currently financially sustainable and that this position will not change with continued prudent financial management.

The financial health indicators for the 2013/14 financial year can be found in Note 13 (pages 52-54) and Special Schedule 7 (See special schedule page 7-8). 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.

2013/14 & 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 will also support Council's title of being "fit for the future".

Manager Finance & Corporate Planning  
Responsible Accounting Officer

# Camden Council

## Income Statement

for the financial year ended 30 June 2014

Budget <sup>1</sup> 2014	\$'000	Notes	Actual 2014	Actual 2013
<b>Income from Continuing Operations</b>				
<i>Revenue:</i>				
41,685	Rates & Annual Charges	3a	42,482	39,619
11,473	User Charges & Fees	3b	12,864	11,447
1,898	Interest & Investment Revenue	3c	2,814	2,744
1,201	Other Revenues	3d	1,553	1,267
5,290	Grants & Contributions provided for Operating Purposes	3e,f	5,138	7,687
45,275	Grants & Contributions provided for Capital Purposes	3e,f	52,844	58,988
<b>106,822</b>	<b>Total Income from Continuing Operations</b>		<b>117,695</b>	<b>121,752</b>
<b>Expenses from Continuing Operations</b>				
29,970	Employee Benefits & On-Costs	4a	28,158	27,150
698	Borrowing Costs	4b	1,250	1,178
18,248	Materials & Contracts	4c	19,913	18,505
15,599	Depreciation & Amortisation	4d	15,732	14,272
5,329	Other Expenses	4e	12,247	8,528
-	Net Losses from the Disposal of Assets	5	983	1,781
<b>69,844</b>	<b>Total Expenses from Continuing Operations</b>		<b>78,283</b>	<b>71,414</b>
<b>36,978</b>	<b>Operating Result from Continuing Operations</b>		<b>39,412</b>	<b>50,338</b>
<b>36,978</b>	<b>Net Operating Result for the Year</b>		<b>39,412</b>	<b>50,338</b>
36,978	<b>Net Operating Result attributable to Council</b>		<b>39,412</b>	<b>50,338</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>				
(8,297)			(13,432)	(8,650)

<sup>1</sup> Original Budget as approved by Council - refer Note 16

## Statement of Comprehensive Income

for the financial year ended 30 June 2014

\$'000	Notes	Actual 2014	Actual 2013
<b>Net Operating Result for the year</b> (as per Income statement)		<b>39,412</b>	<b>50,338</b>
<b>Other Comprehensive Income:</b>			
<i>Amounts which will not be reclassified subsequently to the Operating Result</i>			
Gain (loss) on revaluation of Land Under Roads	20b (ii)	2,987	-
Gain (loss) on revaluation of Buildings	20b (ii)	-	12,135
Gain (loss) on revaluation of Operational Land	20b (ii)	-	24,538
<b>Total Items which will not be reclassified subsequently to the Operating Result</b>		<b>2,987</b>	<b>36,673</b>
<b>Total Other Comprehensive Income for the year</b>		<b>2,987</b>	<b>36,673</b>
<b>Total Comprehensive Income for the Year</b>		<b>42,399</b>	<b>87,011</b>
<b>Total Comprehensive Income attributable to Council</b>		<b>42,399</b>	<b>87,011</b>

Council has revalued land under roads in the 2013/2014 financial year. This has resulted in an increase in the carrying value of land under roads.

Council had valuations performed for operational land and buildings in the 2012/2013 financial year, in accordance with the Office of Local Government. The revaluation resulted in a substantial increase in the carrying value of both operational land and non-specialised buildings. It also resulted in a decrease in carrying value for specialised buildings. This decrease has been offset in the Asset Revaluation Reserve against prior revaluations for the same asset category.



# Camden Council

## Statement of Financial Position

as at 30 June 2014

\$	Notes	Actual 2014	Actual 2013	Actual 2012
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	6a	5,428	1,917	3,512
Investments	6b	45,150	46,550	47,000
Receivables	7	5,215	5,462	5,515
Inventories	8	493	407	432
Other	8	264	628	708
Non-current assets classified as 'held for sale'	22	2,680	-	-
<b>Total Current Assets</b>		<b>59,230</b>	<b>54,964</b>	<b>57,167</b>
<b>Non-Current Assets</b>				
Investments	6b	23,200	5,200	2,000
Receivables	7	143	365	456
Infrastructure, Property, Plant & Equipment	9	887,271	860,472	776,076
<b>Total Non-Current Assets</b>		<b>910,614</b>	<b>866,037</b>	<b>778,532</b>
<b>TOTAL ASSETS</b>		<b>969,844</b>	<b>921,001</b>	<b>835,699</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	10	8,822	6,563	7,692
Borrowings	10	2,543	1,921	1,664
Provisions	10	7,841	7,669	7,127
<b>Total Current Liabilities</b>		<b>19,206</b>	<b>16,153</b>	<b>16,483</b>
<b>Non-Current Liabilities</b>				
Payables	10	1,114	-	-
Borrowings	10	14,903	12,633	13,963
Provisions	10	308	301	350
<b>Total Non-Current Liabilities</b>		<b>16,325</b>	<b>12,934</b>	<b>14,313</b>
<b>TOTAL LIABILITIES</b>		<b>35,531</b>	<b>29,087</b>	<b>30,796</b>
<b>Net Assets</b>		<b>934,313</b>	<b>891,914</b>	<b>804,903</b>
<b>EQUITY</b>				
Retained Earnings	20	603,222	563,810	513,472
Revaluation Reserves	20	331,091	328,104	291,431
Council Equity Interest		934,313	891,914	804,903
<b>Total Equity</b>		<b>934,313</b>	<b>891,914</b>	<b>804,903</b>

The 2012 Balance Sheet has been provided to re-instate the opening balance as at 1 July 2012 to disclose a "correction of an error" from a previous accounting period. The 2012 Balance Sheet is required to ensure Council complies with the accounting standards. More information can be found at the bottom of Note 20.

## Camden Council

### Statement of Changes in Equity for the financial year ended 30 June 2014

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

\$'000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
<b>2013</b>						
<b>Opening Balance (as per Last Year's Audited Accounts)</b>		542,753	291,431	<b>834,184</b>	-	<b>834,184</b>
Correction of Prior Period Errors	20 (c)	(29,281)	-	<b>(29,281)</b>	-	<b>(29,281)</b>
<b>Revised Opening Balance (as at 1/7/12)</b>		<b>513,472</b>	<b>291,431</b>	<b>804,903</b>	-	<b>804,903</b>
<b>Net Operating Result for the Year</b>		50,338	-	<b>50,338</b>	-	<b>50,338</b>
Other Comprehensive Income						
- Revaluations: Buildings	20b (ii)	-	12,135	<b>12,135</b>	-	<b>12,135</b>
- Revaluations: Operational Land	20b (ii)	-	24,538	<b>24,538</b>	-	<b>24,538</b>
<b>Other Comprehensive Income</b>		-	<b>36,673</b>	<b>36,673</b>	-	<b>36,673</b>
<b>Total Comprehensive Income</b>		<b>50,338</b>	<b>36,673</b>	<b>87,011</b>	-	<b>87,011</b>
<b>Equity - Balance at end of the reporting period</b>		<b>563,810</b>	<b>328,104</b>	<b>891,914</b>	-	<b>891,914</b>

# Camden Council

## Statement of Cash Flows for the financial year ended 30 June 2014

Budget 2014	\$'000	Notes	Actual 2014	Actual 2013
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
41,532	Rates & Annual Charges		43,120	39,305
11,473	User Charges & Fees		12,730	11,388
2,036	Investment & Interest Revenue Received		2,318	2,907
9,685	Grants & Contributions		21,355	9,731
-	Bonds, Deposits & Retention amounts received		2,377	1,245
896	Other		4,879	6,010
<b>Payments:</b>				
(29,554)	Employee Benefits & On-Costs		(27,564)	(27,302)
(18,133)	Materials & Contracts		(19,542)	(19,531)
(698)	Borrowing Costs		(585)	(578)
-	Bonds, Deposits & Retention amounts refunded		(1,132)	(453)
(5,295)	Other		(13,885)	(12,615)
<u>11,942</u>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<u>24,071</u>	<u>10,107</u>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
18,000	Sale of Investment Securities		108,350	81,550
377	Sale of Infrastructure, Property, Plant & Equipment		222	362
<b>Payments:</b>				
(11,400)	Purchase of Investment Securities		(124,950)	(84,300)
(19,283)	Purchase of Infrastructure, Property, Plant & Equipment		(6,447)	(7,641)
<u>(12,306)</u>	<b>Net Cash provided (or used in) Investing Activities</b>		<u>(22,825)</u>	<u>(10,029)</u>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
3,350	Proceeds from Borrowings & Advances		4,300	-
<b>Payments:</b>				
(2,189)	Repayment of Borrowings & Advances		(2,035)	(1,673)
<u>1,161</u>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<u>2,265</u>	<u>(1,673)</u>
797	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		3,511	(1,595)
1,917	plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	11a	1,917	3,512
<u>2,714</u>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<u>5,428</u>	<u>1,917</u>
Additional Information:				
	plus: <b>Investments on hand - end of year</b>	6b	68,350	51,750
	<b>Total Cash, Cash Equivalents &amp; Investments</b>		<u>73,778</u>	<u>53,667</u>
<b>Please refer to Note 11 for information on the following:</b>				
- Non Cash Financing & Investing Activities.				
- Financing Arrangements.				

## Notes to the Financial Statements

for the financial year ended 30 June 2014

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Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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The principal accounting policies adopted by Council in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

**(a) Basis of Preparation**

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) & Regulation, and the Local Government Code of Accounting Practice and Financial Reporting.

Camden Council is a not-for-profit entity for the purpose of preparing the financial statements.

**New and amended standards adopted by Council**

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

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

AASB 13 Fair Value Measurement has not affected the assets or liabilities which are to be measured at fair value; however it provides detailed guidance on how to measure fair value in accordance with the accounting standards.

It introduces the concept of highest and best use for non-financial assets and has caused the Council to review their valuation methodology.

The level of disclosures regarding fair value has increased significantly and have been included in the financial statements at Note 27.

AASB 119 Employee Benefits introduced revised definitions for short-term employee benefits.

Whilst Council has reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period, there has been no effect on the amounts disclosed as leave liabilities since Council's existing valuation method was to discount annual leave payable more than 12 months after the end of the reporting period to present values.

**Early adoption of Accounting Standards**

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

**Historical Cost Convention**

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

- 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,
- the write down of any Asset on the basis of Impairment (if warranted), and
- certain classes of non current assets (e.g. Infrastructure, Property, Plant & Equipment and Investment Property) that are accounted for at fair valuation.

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

**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.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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#### **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**

##### *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 Council 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.

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 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 Section 94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents 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.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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#### **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 Rental Income**

Interest income from Cash & Investments is recognised using the effective interest rate at the date that interest is earned. Rental income is accounted for on a straight-line basis over the lease term.

#### **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**

#### **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 committees of Council 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

#### **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.

#### **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.

#### **Joint Ventures**

Council does not currently participate in any Joint Venture partnerships.

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.

#### **County Councils**

Council is not a member of any County Councils.

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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**(d) Leases**

**Finance Leases**

Leases of property, plant and equipment where Council, as lessee 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 fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and the finance cost. The finance cost 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. The 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 leases.

**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) Acquisition of Assets**

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present values as at the date of the exchange. The discounted rate used is 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.

**(f) Impairment of Assets**

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in 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.

**(g) Cash and Cash Equivalents**

For Statement of cashflow presentation purposes, cash and cash equivalents includes;

- 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 Statement of Financial Position.



## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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#### **(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 collectibility 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 (i.e. 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. 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) 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; their carrying amount, and 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 and the replacement assets were already purchased and accounted for as at 30 June.

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.

Council presently holds two parcels of land which it has made a decision to dispose of to part fund the construction of a new central administration building. It is expected that the land will be listed for sale within the next 12 months.

## Notes to the Financial Statements for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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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.

#### **(k) 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.

#### **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. Derivatives are classified as held for trading unless they are designated as hedges.

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.

#### **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.

#### **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.

#### **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.

#### **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.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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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.

#### Recognition and de-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

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

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

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 (e.g. 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 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

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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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. As at 30 June 2014 Council did not have any non-prescribed investments (e.g. managed funds, CDOs and equity linked notes).

#### (l) 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.

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

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)

For all assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

#### 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.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

- 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.

#### 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.

#### Capital 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.

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 Cond.	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	50 years
- Sealed Roads: Structure	50 years
- Bridge: Concrete	100 years
- Footpaths	50 years

#### Other Infrastructure Assets

- Bulk earthworks	Infinite
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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.

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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).

**(n) 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. In accordance with AASB 116, as Council already owned the land under roads, the initial movement in valuation was recorded in the Asset Revaluation Reserve. Land under roads All land under roads has been revalued in the 2013/14 financial year which has resulted in an increase in the asset revaluation reserve of \$2.987M.

Land under roads dedicated to Council in the 2014 financial year has been recognised as additional assets, with the value being calculated according to the revised municipal rate.

**(o) Intangible Assets**

Council has not classified any assets as Intangible.

**(p) 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 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.

**(q) 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 statements.

**(r) 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.

**(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.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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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 AASB139 Financial Instruments: Recognition and Measurement, this loan has been recognised at fair value. Council's indebtedness equates to \$20.065M as shown in Special Schedule 2 of these financial reports.

#### **(u) Borrowing Costs**

Borrowing costs are expensed.

#### **(v) Provisions**

Provisions 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.

#### **(w) Employee Benefits**

##### **Short Term Obligations**

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.

##### **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.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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#### **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.

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. However the position is monitored annually and the Actuary has estimated that as at 30 June 2014 the prior period deficit still exists.

The valuation of the Scheme was performed by Mr Richard Boyfield, Representative of Mercer Consulting (Australia) Pty Ltd, AFS Licence No. 411770 on 30 June 2014 and covers the period ended 30 June 2014.

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 2014 was \$639,016.

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

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$1,047,116 as at 30 June 2014.

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.

#### **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 2014.



## Notes to the Financial Statements for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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#### **(x) Self Insurance**

For the reporting period ending 30 June 2014, Council did not self insure.

In May 2014, Council resolved to accept membership from Westpool and United Independent Pools. Westpool is a co-operative Local Government self insurance scheme. Westpool was established to help stabilise insurance premium costs and achieve significant cost savings and long term benefits for member Councils through effective risk management.

Financial contributions to the Pool are based on the relative size of each council and incorporate a proportion of underlying claims experience so as to reflect risk exposure.

#### **(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. Inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

#### **(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, i.e. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), i.e. 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 2014.

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 with implications:**

***AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)***

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 1. Summary of Significant Accounting Policies

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Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

The Council has not yet fully assessed the impact on the reporting financial position and performance on adoption of AASB 9.

#### **Applicable to Local Government but no implications for Council;**

***AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (effective for 30 June 2015 Financial Statements)***

There are no changes to reported financial position or performance from AASB 2013 – 3, however additional disclosures may be required.

#### **Applicable to Local Government but not relevant to Council at this stage;**

***AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective for 30 June 2015 Financial Statements for not-for-profit entities)***

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules. As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

---

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2015.

#### **(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.

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	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 2014	Actual 2014	Actual 2013	Original Budget 2014	Actual 2014	Actual 2013	Original Budget 2014	Actual 2014	Actual 2013	Actual 2014	Actual 2013	Actual 2014	Actual 2013
Managing Camden's Growth	9,221	5,908	4,792	7,161	6,313	5,448	2,060	(405)	(656)	-	27	11,218	6,482
Urban and Natural Environments	27,364	25,294	35,174	19,482	18,620	17,209	7,882	6,674	17,965	442	647	212,909	167,703
Prosperous Economy	9	87	108	545	590	509	(536)	(503)	(401)	-	-	448	739
Sustainable Transport	22,663	37,124	36,894	15,813	23,980	21,556	6,850	13,144	15,338	559	620	426,823	423,559
Enriched and Connected Community	6,771	7,133	4,757	10,599	13,254	13,608	(3,828)	(6,121)	(8,851)	1,666	2,568	288,940	285,962
Strong Local Leadership(Governance)	1,684	3,568	2,469	16,244	15,526	13,084	(14,560)	(11,958)	(10,615)	879	20	29,506	36,556
<b>Total Functions &amp; Activities</b>	<b>67,712</b>	<b>79,114</b>	<b>84,194</b>	<b>69,844</b>	<b>78,283</b>	<b>71,414</b>	<b>(2,132)</b>	<b>831</b>	<b>12,780</b>	<b>3,546</b>	<b>3,882</b>	<b>969,844</b>	<b>921,001</b>
General Purpose Income <sup>1</sup>	39,110	38,581	37,558	-	-	-	39,110	38,581	37,558	1,996	2,945	-	-
<b>Operating Result from Continuing Operations</b>	<b>106,822</b>	<b>117,695</b>	<b>121,752</b>	<b>69,844</b>	<b>78,283</b>	<b>71,414</b>	<b>36,978</b>	<b>39,412</b>	<b>50,338</b>	<b>5,542</b>	<b>6,827</b>	<b>969,844</b>	<b>921,001</b>

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

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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**

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 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 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 2014

#### Note 3. Income from Continuing Operations

<b>\$'000</b>	<b>Actual 2014</b>	<b>Actual 2013</b>
<b>(a) Rates &amp; Annual Charges</b>		
<b>Ordinary Rates</b>		
Residential	26,879	25,353
Farmland	664	577
Business	7,383	6,942
<b>Total Ordinary Rates</b>	<b>34,926</b>	<b>32,872</b>
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic Waste Management Services	7,141	6,379
Section 611 Charges	31	25
Stormwater Management Levy	384	343
<b>Total Annual Charges</b>	<b>7,556</b>	<b>6,747</b>
<b><u>TOTAL RATES &amp; ANNUAL CHARGES</u></b>	<b><u>42,482</u></b>	<b><u>39,619</u></b>

Council has used 2010 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 2014

### Note 3. Income from Continuing Operations (continued)

\$'000	Actual 2014	Actual 2013
<b>(b) User Charges &amp; Fees</b>		
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)		
Domestic Waste Management Services	25	36
Commercial Waste Management	414	385
On Site Sewerage Annual Charges	158	150
On Site Sewerage Inspection	28	38
<b>Total User Charges</b>	<b>625</b>	<b>609</b>
<b>Other User Charges &amp; Fees</b>		
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)		
Building Services - Other	2,366	2,046
Private Works - Section 67	43	117
Section 149 Certificates (EPA Act)	314	221
Section 603 Certificates	215	154
Town Planning	3,065	2,334
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>	<b>6,003</b>	<b>4,872</b>
<b>(ii) Fees &amp; Charges - Otherincl. General User Charges</b> (per s.608)		
Cemeteries	161	159
Child Care (Family Day Care Services)	234	184
Leaseback Fees - Council Vehicles	565	554
Library Services	56	57
Public Halls	1,044	1,085
Parks & Leisure Centres	4,145	3,886
Other	31	41
<b>Total Fees &amp; Charges - Other</b>	<b>6,236</b>	<b>5,966</b>
<b>TOTAL USER CHARGES &amp; FEES</b>	<b>12,864</b>	<b>11,447</b>

# Camden Council

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 3. Income from Continuing Operations (continued)

\$'000	Actual 2014	Actual 2013
<b>(c) Interest &amp; Investment Revenue (incl. losses)</b>		
<b>Interest &amp; Dividends</b>		
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)	158	207
- Interest earned on Investments (interest & coupon payment income)	2,656	2,537
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>	<b><u>2,814</u></b>	<b><u>2,744</u></b>
<b>Interest Revenue is attributable to:</b>		
<b>Unrestricted Investments/Financial Assets:</b>		
Overdue Rates & Annual Charges (General Fund)	158	207
General Council Cash & Investments	1,500	1,497
<b>Restricted Investments/Funds - External:</b>		
Development Contributions		
- Section 94 (under plans)	1,122	1,023
- Section 93F (under plans)	29	12
- Section 94 (not under plans)	5	5
<b><u>Total Interest &amp; Investment Revenue Recognised</u></b>	<b><u>2,814</u></b>	<b><u>2,744</u></b>
<b>(d) Other Revenues</b>		
Fines	117	117
Legal Fees Recovery - Rates & Charges (Extra Charges)	133	138
Legal Fees Recovery - Other	151	7
Bushfire Services	55	59
Commissions & Agency Fees	199	113
Domestic Waste Management	11	6
Employee Relations	35	52
Insurance Claim Recoveries	13	12
Sales - General	40	140
State Road Grass Cutting & Rubbish Collection	153	204
Contributions to Long Service Leave - Other Councils	92	60
Tourism Income	3	7
Information Technology Holding Account	-	186
Camden Pool Defect Cost Recovery	48	-
Rental Income - Council Properties	26	-
Easement Compensation	168	-
Risk Mgmt Performance Incentive Rebates	133	75
Council Land - Lease Income	50	48
Other	126	43
<b><u>TOTAL OTHER REVENUE</u></b>	<b><u>1,553</u></b>	<b><u>1,267</u></b>



## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 3. Income from Continuing Operations (continued)

\$'000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance - General Component	1,126	1,687	-	-
Financial Assistance - Local Roads Component	512	919	-	-
Pensioners' Rates Subsidies - General Component	358	339	-	-
<b>Total General Purpose</b>	<b>1,996</b>	<b>2,945</b>	<b>-</b>	<b>-</b>
The Financial Assistance Grant for 13/14 reflects a one off reduction due to the fact that this grant is no longer being paid in advance by up to 50% as has occurred in previous years - it does not represent a loss of income but is instead a timing difference.				
<b>Specific Purpose</b>				
Child Care (Family Day Care)	1,295	1,100	-	-
Community Services	132	1,265	-	26
Employment & Training Programs	13	19	-	-
Environment Education	43	-	-	-
Library	160	178	-	-
Noxious Weeds	27	176	-	-
Emergency Services	170	164	695	18
Recreational Services	-	231	139	58
Street Lighting	128	128	-	-
Transport (Other Roads & Bridges Funding)	-	117	400	375
Planning & Development	-	27	-	-
Local Infrastructure Renewal Scheme	30	-	-	-
Better Waste & Recycling Fund	186	-	-	-
Floodplain Management	104	-	-	-
Energy Efficient Program	24	-	-	-
<b>Total Specific Purpose</b>	<b>2,312</b>	<b>3,405</b>	<b>1,234</b>	<b>477</b>
<b>Total Grants</b>	<b>4,308</b>	<b>6,350</b>	<b>1,234</b>	<b>477</b>
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	2,958	3,651	400	375
- State Funding	1,350	2,699	834	102
	<b>4,308</b>	<b>6,350</b>	<b>1,234</b>	<b>477</b>

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$'000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
<b>(f) Contributions</b>				
<b>Developer Contributions:</b>				
<b>(s93 &amp; s94 - EP&amp;A Act, s64 of the LGA):</b>				
- Roadworks	-	-	2,878	1,282
- Roadworks (In kind)	-	-	5	-
- Drainage	-	-	2,306	1,012
- Drainage (In kind)	-	-	27	637
- Traffic Facilities	-	-	110	55
- Parking	-	-	198	-
- Open Space	-	-	3,346	2,501
- Recreational & Open Space (In kind)	-	-	953	-
- Community Facilities	-	-	3,866	3,099
- Other Section 94 Developer Contributions	320	301	245	123
- VPA - Dedicated Drainage	-	-	473	1,271
- VPA - Dedicated Roads	-	-	115	72
- VPA - Dedicated Open Space	-	-	2,240	2,253
- VPA - Other Cash Revenue	167	-	814	367
<b>Total Developer Contributions</b>	<b>487</b>	<b>301</b>	<b>17,576</b>	<b>12,672</b>
<b>Other Contributions:</b>				
Planning Studies	278	474	-	50
Dedicated Drainage	-	-	10,987	16,194
Dedicated Open Space	-	-	1,307	2,479
Dedicated Subdivision Roads	-	-	19,806	21,913
Dedicated Land Under Roads	-	-	1,069	3,913
Roads & Bridges	-	498	199	-
RMS Contributions (Regional Roads, Blk	65	64	666	1,290
<b>Total Other Contributions</b>	<b>343</b>	<b>1,036</b>	<b>34,034</b>	<b>45,839</b>
<b>Total Contributions</b>	<b>830</b>	<b>1,337</b>	<b>51,610</b>	<b>58,511</b>
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>5,138</b>	<b>7,687</b>	<b>52,844</b>	<b>58,988</b>

## Camden Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 3. Income from Continuing Operations (continued)

<b>\$'000</b>	<b>Actual 2014</b>	<b>Actual 2013</b>
<b>(g) Restrictions relating to Grants and Contributions</b>		
<b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the Close of the Previous Reporting Period	24,448	20,716
<b>add:</b> Grants & contributions recognised in the current period but not yet spent:	15,640	10,685
<b>less:</b> Grants & contributions recognised in a previous reporting period now spent:	(5,480)	(6,953)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>10,160</b>	<b>3,732</b>
<b>Unexpended and held as Restricted Assets</b>	<b>34,608</b>	<b>24,448</b>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	307	935
- Developer Contributions	32,938	23,119
- Other Contributions - S93F Planning Agreements	1,363	394
	<b>34,608</b>	<b>24,448</b>

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations

\$'000	Actual 2014	Actual 2013
<b>(a) Employee Benefits &amp; On-Costs</b>		
Salaries and Wages	20,603	19,554
Travelling	1,510	1,442
Employee Leave Entitlements (ELE)	2,761	2,485
Superannuation	2,425	2,283
Workers' Compensation Insurance	753	1,067
Fringe Benefit Tax (FBT)	141	100
Training Costs (other than Salaries & Wages)	220	364
Other	282	250
<b>Total Employee Costs</b>	<b>28,695</b>	<b>27,545</b>
less: Capitalised Costs	(537)	(395)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>28,158</b>	<b>27,150</b>
Number of "Equivalent Full Time" Employees at year end	<b>320.2</b>	<b>304.0</b>
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)	<b>324.8</b>	<b>308.0</b>
<b>(b) Borrowing Costs</b>		
<b>(i) Interest Bearing Liability Costs</b>		
Interest on Loans	623	578
<b>Total Interest Bearing Liability Costs</b>	<b>623</b>	<b>578</b>
<b>Total Interest Bearing Liability Costs Expensed</b>	<b>623</b>	<b>578</b>
<b>(ii) Other Borrowing Costs</b>		
Amortisation of Discounts and Premiums - Interest Free Loan	627	600
<b>Total Other Borrowing Costs</b>	<b>627</b>	<b>600</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>	<b>1,250</b>	<b>1,178</b>

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$'000	Actual 2014	Actual 2013
<b>(c) Materials &amp; Contracts</b>		
Contractor & Consultancy Costs	291	786
Auditors Remuneration <sup>(1)</sup>	50	41
Legal Expenses:		
- Legal Expenses: Planning & Development	190	93
- Legal Expenses: Other	404	280
Agency Agreements	67	100
Building Maintenance	724	776
Community Support Programs	1,815	1,579
Companion Animal Control	90	89
Emergency Services	67	100
Function Centre Administration	163	160
Information Technology	778	483
Infrastructure Maintenance and Repairs	1,672	1,952
Noxious Weeds Control	28	45
Office Administration	422	308
Parks & Gardens Maintenance	2,959	2,478
Plant Management	1,765	1,765
Environmental Education	31	27
Leisure Centre & Pools	4,086	3,821
Tree Maintenance	344	295
Waste Management	3,196	3,020
Traineeship Program	270	225
Other	501	82
<b>Total Materials &amp; Contracts</b>	<b>19,913</b>	<b>18,505</b>
<b>TOTAL MATERIALS &amp; CONTRACTS</b>	<b>19,913</b>	<b>18,505</b>

**1. Auditor Remuneration**

During the year, the following fees were incurred for services provided by the Council's Auditor.

**(i) Audit and Other Assurance Services**

- Audit & review of financial statements: Council's Auditor	50	41
<b>Remuneration for audit and other assurance services</b>	<b>50</b>	<b>41</b>
<b>Total Auditor Remuneration</b>	<b>50</b>	<b>41</b>

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$'000	Impairment Costs		Depreciation/Amortisation	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>(d) Depreciation, Amortisation &amp; Impairment</b>				
Plant and Equipment	-	-	1,337	1,399
Office Equipment	-	-	189	172
Furniture & Fittings	-	-	47	40
Buildings - Non Specialised	-	-	2,193	1,714
Buildings - Specialised	-	-	34	63
Other Structures	-	-	749	868
Infrastructure:				
- Roads	-	-	8,253	7,462
- Bridges	-	-	230	212
- Footpaths	-	-	315	310
- Stormwater Drainage	-	-	2,306	2,079
- Other Open Space/Recreational Assets	-	-	353	222
Other Assets				
- Library Books	-	-	151	141
- Other	-	-	177	172
<b>Total Depreciation &amp; Impairment Costs</b>	<b>-</b>	<b>-</b>	<b>16,334</b>	<b>14,854</b>
less: Capitalised Costs	-	-	(602)	(582)
<b>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</b>	<b>-</b>	<b>-</b>	<b>15,732</b>	<b>14,272</b>

# Camden Council

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 4. Expenses from Continuing Operations (continued)

\$'000	Actual 2014	Actual 2013
<b>(e) Other Expenses</b>		
Other Expenses for the year include the following:		
Advertising	223	221
Bad & Doubtful Debts	5	15
Bank Charges	72	135
Emergency Services	54	48
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)	713	587
Councillor Expenses - Mayoral Fee	34	34
Councillor Expenses - Councillors' Fees	140	137
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)	43	54
Development Operating Expenses	29	108
Donations, Contributions & Assistance to other organisations (Section 356)	211	270
Election Expenses	-	236
Electricity & Heating	456	453
Information Technology Expenses	146	224
Insurance	716	746
Postage	78	75
Printing & Stationery	86	73
Rates Collection Charges	194	180
Street Lighting	1,591	1,446
Telephone & Communications	299	257
Water Charges	232	214
Contribution Towards Upgrade of Utilities - Lodges Rd	-	2,679
Contribution Towards Upgrade of Utilities - Springs Rd	5,113	-
Section 94 Contribution Refund Provision	1,392	-
Other	420	336
<b>Total Other Expenses</b>	<b>12,247</b>	<b>8,528</b>
<b>TOTAL OTHER EXPENSES</b>	<b>12,247</b>	<b>8,528</b>

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 5. Gains or Losses from the Disposal of Assets

\$'000	Actual 2014	Actual 2013
<b>Plant &amp; Equipment</b>		
Proceeds from Disposal - Plant & Equipment	222	362
less: Carrying Amount of P&E Assets Sold	(63)	(59)
<b>Net Gain/(Loss) on Disposal</b>	<b>159</b>	<b>303</b>
<b>Infrastructure</b>		
Proceeds from Disposal - Infrastructure	-	-
less: Carrying Amount of Infrastructure Written Off	(1,104)	(2,084)
<b>Net Gain/(Loss) on Disposal</b>	<b>(1,104)</b>	<b>(2,084)</b>
<b>Other Structures</b>		
Proceeds from Disposal - Other Structures	-	-
less: Carrying Amount of Other Structures Written Off	(38)	-
<b>Net Gain/(Loss) on Disposal</b>	<b>(38)</b>	<b>-</b>
<b>Financial Assets</b>		
Proceeds from Disposal - Financial Assets	108,350	81,550
less: Carrying Amount of Financial Assets Assets Sold	(108,350)	(81,550)
<b>Net Gain/(Loss) on Disposal</b>	<b>-</b>	<b>-</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>	<b>(983)</b>	<b>(1,781)</b>



## Camden Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

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

\$'000	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>				
Cash on Hand and at Bank	448	-	102	-
Cash-Equivalent Assets <sup>1</sup>				
- Deposits at Call	4,980	-	1,815	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>5,428</b>	<b>-</b>	<b>1,917</b>	<b>-</b>
<b>Investments (Note 6b)</b>				
- Term Deposits	45,150	23,200	46,550	5,200
<b>Total Investments</b>	<b>45,150</b>	<b>23,200</b>	<b>46,550</b>	<b>5,200</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>	<b>50,578</b>	<b>23,200</b>	<b>48,467</b>	<b>5,200</b>

<sup>1</sup> 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"

5,428	-	1,917	-
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#### **Investments**

a. "Held to Maturity"

Investments

45,150	23,200	46,550	5,200
<b>45,150</b>	<b>23,200</b>	<b>46,550</b>	<b>5,200</b>

#### Note 6b. Investments

Balance at the Beginning of the Year	46,550	5,200	47,000	2,000
Additions	106,950	18,000	79,100	5,200
Disposals (sales & redemptions)	(108,350)	-	(79,550)	(2,000)
<b>Balance at End of Year</b>	<b>45,150</b>	<b>23,200</b>	<b>46,550</b>	<b>5,200</b>
<b>Comprising:</b>				
- Term Deposits	45,150	23,200	46,550	5,200
<b>Total</b>	<b>45,150</b>	<b>23,200</b>	<b>46,550</b>	<b>5,200</b>

## Camden Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

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

\$'000	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
<b>Total Cash, Cash Equivalents and Investments</b>	<b>50,578</b>	<b>23,200</b>	<b>48,467</b>	<b>5,200</b>
<b>attributable to:</b>				
External Restrictions (refer below)	19,575	23,200	26,353	5,200
Internal Restrictions (refer below)	29,375	-	21,771	-
Unrestricted	1,628	-	343	-
	<b>50,578</b>	<b>23,200</b>	<b>48,467</b>	<b>5,200</b>

2014 \$'000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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#### Details of Restrictions

##### External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans (A)	3,090	126	(106)	3,110
Retention Bonds - S94 Developer Contribution (B)	495	1,392	-	1,887
<b>External Restrictions - Included in Liabilities</b>	<b>3,585</b>	<b>1,518</b>	<b>(106)</b>	<b>4,997</b>

##### External Restrictions - Other

Developer Contributions - General (B)	23,018	15,396	(6,011)	32,403
Specific Purpose Unexpended Grants (C)	866	301	(860)	307
Domestic Waste Management (D)	3,119	1,870	(582)	4,407
Stormwater Management (D)	453	429	(444)	438
Other	512	5	(294)	223
<b>External Restrictions - Other</b>	<b>27,968</b>	<b>18,001</b>	<b>(8,191)</b>	<b>37,778</b>
<b>Total External Restrictions</b>	<b>31,553</b>	<b>19,519</b>	<b>(8,297)</b>	<b>42,775</b>

(A) Loan funds which must be applied for the purposes for which the loans were raised.

(B) Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

(C) Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1).

(D) 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 2014

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

2014 \$'000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
<b>Internal Restrictions</b>				
Plant & Vehicle Replacement	1,569	786	(444)	1,911
Employees Leave Entitlement	1,772	522	(815)	1,479
Deposits, Retentions & Bonds	4,248	2,633	(1,560)	5,321
Camden Parking Reserve	121	-	-	121
Camden Town Centre Reserve	1,133	-	(33)	1,100
Capital Works Reserve	120	2,890	(1,211)	1,799
Central Administration Building Reserve	3,319	2,999	(1,467)	4,851
Cemetery Improvements	516	113	-	629
Commercial Waste Services	1,105	164	(10)	1,259
Community Infrastructure Program (2010-13)	121	-	(121)	-
DOP Loan Repayment Reserve	3,756	-	(600)	3,156
Elections Reserve	-	74	-	74
Engineering Services Deposits	159	15	(2)	172
Expenditure Revote Reserve	2,308	1,849	(1,824)	2,333
Family Day Care Trust	47	30	-	77
Public Appeals Reserve	36	-	-	36
Risk Management Reserve	243	-	-	243
Road Improvement Reserve	-	88	(88)	-
Sec 355 Committee Reserve	281	89	-	370
Water Savings Action Plan Reserve	53	20	(2)	71
Working Funds Reserve	66	1,863	(1,532)	397
General Fund Stormwater Reserve	503	214	(53)	664
Asset Renewal Reserve	143	180	-	323
Information Technology Reserve	152	-	(130)	22
Community Infrastructure Program (2014-19)	-	4,076	(1,109)	2,967
<b>Total Internal Restrictions</b>	<b>21,771</b>	<b>18,605</b>	<b>(11,001)</b>	<b>29,375</b>
<b>TOTAL RESTRICTIONS</b>	<b>53,324</b>	<b>38,124</b>	<b>(19,298)</b>	<b>72,150</b>

Camden Council  
Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 7. Receivables

\$'000	2014		2013	
	Current	Non Current	Current	Non Current
<b>Purpose</b>				
Rates & Annual Charges	1,573	142	2,068	285
Interest & Extra Charges	172	-	145	79
Restoration & Private Works	14	-	52	-
Accrued Revenues				
- Interest on Investments	1,013	-	465	-
Government Grants & Subsidies	745	-	1,100	-
Community & Recreational Facilities	297	-	259	-
Net GST Receivable	348	-	342	-
Employee Accounts	17	-	13	-
Health & Environment Inspections	42	-	42	-
Road Works Recoupment	-	-	64	-
Leisure Centre Contracts	231	-	205	-
Workers Compensation	108	-	177	-
Sale of Assets	-	-	105	-
Section 94 Contributions	11	-	-	-
Commercial Waste	9	1	7	1
Legal Cost Recovery	251	-	-	-
Service Utilities - Cost Reimbursement	226	-	-	-
Gas Main Rating Charge	32	-	-	-
Other Debtors	177	-	464	-
<b>Total</b>	<b>5,266</b>	<b>143</b>	<b>5,508</b>	<b>365</b>
<b>less: Provision for Impairment</b>				
Other Debtors	(51)	-	(46)	-
<b>Total Provision for Impairment - Receivables</b>	<b>(51)</b>	<b>-</b>	<b>(46)</b>	<b>-</b>
<b>TOTAL NET RECEIVABLES</b>	<b>5,215</b>	<b>143</b>	<b>5,462</b>	<b>365</b>
<b>Externally Restricted Receivables</b>				
Domestic Waste Management	316	78	387	103
Stormwater Management	15	3	25	4
Specific Purpose Grants	-	-	69	-
Section 94 Contributions	11	-	-	-
<b>Total External Restrictions</b>	<b>342</b>	<b>81</b>	<b>481</b>	<b>107</b>
<b>Internally Restricted Receivables</b>				
Commercial Waste Reserve	9	1	7	1
Capital Works Reserve	-	-	2,653	-
Working Funds Reserve	3,848	-	1,466	-
<b>Internally Restricted Receivables</b>	<b>3,857</b>	<b>1</b>	<b>4,126</b>	<b>1</b>
<b>Unrestricted Receivables</b>	<b>1,016</b>	<b>61</b>	<b>855</b>	<b>257</b>
<b>TOTAL NET RECEIVABLES</b>	<b>5,215</b>	<b>143</b>	<b>5,462</b>	<b>365</b>

**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 9.00% (2013 10.00%).  
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 2014

## Note 8. Inventories &amp; Other Assets

\$'000	2014		2013	
	Current	Non Current	Current	Non Current
<b>Inventories</b>				
Stores & Materials	460	-	364	-
Trading Stock	33	-	43	-
<b>Total Inventories</b>	<b>493</b>	<b>-</b>	<b>407</b>	<b>-</b>
<b>Other Assets</b>				
Prepayments	242	-	476	-
Information Technology Holding Account	22	-	152	-
<b>Total Other Assets</b>	<b>264</b>	<b>-</b>	<b>628</b>	<b>-</b>
<b>TOTAL INVENTORIES / OTHER ASSETS</b>	<b>757</b>	<b>-</b>	<b>1,035</b>	<b>-</b>
<b>Externally Restricted Assets</b>				
<b>Domestic Waste Management</b>				
Stores & Materials	13	-	12	-
<b>Total Domestic Waste Management</b>	<b>13</b>	<b>-</b>	<b>12</b>	<b>-</b>
<b>Total Externally Restricted Assets</b>	<b>13</b>	<b>-</b>	<b>12</b>	<b>-</b>
<b>Total Unrestricted Assets</b>	<b>744</b>	<b>-</b>	<b>1,023</b>	<b>-</b>
<b>TOTAL INVENTORIES &amp; OTHER ASSETS</b>	<b>757</b>	<b>-</b>	<b>1,035</b>	<b>-</b>

Camden Council

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 9a. Infrastructure, Property, Plant & Equipment

\$'000	as at 30/6/2013				Asset Movements during the Reporting Period					as at 30/6/2014			
	At	At	Accumulated	Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Tfrs to "Held for Sale" category	Revaluation Increments to Equity (ARR)	At	At	Accumulated	Carrying
	Cost	Fair Value	Dep'n	Value						Cost	Fair Value	Dep'n	Value
Capital Work in Progress*	20,501	-	-	20,501	(9,178)	-	-	-	-	11,322	-	-	11,322
Plant & Equipment	-	13,372	8,689	4,683	677	(62)	(1,337)	-	-	-	13,411	9,451	3,960
Office Equipment	-	3,437	2,889	548	502	-	(189)	-	-	-	3,938	3,076	862
Furniture & Fittings	-	1,372	1,212	160	3	-	(47)	-	-	-	1,375	1,259	116
<b>Land:</b>													
- Operational Land	-	87,771	-	87,771	257	-	-	(2,680)	-	-	85,348	-	85,348
- Community Land	-	97,896	-	97,896	5,037	-	-	-	-	-	102,933	-	102,933
- Land under Roads (post 30/6/08)	-	37,181	-	37,181	1,339	-	-	-	2,987	-	41,507	-	41,507
Land Improvements - depreciable	-	42,440	6,087	36,353	22	-	-	-	-	-	42,463	6,087	36,376
Buildings - Non Specialised	-	78,546	36,222	42,324	4,816	-	(2,193)	-	-	-	83,362	38,415	44,947
Buildings - Specialised	-	1,376	1,021	355	725	-	(34)	-	-	-	2,101	1,056	1,045
Other Structures	-	2,151	1,665	486	588	(3)	(749)	-	-	-	2,731	2,408	323
<b>Infrastructure:</b>													
- Roads	-	383,684	72,697	310,987	22,979	(1,063)	(8,253)	-	-	-	405,195	80,544	324,651
- Bridges	-	14,883	4,486	10,397	2,082	-	(230)	-	-	-	16,965	4,716	12,249
- Footpaths	-	14,732	3,897	10,835	1,116	-	(315)	-	-	-	15,847	4,211	11,636
- Bulk Earthworks (non-depreciable)	-	15,493	-	15,493	500	(41)	-	-	-	-	15,952	-	15,952
- Stormwater Drainage	-	209,276	31,000	178,276	12,105	-	(2,306)	-	-	-	221,381	33,306	188,075
- Other Open Space/Recreational Assets	-	8,236	3,538	4,698	29	(36)	(353)	-	-	-	8,156	3,818	4,338
<b>Other Assets:</b>													
- Library Books	-	2,877	2,006	871	211	-	(151)	-	-	-	3,088	2,158	930
- Other	-	4,240	3,583	657	221	-	(177)	-	-	-	4,461	3,760	701
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	<b>20,501</b>	<b>1,018,963</b>	<b>178,992</b>	<b>860,472</b>	<b>44,031</b>	<b>(1,205)</b>	<b>(16,334)</b>	<b>(2,680)</b>	<b>2,987</b>	<b>11,322</b>	<b>1,070,214</b>	<b>194,265</b>	<b>887,271</b>

\* This amount (\$9,178) represents the net movement of capital works in progress. It comprises of works committed during the year, then projects completed and forming part of the fixed assets additions.

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$3.5M) and New Assets (\$49.7M).

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.

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$000 Class of Asset	Actual 2014				Actual 2013			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Domestic Waste Management</b>								
Plant & Equipment	-	6,597	4,600	<b>1,997</b>	-	7,875	5,636	<b>2,239</b>
Land								
- Operational Land	-	1,657	-	<b>1,657</b>	-	1,657	-	<b>1,657</b>
Buildings	-	1,179	660	<b>519</b>	-	1,167	633	<b>534</b>
<b>Total DWM</b>	<b>-</b>	<b>9,433</b>	<b>5,260</b>	<b>4,173</b>	<b>-</b>	<b>10,699</b>	<b>6,269</b>	<b>4,430</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	<b>-</b>	<b>9,433</b>	<b>5,260</b>	<b>4,173</b>	<b>-</b>	<b>10,699</b>	<b>6,269</b>	<b>4,430</b>

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 10a. Payables, Borrowings & Provisions

\$'000	2014		2013	
	Current	Non Current	Current	Non Current
<b>Payables</b>				
Goods & Services - Operating Expenditure	2,274	-	1,817	-
Payments Received In Advance	192	-	364	-
Accrued Expenses:				
- Borrowings	38	-	2	-
- Salaries & Wages	416	-	1	-
Security Bonds, Deposits & Retentions	5,129	-	3,884	-
Section 94 - Retention Bonds & Refunds	773	1,114	495	-
<b>Total Payables</b>	<b>8,822</b>	<b>1,114</b>	<b>6,563</b>	<b>-</b>
<b>Borrowings</b>				
Loans - Secured	2,543	14,903	1,921	12,633
<b>Total Borrowings</b>	<b>2,543</b>	<b>14,903</b>	<b>1,921</b>	<b>12,633</b>
<b>Provisions</b>				
<b>Employee Benefits</b>				
Annual Leave	2,335	-	2,293	-
Long Service Leave	5,506	308	5,376	301
Sub Total - Aggregate Employee Benefits	7,841	308	7,669	301
<b>Total Provisions</b>	<b>7,841</b>	<b>308</b>	<b>7,669</b>	<b>301</b>
<b>Total Payables, Borrowings &amp; Provisions</b>	<b>19,206</b>	<b>16,325</b>	<b>16,153</b>	<b>12,934</b>

(i) Liabilities relating to Restricted Assets

	2014		2013	
	Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>				
Domestic Waste Management	130	-	76	-
Section 94 - Retention Bonds & Refunds	773	1,114	495	-
Liabilities relating to externally restricted assets	903	1,114	571	-
Liabilities relating to internally restricted assets	-	-	-	-
<b>Total Liabilities relating to restricted assets</b>	<b>903</b>	<b>1,114</b>	<b>571</b>	<b>-</b>
<b>Total Liabilities relating to unrestricted assets</b>	<b>18,303</b>	<b>15,211</b>	<b>15,582</b>	<b>12,934</b>
<b>TOTAL PAYABLES, BORROWINGS &amp; PROVISIONS</b>	<b>19,206</b>	<b>16,325</b>	<b>16,153</b>	<b>12,934</b>

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.



Notes to the Financial Statements

for the financial year ended 30 June 2014

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

\$'000	Actual 2014	Actual 2013
<b>(ii) Current Liabilities not anticipated to be settled within the next 12 months</b>		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	5,546	5,779
Payables - Security Bonds, Deposits & Retentions	4,766	3,023
	<b>10,312</b>	<b>8,802</b>

Note 10b. Description of and movements in Provisions

Class of Provision	Opening Balance as at 1/7/13	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/14
Annual Leave	2,293	1,739	(1,697)	-	-	2,335
Long Service Leave	5,677	1,041	(885)	(19)	-	5,814
<b>TOTAL</b>	<b>7,970</b>	<b>2,780</b>	<b>(2,582)</b>	<b>(19)</b>	<b>-</b>	<b>8,149</b>

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.

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 11. Statement of Cash Flows - Additional Information

\$'000	Notes	Actual 2014	Actual 2013
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	5,428	1,917
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>5,428</b>	<b>1,917</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>39,412</b>	<b>50,338</b>
<b>Adjust for non cash items:</b>			
Depreciation & Amortisation		15,732	14,272
Net Losses on Disposal of Assets		983	1,781
Non Cash Capital Grants and Contributions		(36,982)	(48,732)
Interest Exp. on Interest Free Loans received by Council (previously Fair Valued)		627	600
<b>Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		464	(7,637)
Increase/(Decrease) in Provision for Doubtful Debts		5	16
Decrease/(Increase) in Inventories		(86)	25
Decrease/(Increase) in Other Assets		364	80
Increase/(Decrease) in Payables		457	(1,277)
Increase/(Decrease) in Accrued Interest Payable		36	-
Increase/(Decrease) in other Accrued Expenses Payable		415	(419)
Increase/(Decrease) in Other Liabilities		2,465	567
Increase/(Decrease) in Employee Leave Entitlements		179	493
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>24,071</b>	<b>10,107</b>

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

\$'000	Notes	Actual 2014	Actual 2013
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
S94 Contributions "in kind"		985	637
Other Dedications		35,997	48,095
<b>Total Non-Cash Investing &amp; Financing Activities</b>		<b>36,982</b>	<b>48,732</b>
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdraft Facilities <sup>(1)</sup>		150	150
Credit Cards / Purchase Cards		450	390
<b>Total Financing Arrangements</b>		<b>600</b>	<b>540</b>

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.  
Interest rates on overdrafts and 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 2014

### Note 12. Commitments for Expenditure

\$'000	Actual 2014	Actual 2013
<b>(a) Capital Commitments (exclusive of GST)</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Infrastructure, Property, Plant &amp; Equipment</b>		
Buildings	1,602	-
Plant & Equipment	113	-
Infrastructure Assets	3,847	1,643
Other	138	-
<b>Total Commitments</b>	<b>5,700</b>	<b>1,643</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	5,700	1,643
<b>Total Payable</b>	<b>5,700</b>	<b>1,643</b>

#### Details of Capital Commitments

The above commitments represent 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	790	1,018
Later than one year and not later than 5 years	366	324
<b>Total Non Cancellable Operating Lease Commitments</b>	<b>1,156</b>	<b>1,342</b>

##### 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.

##### 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.

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$'000	Amounts 2014	Indicator 2014	Prior Periods	
			2013	2012
<b>Local Government Industry Indicators</b>				
<b>1. Operating Performance Ratio</b>				
Total continuing operating revenue <sup>(1)</sup>				
<u>(excl. Capital Grants &amp; Contributions) - Operating Expenses</u>	<u>(12,449)</u>	-19.20%	-10.94%	-4.25%
Total continuing operating revenue <sup>(1)</sup> (excl. Capital Grants & Contributions)	64,851			
<b>2. Own Source Operating Revenue Ratio</b>				
Total continuing operating revenue <sup>(1)</sup>				
<u>(less ALL Grants &amp; Contributions)</u>	<u>59,713</u>	50.74%	45.24%	41.99%
Total continuing operating revenue <sup>(1)</sup>	117,695			
<b>3. Unrestricted Current Ratio</b>				
<u>Current Assets less all External Restrictions <sup>(2)</sup></u>	<u>39,300</u>	4.92 : 1	2.87	2.51
Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup>	7,991			
<b>4. Debt Service Cover Ratio</b>				
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	4,533	1.38	3.01	5.03
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	3,285			
<b>5. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
<u>Rates, Annual and Extra Charges Outstanding</u>	<u>1,887</u>	4.16%	6.10%	6.31%
Rates, Annual and Extra Charges Collectible	45,350			
<b>6. Cash Expense Cover Ratio</b>				
Current Year's Cash and Cash Equivalents including All Term Deposits	73,778	13.67	10.36	10.13
Payments from cash flow of operating and financing activities	64,743			

Notes

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

<sup>(2)</sup> Refer Notes 6-8 inclusive.

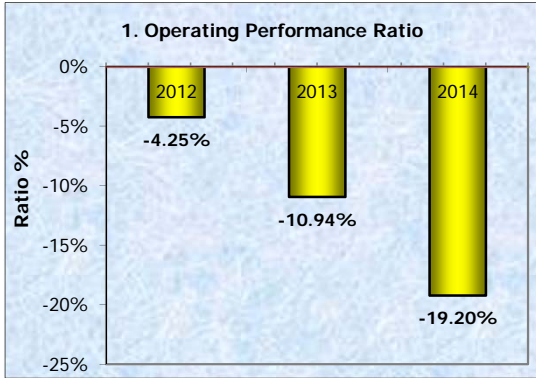
Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

<sup>(3)</sup> Refer to Note 10(a).

<sup>(4)</sup> 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 2014

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



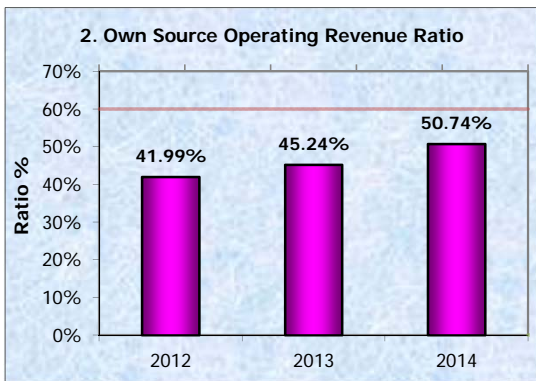
**Purpose of Operating Performance Ratio**

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2013/14 Result	
<b>2013/14 Ratio</b>	<b>-19.20%</b>
The benchmark for this ratio is better than 0.00% or \$0.00. The deficit of \$13.4 million (before capital income) or -19.20% is below benchmark. Reporting operating deficits is unsustainable over the long-term, the 2013/14 deficit predominately relates to managing depreciation expense, extraordinary items of expenditure and rapid growth. Upon excluding the extraordinary expense items (Springs Road Contribution, Section 94 refund provision and the timing of the Financial Assistance Grant Payment) the operating deficit improves from \$13.4million to \$5.9 million or from -19.20% to -7.59%. Further information can be found in the Executive Summary to this report.	

— Minimum 0.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting



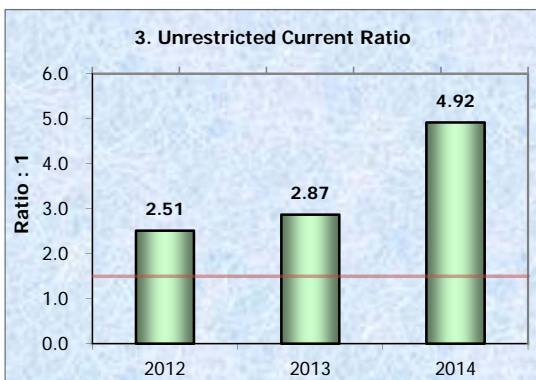
**Purpose of Own Source Operating Revenue Ratio**

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.

Commentary on 2013/14 Result	
<b>2013/14 Ratio</b>	<b>50.74%</b>
The benchmark for this ratio is 60%. This ratio has continued to improve over the past 3 years to 50.74% the ratio will continue to improve as Council's rating base grows. The indicator is also impacted by the high level of non-cash income Council receives through the dedication of assets which distorts the ratio.	

— Minimum 60.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting



**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.

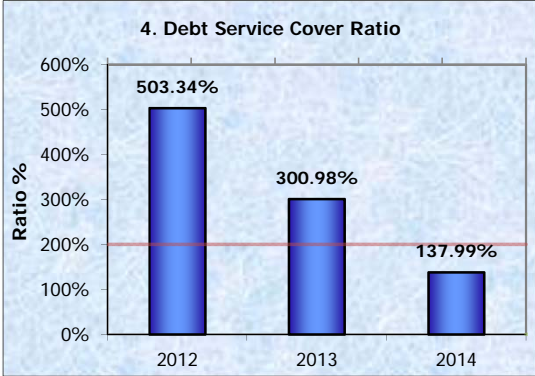
Commentary on 2013/14 Result	
<b>2013/14 Ratio</b>	<b>4.92 : 1</b>
The benchmark for this ratio is better than 1.50:1. This ratio has continued to improve and is now well above benchmark at 4.92:1 which indicates that for every \$1 of liability Council has \$4.92 of asset to pay for that liability. This indicates that Council is in a very strong liquidity position.	

— Minimum 1.50

Source for Benchmark: Code of Accounting Practice and Financial Reporting

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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



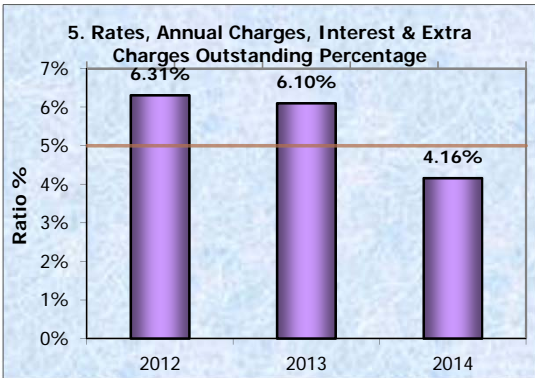
— Minimum 200.00%

Source for Benchmark: NSW Treasury Corporation

**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 2013/14 Result	
<b>2013/14 Ratio</b>	<b>137.99%</b>
The benchmark for this ratio is better than 200%. This ratio is below benchmark at 137.99% which is a direct result of the extraordinary items of expenditure for the Springs Road contribution, Section 94 Refund provision and the changes in the timing of the Financial Assistance Grant Payment. Upon excluding the extraordinary items the ratio increases to 365%. It is expected that this ratio will be better than benchmark for the 2014/15 reporting period.	



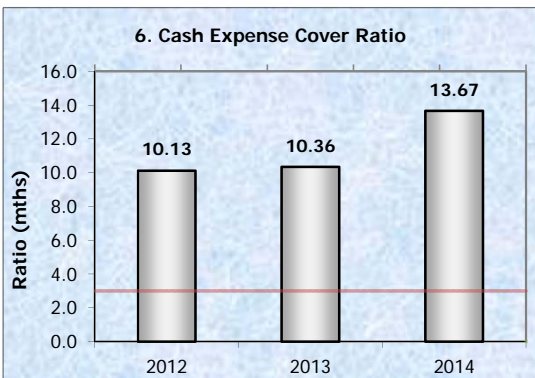
— Minimum 5.00%

Source for Benchmark: Office of Local Govt - Comparative Information (10/11)

**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 2013/14 Result	
<b>2013/14 Ratio</b>	<b>4.16%</b>
The benchmark for this ratio is less than 5%. The ratio is better than benchmark at 4.16% and has improved dramatically from the 2012/13 reported figure of 6.10%. Council has a policy of not taking legal action against pensioners, upon removing pensioners from the arrears of rates and charges the percentage reduces further to 3.15% well within benchmark.	



— Minimum 3.00

Source for Benchmark: Code of Accounting Practice and Financial Reporting

**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 Result	
<b>2013/14 Ratio</b>	<b>13.67</b>
The benchmark for this ratio is more than 3 months. The ratio is well above benchmark at 13.67 months representing Council's strong liquidity position.	

## Camden Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 14. Investment Properties

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	
	2014	2013	2014	2013
<b>Financial Assets</b>				
Cash and Cash Equivalents	5,428	1,917	5,428	1,917
Investments				
- "Held to Maturity"	68,350	51,750	68,350	51,750
Receivables	5,358	5,827	5,358	5,827
<b>Total Financial Assets</b>	<b>79,136</b>	<b>59,494</b>	<b>79,136</b>	<b>59,494</b>
<b>Financial Liabilities</b>				
Payables	9,744	6,199	9,744	6,199
Loans / Advances	17,446	14,554	17,446	14,554
<b>Total Financial Liabilities</b>	<b>27,190</b>	<b>20,753</b>	<b>27,190</b>	<b>20,753</b>

Note : Payables excludes payments in advance of \$192K.

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates market 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.



Notes to the Financial Statements

for the financial year ended 30 June 2014

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 there 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
<b>2014</b>				
Possible impact of a 1% movement in Investments	738	738	(738)	(738)
<b>2013</b>				
Possible impact of a 1% movement in Investments	537	537	(537)	(537)

Notes to the Financial Statements

for the financial year ended 30 June 2014

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.

Council makes suitable provision for doubtful receivables as required.

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:

	2014 Rates & Annual Charges	2014 Other Receivables	2013 Rates & Annual Charges	2013 Other Receivables
<b>(i) Ageing of Receivables - %</b>				
Current (not yet overdue)	0%	93%	0%	81%
Overdue	100%	7%	100%	19%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

**(ii) Ageing of Receivables - value**

Current (not yet overdue)	-	3,286	-	2,662
Non Current Receivables (not yet overdue)	-	-	-	-
Past due by up to 30 days	-	103	-	200
Past due between 31 and 60 days	-	56	-	130
Past due between 61 and 90 days	-	7	-	50
Past due by more than 90 days	1,887	70	2,577	254
	<u>1,887</u>	<u>3,522</u>	<u>2,577</u>	<u>3,296</u>

**(iii) Movement in Provision for Impairment of Receivables**

	2014	2013
Balance at the beginning of the year	46	31
+ new provisions recognised during the year	5	15
<b>Balance at the end of the year</b>	<u>51</u>	<u>46</u>

Notes to the Financial Statements

for the financial year ended 30 June 2014

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		
<b>2014</b>									
Trade/Other Payables	5,622	3,006	279	279	279	279	-	9,744	9,744
Loans & Advances	-	2,542	2,987	3,160	3,199	3,041	5,136	20,065	17,446
<b>Total Financial Liabilities</b>	<b>5,622</b>	<b>5,548</b>	<b>3,266</b>	<b>3,439</b>	<b>3,478</b>	<b>3,320</b>	<b>5,136</b>	<b>29,809</b>	<b>27,190</b>
<b>2013</b>									
Trade/Other Payables	4,379	1,820	-	-	-	-	-	6,199	6,199
Loans & Advances	-	1,920	2,208	2,633	2,784	2,801	5,454	17,800	14,554
<b>Total Financial Liabilities</b>	<b>4,379</b>	<b>3,740</b>	<b>2,208</b>	<b>2,633</b>	<b>2,784</b>	<b>2,801</b>	<b>5,454</b>	<b>23,999</b>	<b>20,753</b>

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:

	2014		2013	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	-	8.88%	-	8.88%
Loans & Advances - Fixed Interest Rate	17,446	6.61%	14,554	6.80%
	<u>17,446</u>		<u>14,554</u>	

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 16. Material Budget Variations

\$'000

Council's Original Budget for 2013/14 was adopted by the Council on 25 June 2013.

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 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	2014 Budget	2014 Actual	2014 ----- Variance* -----	
<b>User Charges &amp; Fees</b>	11,473	12,864	1,391	12% <b>F</b>
User fees and charges have exceeded budget expectations by \$1.391M (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 \$1.192M (F). The remaining variation of \$199K (F) relates to minor adjustments to income for other services where Council's charges a fee for service such as community facilities, parks and recreation and family day care.				
<b>Interest &amp; Investment Revenue</b>	1,898	2,814	916	48% <b>F</b>
Interest and investment revenue has exceeded budget expectations by \$916K (F). This is primarily a result of Council achieving higher interest rates than projected in the original budget and a higher than anticipated investment portfolio.				
<b>Other Revenues</b>	1,201	1,553	352	29% <b>F</b>
Other revenues have exceeded budget expectations by \$352K (F). This is largely due to income received during the year relating to easement access compensation \$168K (F) and risk management incentive rebates \$133K (F). Revenues of these types are not guaranteed and are therefore not included in Council's original budget projections. The remaining variation of \$51K (F) relates to minor adjustments to other sundry revenue Council received during the 2013/14 financial year.				
<b>Capital Grants &amp; Contributions</b>	45,275	52,844	7,569	17% <b>F</b>
Capital grants and contributions have exceeded original budget expectations by \$7.569M (F). This increase is in part 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 2013/14 financial year totalled \$36.982M where original budget projections were \$40.405M. There was also a significant increase in the level of Section 94 cash contributions received during the 2013/14 financial year which exceeded original budget expectations by \$9.150M (F). The remaining variation relates to grants and contributions which were approved by Council during the 2013/14 financial year through the quarterly review process.				

## Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 16. Material Budget Variations (continued)

\$'000	2014 Budget	2014 Actual	2014 ----- Variance* -----		
<b>EXPENSES</b>					
<b>Borrowing Costs</b>	<b>698</b>	<b>1,250</b>	<b>(552)</b>	<b>(79%)</b>	<b>U</b>
Actual borrowing costs were higher than the original budget by \$552K (U). This is primarily due to the amortisation (non-cash) of the Department of Planning interest free loan of \$627K (U). This entry is required to recognise the fair value of the interest free loan and does not impact on Council's cash budget result. The remaining savings of \$75K (F) is a result of the timing of Council taking up loan borrowings during the 2013/14 financial year later than previously expected.					
<b>Other Expenses</b>	<b>5,329</b>	<b>12,247</b>	<b>(6,918)</b>	<b>(130%)</b>	<b>U</b>
Other expenses exceeded original budget expectations by \$6.918M (U). This variation is primarily due to the treatment of expenditure relating to the upgrade of Springs Rd to urban pavement standard. Upon capitalisation of the asset, \$5.112M was identified as work completed on upgrading service utilities which are not Council assets. As such, it is appropriate to treat this expense as an operating expenditure. These works were funded through Section 94 developer contributions and have not impacted on Council's cash budget. A provision was also established to recognised a Section 94 credit of \$1.392M. Again this adjustment had no impact on Council's Cash Budget. The remaining variation of \$414K relates to variations in other expenditure which have been reported to Council through the quarterly review process.					
<b>Net Losses from Disposal of Assets</b>	<b>-</b>	<b>983</b>	<b>(983)</b>	<b>(100%)</b>	<b>U</b>
The net loss from the disposal assets resulted in a variation to budget of \$983K (U). This is primarily due to the profit from the sale of plant of equipment \$159K (F) and the disposal of infrastructure assets which were renewed during the 2013/14 financial year \$1.142M (U). These entries are required to reflect the written down value of assets which were renewed during the year, and does not impact on Council's cash budget.					

# Camden Council

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### 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	8,033	2,306	27	381	(28)	-	10,719	167,801	(178,503)	17	(17)
Roads	1,488	2,878	5	(50)	(723)	114	3,712	141,865	(136,501)	9,076	(9,076)
Traffic Facilities	900	110	-	41	(7)	-	1,044	5,830	(6,874)	-	-
Parking	-	198	-	5	-	(33)	170	17,517	(17,687)	-	-
Open Space	5,420	3,346	953	431	(2,412)	(225)	7,513	105,486	(122,820)	(9,821)	9,822
Community Facilities	6,926	3,866	-	311	(2,058)	-	9,045	81,838	(90,884)	(1)	-
Other	244	565	-	3	(334)	144	622	11,903	(11,796)	729	(729)
<b>S94 Contributions - under a Plan</b>	<b>23,011</b>	<b>13,269</b>	<b>985</b>	<b>1,122</b>	<b>(5,562)</b>	<b>-</b>	<b>32,825</b>	<b>532,240</b>	<b>(565,065)</b>	<b>-</b>	<b>-</b>
<b>Total S94 Revenue Under Plans</b>	<b>23,011</b>	<b>13,269</b>	<b>985</b>	<b>1,122</b>	<b>(5,562)</b>	<b>-</b>	<b>32,825</b>				<b>-</b>
S94 not under Plans	108	-	-	5	-	-	113	-	(113)	-	-
S93F Planning Agreements	394	981	2,828	29	(2,869)	-	1,363	195,305	(196,668)	-	-
<b>Total Contributions</b>	<b>23,513</b>	<b>14,250</b>	<b>3,813</b>	<b>1,156</b>	<b>(8,431)</b>	<b>-</b>	<b>34,301</b>	<b>727,545</b>	<b>(761,846)</b>	<b>-</b>	<b>-</b>

# Camden Council

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### 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	4,025	1,105	27	202	(28)	-	5,331	82,780	(88,094)	17	(17)
Roads	-	757	5	(170)	(706)	114	-	91,111	(81,901)	9,210	(9,210)
Traffic Facilities	968	110	-	43	(7)	-	1,114	5,093	(6,207)	-	-
Parking	-	198	-	5	-	(33)	170	17,517	(17,687)	-	-
Open Space	553	5,567	953	368	(953)	(225)	6,263	54,314	(70,398)	(9,821)	9,822
Community Facilities	4,741	3,755	-	217	(2,058)	-	6,655	74,249	(80,905)	(1)	-
Other	-	81	-	(25)	(200)	144	-	10,274	(9,545)	729	(729)
<b>Total</b>	<b>10,287</b>	<b>11,573</b>	<b>985</b>	<b>640</b>	<b>(3,952)</b>	<b>-</b>	<b>19,533</b>	<b>335,338</b>	<b>(354,737)</b>	<b>134</b>	<b>(134)</b>

##### 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	2,213	1,201	-	104	-	-	3,518	6,669	(10,187)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,213</b>	<b>1,201</b>	<b>-</b>	<b>104</b>	<b>-</b>	<b>-</b>	<b>3,518</b>	<b>6,669</b>	<b>(10,187)</b>	<b>-</b>	<b>-</b>

# Camden Council

## Notes to the Financial Statements for the financial year ended 30 June 2014

### Note 17. Statement of Developer Contributions (continued)

\$'000

#### S94 CONTRIBUTIONS - UNDER A PLAN

##### 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	98	-	-	4	-	-	102	241	(343)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>102</b>	<b>241</b>	<b>(343)</b>	<b>-</b>	<b>-</b>

##### CONTRIBUTION PLAN NO 6 - REHABILITATION & MANAGEMENT - ELDERSLIE SAND & SOIL DEPOSITS

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	-	-	-	-	-	-	-	-	-	-	-
Roads	(1,197)	1,197	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	2,298	(2,298)	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	(387)	387	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>714</b>	<b>(714)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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	
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	685	-	-	29	(17)	-	697	-	(697)	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>685</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>(17)</b>	<b>-</b>	<b>697</b>	<b>-</b>	<b>(697)</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$'000

**S94 CONTRIBUTIONS - UNDER A PLAN**

**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	
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	263	906	-	18	-	-	1,187	6,280	(7,467)	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>263</b>	<b>906</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>1,187</b>	<b>6,280</b>	<b>(7,467)</b>	<b>-</b>	<b>-</b>

**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	
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	475	18	-	20	-	-	513	-	(647)	(134)	134
Traffic Facilities	134	-	-	6	-	-	140	-	(140)	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	89	-	-	4	-	-	93	-	(93)	-	-
Other	(58)	6	-	(2)	-	-	(54)	68	(14)	-	-
<b>Total</b>	<b>640</b>	<b>24</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>692</b>	<b>68</b>	<b>(894)</b>	<b>(134)</b>	<b>134</b>

# Camden Council

## Notes to the Financial Statements for the financial year ended 30 June 2014

### 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	
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	(202)	-	-	(8)	-	-	(210)	737	(527)	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	912	-	-	38	-	-	950	1,368	(2,318)	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	517	52	-	22	(17)	-	574	-	(574)	-	-
<b>Total</b>	<b>1,227</b>	<b>52</b>	<b>-</b>	<b>52</b>	<b>(17)</b>	<b>-</b>	<b>1,314</b>	<b>2,105</b>	<b>(3,419)</b>	<b>-</b>	<b>-</b>

##### 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	
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	595	15	-	25	-	-	635	-	(635)	-	-
Community Facilities	(46)	35	-	(2)	-	-	(13)	13	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>549</b>	<b>50</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>622</b>	<b>13</b>	<b>(635)</b>	<b>-</b>	<b>-</b>

# Camden Council

## Notes to the Financial Statements for the financial year ended 30 June 2014

### Note 17. Statement of Developer Contributions (continued)

\$'000

#### S94 CONTRIBUTIONS - UNDER A PLAN

##### 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	1,697	-	-	71	-	-	1,768	48,443	(50,211)	-	-
Roads	1,262	-	-	53	-	-	1,315	33,147	(34,462)	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	1,062	62	-	-	(1,459)	-	(335)	17,739	(17,404)	-	-
Community Facilities	2,142	76	-	92	-	-	2,310	5,773	(8,083)	-	-
Other	172	39	-	8	(117)	-	102	(65)	(37)	-	-
<b>Total</b>	<b>6,335</b>	<b>177</b>	<b>-</b>	<b>224</b>	<b>(1,576)</b>	<b>-</b>	<b>5,160</b>	<b>105,037</b>	<b>(110,197)</b>	<b>-</b>	<b>-</b>

##### CONTRIBUTION PLAN - CATHERINE FIELDS (PART) PRECINCT

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	-	-	-	-	-	-	-	29,668	(29,668)	-	-
Roads	-	-	-	-	-	-	-	11,327	(11,327)	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	32,065	(32,065)	-	-
Community Facilities	-	-	-	-	-	-	-	1,803	(1,803)	-	-
Other	-	-	-	-	-	-	-	1,626	(1,626)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,489</b>	<b>(76,489)</b>	<b>-</b>	<b>-</b>

# Camden Council

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 17. Statement of Developer Contributions (continued)

\$'000

#### 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	-	-	472	-	(472)	-	-	17,428	(17,428)	-	-
Roads	-	-	115	-	(115)	-	-	27,268	(27,268)	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	122	288	-	9	-	-	419	69,110	(69,529)	-	-
Community Facilities	181	526	2,241	14	(2,241)	-	721	80,937	(81,657)	-	-
Other	91	167	-	6	(41)	-	223	562	(786)	-	-
<b>Total</b>	<b>394</b>	<b>981</b>	<b>2,828</b>	<b>29</b>	<b>(2,869)</b>	<b>-</b>	<b>1,363</b>	<b>195,305</b>	<b>(196,668)</b>	<b>-</b>	<b>-</b>

#### 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	18	-	-	1	-	-	19	-	(19)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	52	-	-	2	-	-	54	-	(54)	-	-
Community Facilities	38	-	-	2	-	-	40	-	(40)	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>108</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>113</b>	<b>-</b>	<b>(113)</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

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\$'000

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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 indicated 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 2014 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 \$1.047M as at 30 June 2014.

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.

**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.

**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.

As at 30 June 2014 Council had three contingent liabilities for Insurance Claims amounting to \$49K.

## Camden Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

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**\$'000**

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##### (a) Subsidiaries (ie. Entities & Operations controlled by Council)

Council has no interest in any Subsidiaries.

##### (b) Associated Entities & Joint Venture Entities

Council has no interest in any Associated Entities & Joint Venture Entities.

##### (c) Joint Venture Operations

Council has no interest in any Joint Venture Operations.

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$'000	Actual 2014	Actual 2013
<b>(a) Retained Earnings</b>		
<b>Movements in Retained Earnings were as follows:</b>		
Balance at beginning of Year (from previous years audited accounts)	563,810	542,753
Correction of Prior Period Errors	20 (c) -	(29,281)
Net Operating Result for the Year	39,412	50,338
<b>Balance at End of the Reporting Period</b>	<b>603,222</b>	<b>563,810</b>
<b>(b) Reserves</b>		
<b>(i) Reserves are represented by:</b>		
- Infrastructure, Property, Plant & Equipment Revaluation Reserve	331,091	328,104
<b>Total</b>	<b>331,091</b>	<b>328,104</b>
<b>(ii) Reconciliation of movements in Reserves:</b>		
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>		
- Opening Balance	328,104	291,431
- Revaluations: Land Under Roads	9(a) 2,987	-
- Revaluations: Operational Land	-	24,538
- Revaluations: Buildings	-	12,135
<b>- Balance at End of Year</b>	<b>331,091</b>	<b>328,104</b>
<b>TOTAL VALUE OF RESERVES</b>	<b>331,091</b>	<b>328,104</b>
<b>(iii) Nature &amp; Purpose of Reserves</b>		
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>		
- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.		
<b>(c) Correction of Error/s relating to a Previous Reporting Period</b>		
- Reversal of Treatment for Works In Kind Agreement Revenue	-	(29,281)
<b>Total Prior Period Adjustments - Prior Period Errors</b>	<b>-</b>	<b>(29,281)</b>

In previous year's Council has recognised income upon the signing of Works-in-Kind agreements. Under advice from Council's newly appointed external auditor, these entries should be reversed and income recognised upon the dedication (or control) of the assets to Council. In PricewaterhouseCooper's opinion this treatment better aligns itself with the accounting standards for the recognition of non-cash assets and non-cash income associated with Works-in-Kind agreements.

The adjusting entries in 2013 are a reversal to Retained Earnings (Balance Sheet) and receivable (Note 7) of \$29.281 million and a reversal of non-cash income in Note 3(f) of \$7.765 million.



## Camden Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 21. Financial Result & Financial Position by Fund

Council utilises only a General Fund for its operations.

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

##### (i) Non Current Assets classified as held for sale

	2014	2013
	\$	\$
Land Held for Sale	2,680	-
<b>Total Non Current Assets "Held for Sale"</b>	<b>2,680</b>	<b>-</b>

##### (ii) Details of Assets & Disposal Groups

Council presently holds two parcels of land which it has made a decision to dispose of to part fund the construction of a new central administration building. It is expected that the land will be listed for sale within the next 12 months.

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

#### Note 23. Events occurring after the Reporting Date

Events that occur between the end of the reporting period (ending 30 June 2014) 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 the 15 October 2014.

Council is unaware of any material or significant "non-adjusting events" that should be disclosed.

#### Note 24. Discontinued Operations

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.

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

During the reporting period, Council has also measured the following assets at fair value on a non-recurring basis:

- Non Current Assets classified as "Held for Sale"

Council presently holds two parcels of land which it has made a decision to dispose of to part fund the construction of a new central administration building. They are measured at the lower of their carrying amount rather than fair value, therefore no fair-value measurement was required. These assets were last valued as part of the revaluation of operational land in June 2013.

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:

2014	Note	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring Fair Value Measurements</b>					
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
Plant & Equipment	9	-	-	3,960	3,960
Office Equipment	9	-	-	862	862
Furniture & Fittings	9	-	-	116	116
Operational Land	9	-	-	85,348	85,348
Community Land	9	-	-	102,933	102,933
Land under Roads	9	-	-	41,507	41,507
Land Improvements	9	-	-	36,376	36,376
Buildings (Specialised & Non Specialised)	9	-	-	45,992	45,992
Other Structures	9	-	-	323	323
Roads	9	-	-	324,651	324,651
Bridges	9	-	-	12,249	12,249
Footpaths	9	-	-	11,636	11,636
Bulk Earthworks	9	-	-	15,952	15,952
Stormwater Drainage	9	-	-	188,075	188,075
Other Open Space / Recreational Assets	9	-	-	4,338	4,338
Library Books	9	-	-	930	930
Other Assets	9	-	-	701	701
<b>Total Infrastructure, Property, Plant &amp; Equip.</b>		<b>-</b>	<b>-</b>	<b>875,949</b>	<b>875,949</b>

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

\$ '000

**Non-recurring Fair Value Measurements**

**Non Current Assets classified as "Held for Sale"**

Real Estate Held for Sale	20	-	-	2,680	2,680
<b>Total NCA's classified as "Held for Sale"</b>		<b>-</b>	<b>-</b>	<b>2,680</b>	<b>2,680</b>

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

The Fair Valuation techniques Council has employed while utilising 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.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 27. Fair Value Measurement (continued)

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\$ '000

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#### 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 are 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.

#### 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 englobio valuation basis, based upon a municipal rate. The englobio basis of valuation is based on the concept of developing a raw land value for land under roads.

Land under roads have been revalued as 30 June 2014 financial year, the value being calculated according to the revised municipal rate.

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

#### 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 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.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 27. Fair Value Measurement (continued)

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\$ '000

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#### 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.

#### Roads

This asset class comprises of the road structure (carriageway), kerbing, traffic signs and road furniture such as bus shelters and guardrails. The valuation of roads and road structures was undertaken during 2010 using the cost approach. The valuation was conducted by AARB Pty Ltd. 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 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.

#### Bridges

Council has three main types of bridges which are culverts, footbridges and road bridges. The valuation of bridges was undertaken during 2010 using the cost approach, based on condition assessment which were obtained through visual inspection. The assessment was conducted by internal Council staff, with assistance from specialist staff from an adjoining Council.

Condition assessments were based on four key areas, abutments, deck, sub-structure and general/miscellaneous. 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.

#### Footpaths

The valuation of Council's footpaths was undertaken during 2010 using the cost approach. The valuation was conducted by Australian Surface Testing (AST) Pty Ltd. This valuation involved the identification and condition assessment of footpaths throughout the LGA.

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.

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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\$ '000

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**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 undertaken in June 2010 using the cost approach, based on condition assessments which were obtained through visual inspection. The assessment was conducted by internal Council staff, who attended each site and visually assessed the stormwater assets.

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.

**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.

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**Non Current Assets classified as "Held for Sale"**

Council presently holds two parcels of land which it has made a decision to dispose of to part fund the construction of a new central administration building. They are measured at the lower of their carrying amount rather than fair value, therefore no fair-value measurement was required.

**(3) Reconciliation of Movements**

The items classified under level 3 are financial liabilities, infrastructure, property, plant and equipment. The reconciliation of movements in these assets are presented under note 10 and 9 respectively.

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

\$ '000

(4) Unobservable Inputs and Sensitivities

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 Asset Class fair values.

Class	Fair Value (30/6/14) \$'000	Valuation Technique/s	Unobservable Inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
<b>Infrastructure , Property, Plant &amp; Equipment</b>					
Plant & Equipment, Office Equipment and Furniture & Fittings	4,938	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Operational Land	85,348	Level 3	- Rate per square metre	- \$2 - \$750 (per square metre)	Any change to the price per square meter would result in a significant change to the fair value measurement.
Community Land	102,933	Level 3	- Rate per square metre (VG)	- Average of \$15.86 (per square metre)	Any change to the price per square meter would result in a significant change to the fair value measurement.
Land under Roads	41,507	Level 3	- Rate per square metre (Municipal Rate)	- \$4.53 (per square metre)	Any change to the price per square meter would result in a significant change to the fair value measurement.
Land Improvements	36,376	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Buildings	45,992	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.

Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

\$ '000

Unobservable Inputs and Sensitivities (Continued)

Class	Fair Value (30/6/14) \$'000	Valuation Technique/s	Unobservable Inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
<b>Infrastructure , Property, Plant &amp; Equipment</b>					
Other Structures	323	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Roads	324,651	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Bridges	12,249	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Footpaths	11,636	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Bulk Earthworks	15,952	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Stormwater Drainage	188,075	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.



Notes to the Financial Statements  
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

\$ '000

Unobservable Inputs and Sensitivities (Continued)

Class	Fair Value (30/6/14) \$'000	Valuation Technique/s	Unobservable Inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
<b>Infrastructure , Property, Plant &amp; Equipment</b>					
Other Open Space / Recreational Assets	4,338	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Library Books	930	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
Other Assets	701	Level 3	- Gross Replacement Cost - Remaining Useful Life - Residual Value - Asset Condition	- Varies Significantly from asset to asset	Any change to the gross replacement cost, remaining useful life or residual value would result in a significant change to the fair value measurement.
<b>Non Current Assets classified as "Held for Sale"</b>					
Land Held for Sale	2,680	Level 3	- Rate per square metre	- \$200 - \$250 (per square metre)	Any change to the price per square meter would result in a significant change to the fair value measurement.

(5) Transfers between level of the hierarchy

There were no transfers of assets and liabilities between the hierarchies.

(6) 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 accompany financial statements of the Camden Council, which comprise the statement of financial position as at 30 June 2014 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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Liability limited by a scheme approved under Professional Standards Legislation.



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 of 30 June 2014 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.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

Peter Buchholz  
Partner

Sydney  
15 October 2014



**Private & Confidential**  
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 2014 – Section 417(3)**

We have completed our audit of the financial reports of the Council for the year ended 30 June 2014, 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 declined from \$50 million in the previous year to \$39 million in the current period. The net operating result before Capital Contributions was a deficit of \$13 million against the previous year's deficit of \$9 million.

#### ***Cash position***

Council's overall cash position increased from \$54 million to \$74 million during the period under review. The following table highlights the composition of cash.

	2014 \$m	2013 \$m
Externally restricted	43	32
Internally restricted	29	22
Unrestricted	2	-
<b>Total</b>	<b>74</b>	<b>54</b>

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**Working capital**

Council’s net current assets increased from \$39 million to \$40 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	2013 \$m
Net current assets	40	39
Less: External restrictions	(20)	(26)
Internal restrictions	(29)	(22)
Add: Current liabilities deferred	12	13
<b>Available working capital</b>	<b>3</b>	<b>4</b>

The effective unrestricted or available working capital upon which Council could build its 2015 budget was \$3 million.

**Performance indicators**

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

	2014 %	2013 %
Operating Performance Ratio	(19)	(11)
Own Source Operating Revenue Ratio	51	45
Unrestricted Current Ratio	492	287
Debt Service Cover Ratio	138	301
Rates Outstanding Ratio	4.2	6.1
Cash Expense Cover Ratio	14	10

The Operating Performance Ratio declined to (19%) and was below the industry benchmark of 0%.

The Own Source Operating Revenue Ratio improved to 51% but remained below the industry benchmark of 60%. Higher Capital grants contribute to this.

The Unrestricted Current Ratio improved and remained above the industry benchmark of 150%.

The Debt Service Cover Ratio declined and was below the industry benchmark of 200%

The Rates Outstanding Ratio improved and is now below 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

A handwritten signature in blue ink, appearing to read 'P L Buchholz', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'P L Buchholz', written in a cursive style.

P L Buchholz  
Partner  
15 October 2014

# Camden Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

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*Camden, the Best of Both Worlds*



## Special Purpose Financial Statements for the financial year ended 30 June 2014

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### Background

(i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office 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).

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# Camden Council

## Special Purpose Financial Statements

for the financial year ended 30 June 2014

### 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 Division 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
- accords with Council's accounting and other records.

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

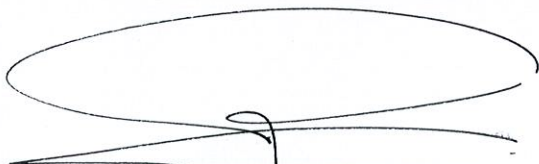
**Signed in accordance with a resolution of Council made on 9 September 2014.**



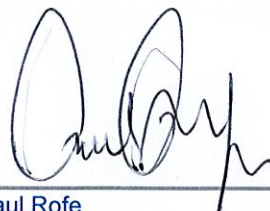
Cr Lara Symkowiak  
MAYOR



Cr Theresa Fedeli  
DEPUTY MAYOR



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 2014

#### Commercial Waste

Category 2

\$ '000	Actual 2014	Actual 2013
<b>Income from continuing operations</b>		
User charges	619	589
<b>Total income from continuing operations</b>	<b>619</b>	<b>589</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	157	107
Materials and contracts	154	146
Depreciation and impairment	39	34
Other expenses	149	145
<b>Total expenses from continuing operations</b>	<b>499</b>	<b>432</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>120</b>	<b>157</b>
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>120</b>	<b>157</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(36)	(47)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>84</b>	<b>110</b>
<b>plus Opening Retained Profits</b>	1,557	1,400
- Corporate taxation equivalent	36	47
<b>less:</b>		
- Dividend paid	-	-
<b>Closing Retained Profits</b>	<b>1,677</b>	<b>1,557</b>
<b>Return on Capital %</b>	<b>69.4%</b>	<b>77.7%</b>

Statement of Financial Position - Council's Other Business Activities  
as at 30 June 2014

## Commercial Waste

\$ '000	Category 2	
	Actual 2014	Actual 2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,499	1,349
Receivables	9	7
<b>Total Current Assets</b>	<b>1,508</b>	<b>1,356</b>
<b>Non-Current Assets</b>		
Receivables	1	1
Infrastructure, property, plant and equipment	173	202
<b>Total Non-Current Assets</b>	<b>174</b>	<b>203</b>
<b>TOTAL ASSETS</b>	<b>1,682</b>	<b>1,559</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	5	2
<b>Total Current Liabilities</b>	<b>5</b>	<b>2</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>5</b>	<b>2</b>
<b>NET ASSETS</b>	<b>1,677</b>	<b>1,557</b>
<b>EQUITY</b>		
Retained earnings	1,677	1,557
Council equity interest	1,677	1,557
<b>TOTAL EQUITY</b>	<b>1,677</b>	<b>1,557</b>

# Camden Council

## Special Purpose Financial Statements

for the financial year ended 30 June 2014

### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	6

## Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2014

### 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 Regulation, 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 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.

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):

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

---

**Notional Rate Applied %**

Corporate Income Tax Rate – 30%

Land Tax – The first \$412,000 of combined land values attracts 0%. From \$412,001 to \$2,519,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,519,000, 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.

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 3.56% at 30/6/14.

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

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

---

**(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 report**

#### **Report on the financial report**

We have audited the accompanying financial report, being a special purpose financial report, of **the Camden Council** (the Council), which comprises the Statement of Financial Position by Business Activity for the year ended 30 June 2014, the Income Statements by Business Activity for the year then ended, Notes to the financial report for the business activities identified by Council and the Statement by Councillors and Management for Council for the year ended 30 June 2014.

#### *Councillors' responsibility for the financial report*

The Councillors of the Council are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in note 1 to the financial statements which form part of the financial report, 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 report that is free from material misstatement, whether due to error or fraud.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, 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 report 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 report.

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





*Auditor's opinion:*

In our opinion, the financial report presents fairly, in all material respects, the financial position by Business Activities of The Camden Council as of 30 June 2014 and its financial performance by Business Activities for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial report, 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 report, which describes the basis of accounting. The financial report has 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 report may not be suitable for another purpose. Our report is intended solely for the Council.

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

Peter Buchholz  
Partner

Sydney  
15 October 2014

# Camden Council

SPECIAL SCHEDULES  
for the year ended 30 June 2014

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*Camden, the Best of Both Worlds*



## Special Schedules

for the financial year ended 30 June 2014

### Contents

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#### Special Schedules<sup>1</sup>

- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 7	Report on Infrastructure Assets (as at 30 June 2014)	5
- Special Schedule No. 8	Financial Projections	9
- Special Schedule No. 9	Permissible Income Calculation	10

<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 9).

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#### 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 NSW Office of Water (NOW), and
  - 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 2014

\$000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	<b>891</b>	<b>13</b>	<b>-</b>	<b>(878)</b>
<b>Administration</b>	<b>16,897</b>	<b>2,892</b>	<b>5</b>	<b>(14,000)</b>
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	899	225	695	21
Enforcement of Local Govt. Regulations	13	-	-	(13)
Animal Control	490	181	-	(309)
<b>Total Public Order &amp; Safety</b>	<b>1,402</b>	<b>406</b>	<b>695</b>	<b>(301)</b>
<b>Health</b>	<b>1,096</b>	<b>143</b>	<b>-</b>	<b>(953)</b>
<b>Environment</b>				
Noxious Plants and Insect/Vermin Control	146	32	-	(114)
Other Environmental Protection	173	48	-	(125)
Solid Waste Management	7,462	8,009	-	547
Stormwater Management	2,943	383	11,097	8,537
<b>Total Environment</b>	<b>10,724</b>	<b>8,472</b>	<b>11,097</b>	<b>8,845</b>
<b>Community Services and Education</b>				
Administration & Education	197	10	-	(187)
Social Protection (Welfare)	1,637	1,610	-	(27)
Aged Persons and Disabled	3	-	-	(3)
Children's Services	149	2	-	(147)
<b>Total Community Services &amp; Education</b>	<b>1,986</b>	<b>1,622</b>	<b>-</b>	<b>(364)</b>
<b>Housing and Community Amenities</b>				
Public Cemeteries	48	161	-	113
Street Lighting	1,591	-	-	(1,591)
Town Planning	4,038	359	-	(3,679)
Other Community Amenities	994	106	-	(888)
<b>Total Housing and Community Amenities</b>	<b>6,671</b>	<b>626</b>	<b>-</b>	<b>(6,045)</b>

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2014

\$000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Recreation and Culture</b>				
Public Libraries	2,282	224	-	(2,058)
Community Centres and Halls	1,519	1,083	-	(436)
Other Cultural Services	10	-	-	(10)
Swimming Pools	4,110	4,097	-	(13)
Parks & Gardens (Lakes)	6,296	245	4,582	(1,469)
Other Sport and Recreation	3	-	57	54
<b>Total Recreation and Culture</b>	<b>14,220</b>	<b>5,649</b>	<b>4,639</b>	<b>(3,932)</b>
<b>Mining, Manufacturing and Construction</b>				
Building Control	4,921	5,908	-	987
<b>Total Mining, Manufacturing and Const.</b>	<b>4,921</b>	<b>5,908</b>	<b>-</b>	<b>987</b>
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	18,320	13	21,174	2,867
Urban Roads - Regional	-	22	-	22
Bridges on UR - Local	36	-	-	(36)
Parking Areas	5	-	-	(5)
Footpaths	223	-	-	(223)
Other Transport & Communication	301	418	15,234	15,351
<b>Total Transport and Communication</b>	<b>18,885</b>	<b>453</b>	<b>36,408</b>	<b>17,976</b>
<b>Economic Affairs</b>				
Other Economic Affairs	590	87	-	(503)
<b>Total Economic Affairs</b>	<b>590</b>	<b>87</b>	<b>-</b>	<b>(503)</b>
<b>Totals – Functions</b>	<b>78,283</b>	<b>26,271</b>	<b>52,844</b>	<b>832</b>
<b>General Purpose Revenues</b> <sup>(2)</sup>		<b>38,580</b>		<b>38,580</b>
<b>NET OPERATING RESULT</b> <sup>(1)</sup>	<b>78,283</b>	<b>64,851</b>	<b>52,844</b>	<b>39,412</b>

(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

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2014

\$000

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	Total		From Revenue	Sinking Funds			Current	Non Current	Total
<b>Loans (by Source)</b>											
Financial Institutions	1,320	5,180	<b>6,500</b>	4,300	1,435	-	-	623	1,542	7,823	<b>9,365</b>
Dept of Planning (NSW Treasury)	600	10,700	<b>11,300</b>	-	600	-	-	-	1,000	9,700	<b>10,700</b>
<b>Total Loans</b>	<b>1,920</b>	<b>15,880</b>	<b>17,800</b>	<b>4,300</b>	<b>2,035</b>	<b>-</b>	<b>-</b>	<b>623</b>	<b>2,542</b>	<b>17,523</b>	<b>20,065</b>
<b>Total Debt</b>	<b>1,920</b>	<b>15,880</b>	<b>17,800</b>	<b>4,300</b>	<b>2,035</b>	<b>-</b>	<b>-</b>	<b>623</b>	<b>2,542</b>	<b>17,523</b>	<b>20,065</b>

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).

Camden Council

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard <sup>(1)</sup>	Required Annual Maintenance <sup>(2)</sup>	Actual Maintenance 2013/14 <sup>(3)</sup>	At Fair Value <sup>(4)</sup>	Assets in Condition as a % of Fair Value <sup>(4), (5)</sup>				
						1	2	3	4	5
Buildings	Council Offices / Administration Centres	218	92	92	11,626	0%	0%	100%	0%	0%
	Council Works Depot	75	37	37	3,356	7%	5%	81%	7%	0%
	Council Public Halls	985	285	90	8,170	0%	23%	72%	5%	0%
	Libraries	-	84	84	13,180	0%	100%	0%	0%	0%
	Council Other Buildings - Civic Centre	324	33	33	4,616	0%	0%	100%	0%	0%
	Council Other Buildings - Bushfire & SES Buildings	-	16	16	1,808	69%	5%	20%	6%	0%
	Council Other Buildings - Toilet Block & Amenities	18	50	50	21,869	30%	21%	47%	2%	0%
	Council Other Buildings - Leased Property	-	21	21	897	0%	0%	56%	44%	0%
	Council Other Buildings - Others including Swimming Pool	790	58	18	19,443	48%	6%	26%	20%	0%
	Specialised Buildings	-	-	-	498	0%	0%	56%	44%	0%
	<b>sub total</b>	<b>2,410</b>	<b>676</b>	<b>441</b>	<b>85,463</b>	<b>20.3%</b>	<b>24.7%</b>	<b>48.3%</b>	<b>6.7%</b>	<b>0.0%</b>
Land Improvements (Depreciable)	Land Improvements - Depreciable	-	-	-	42,463	7%	76%	16%	1%	0%
	<b>sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,463</b>	<b>7.0%</b>	<b>76.0%</b>	<b>16.0%</b>	<b>1.0%</b>	<b>0.0%</b>
Other Structures	Other Structures	-	-	-	2,731	31%	39%	29%	1%	0%
	<b>sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,731</b>	<b>31.0%</b>	<b>39.0%</b>	<b>29.0%</b>	<b>1.0%</b>	<b>0.0%</b>
Roads	Sealed Roads Surface	9,639	2,267	1,909	77,084	73%	22%	2%	3%	0%
	Sealed Roads Structure & Formation	-	-	-	178,977	52%	41%	3%	4%	0%
	Bridges	439	36	36	16,965	9%	60%	15%	16%	0%
	Footpaths	158	157	157	15,847	61%	18%	19%	2%	0%
	Cycle ways	-	-	-	10,249	82%	10%	8%	0%	0%
	Kerb and Gutter	331	99	99	96,842	54%	36%	9%	1%	0%
	Other Road Assets - Road Furniture	11	122	122	4,261	36%	61%	3%	0%	0%
	Other Road Assets	-	-	-	37,782	48%	38%	14%	0%	0%
	<b>sub total</b>	<b>10,578</b>	<b>2,681</b>	<b>2,323</b>	<b>438,007</b>	<b>54.9%</b>	<b>35.7%</b>	<b>6.3%</b>	<b>3.1%</b>	<b>0.0%</b>

Special Schedule No. 7 - Report on Infrastructure Assets (Continued)

as at 30 June 2014

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard <sup>(1)</sup>	Required Annual Maintenance <sup>(2)</sup>	Actual Maintenance 2013/14 <sup>(3)</sup>	At Fair Value <sup>(4)</sup>	Assets in Condition as a % of Fair Value <sup>(4), (5)</sup>				
						1	2	3	4	5
Stormwater Drainage	Retarding Basins	750	233	193	7,512	18%	80%	2%	0%	0%
	Stormwater Conduits	202	365	9	160,214	71%	29%	0%	0%	0%
	Inlet and Junction Pits	-	258	258	38,676	61%	38%	1%	0%	0%
	Head Walls	-	-	-	1,527	39%	61%	0%	0%	0%
	Stormwater Converters	-	-	-	5,892	7%	65%	28%	0%	0%
	Other	-	-	-	7,560	56%	44%	0%	0%	0%
	<b>sub total</b>	<b>952</b>	<b>856</b>	<b>460</b>	<b>221,381</b>	<b>65.0%</b>	<b>34.0%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Open Space/ Recreational Assets	Open Space Recreational Assets - Parks & Reserve	986	280	280	8,156	24%	57%	16%	3%	0%
	<b>sub total</b>	<b>986</b>	<b>280</b>	<b>280</b>	<b>8,156</b>	<b>24.0%</b>	<b>57.0%</b>	<b>16.0%</b>	<b>3.0%</b>	<b>0.0%</b>
<b>TOTAL - ALL ASSETS</b>		<b>14,926</b>	<b>4,493</b>	<b>3,504</b>	<b>798,201</b>	<b>51.1%</b>	<b>36.4%</b>	<b>10.0%</b>	<b>2.5%</b>	<b>0.0%</b>

Notes:

- (1). 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).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). 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.
- (4). At Fair Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- (5). **Infrastructure Asset Condition Assessment "Key"**

1	<b>Excellent</b>	No work required (normal maintenance)	4	<b>Poor</b>	Renewal required
2	<b>Good</b>	Only minor maintenance work required	5	<b>Very Poor</b>	Urgent renewal
3	<b>Average</b>	Maintenance work required			



Special Schedule No. 7 - Report on Infrastructure Assets (continued)  
for the financial year ended 30 June 2014

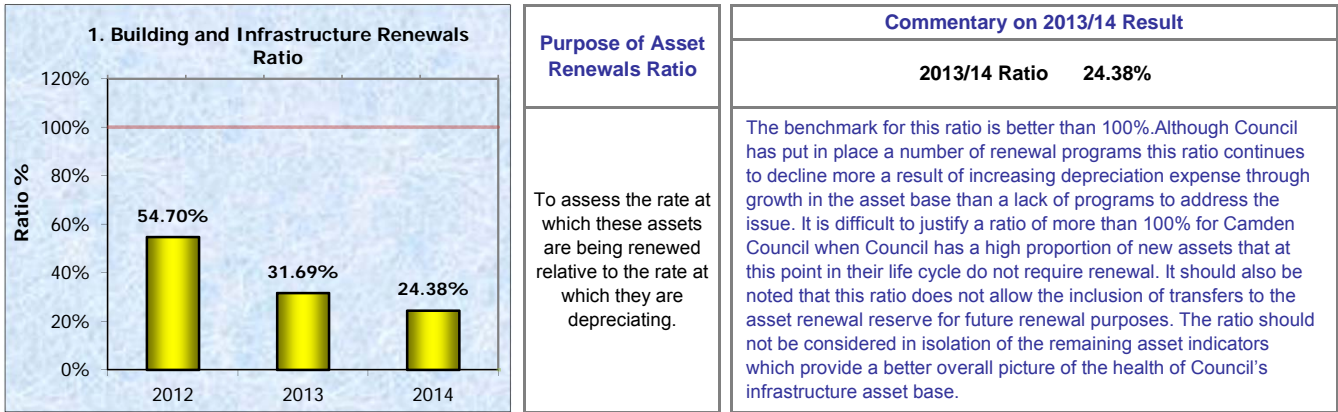
\$ '000	Amounts 2014	Indicator 2014	Prior Periods	
			2013	2012
<b>Infrastructure Asset Performance Indicators Consolidated</b>				
<b>1. Building and Infrastructure Renewals Ratio</b>				
Asset Renewals (Building and Infrastructure) <sup>(1)</sup>	<u>3,519</u>	24.38%	31.69%	54.70%
Depreciation, Amortisation & Impairment	<u>14,433</u>			
<b>2. Infrastructure Backlog Ratio</b>				
Estimated Cost to bring Assets to a Satisfactory Condition	<u>14,926</u>	0.02	0.02	0.02
Total value <sup>(2)</sup> of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	<u>798,201</u>			
<b>3. Asset Maintenance Ratio</b>				
Actual Asset Maintenance	<u>3,504</u>	0.78	0.93	0.90
Required Asset Maintenance	<u>4,493</u>			
<b>4. Capital Expenditure Ratio</b>				
Annual Capital Expenditure	<u>44,031</u>	2.70	4.36	5.26
Annual Depreciation	<u>16,334</u>			

Notes

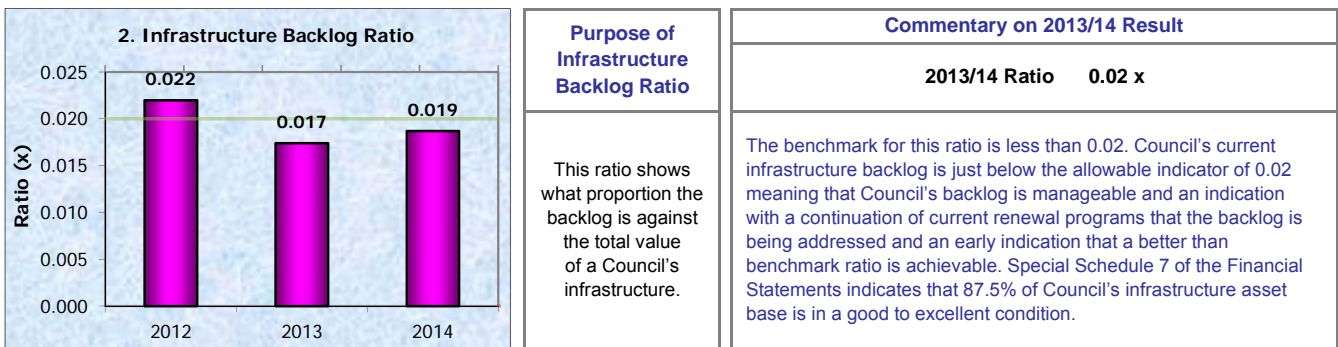
<sup>(1)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

<sup>(2)</sup> At Fair Value

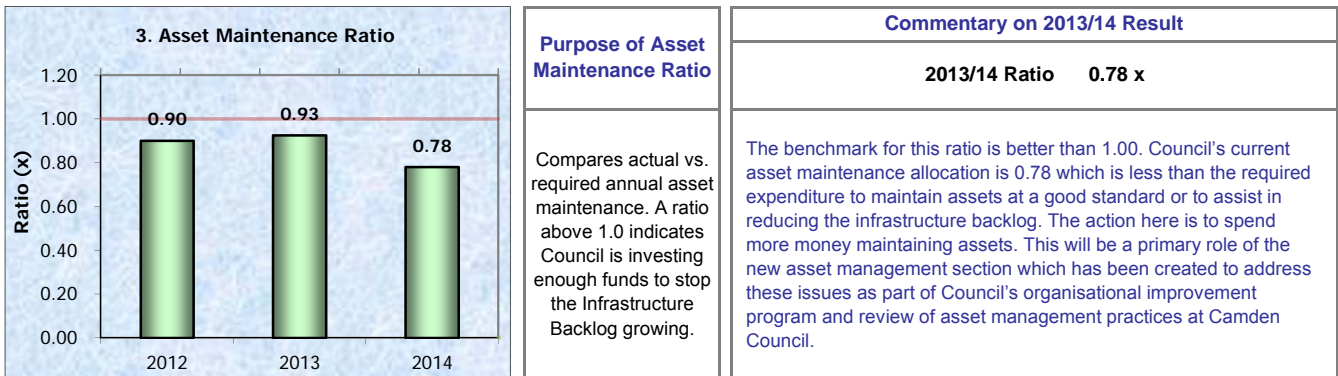
Special Schedule No. 7 - Report on Infrastructure Assets (continued)  
for the financial year ended 30 June 2014



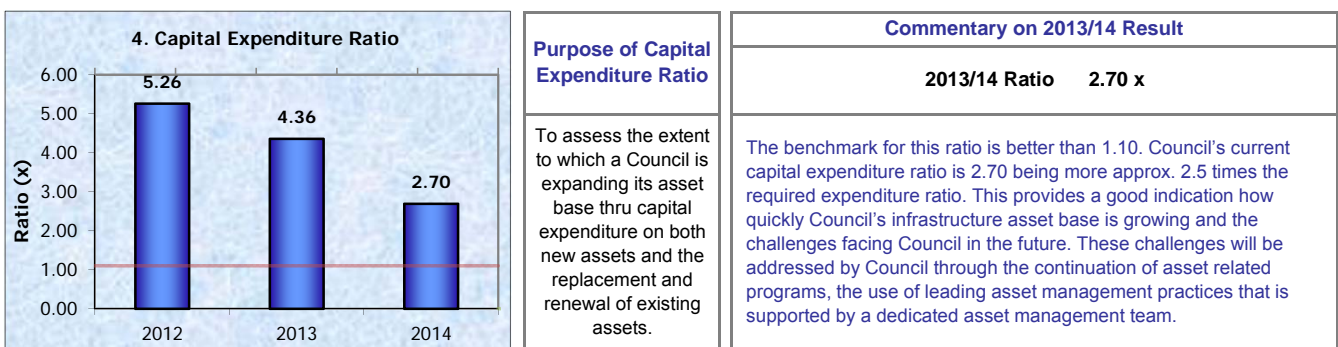
Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)



Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)



Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)



Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

# Camden Council

## Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$000	Actual <sup>(1)</sup> 13/14	Forecast <sup>(3)</sup> 14/15	Forecast <sup>(3)</sup> 15/16	Forecast <sup>(3)</sup> 16/17	Forecast <sup>(3)</sup> 17/18	Forecast <sup>(3)</sup> 18/19	Forecast <sup>(3)</sup> 19/20	Forecast <sup>(3)</sup> 20/21	Forecast <sup>(3)</sup> 21/22	Forecast <sup>(3)</sup> 22/23	Forecast <sup>(3)</sup> 23/24
<b>(i) OPERATING BUDGET</b>											
Income from continuing operations	117,695	110,213	137,153	143,144	167,019	163,093	158,606	158,241	177,336	180,889	228,506
Expenses from continuing operations	78,283	76,267	81,014	89,147	94,868	100,476	106,334	112,791	119,931	127,106	134,930
<b>Operating Result from Continuing Operations</b>	<b>39,412</b>	<b>33,946</b>	<b>56,139</b>	<b>53,997</b>	<b>72,151</b>	<b>62,617</b>	<b>52,272</b>	<b>45,450</b>	<b>57,405</b>	<b>53,783</b>	<b>93,576</b>
<b>(ii) CAPITAL BUDGET</b>											
New Capital Works - to be delivered by Council <sup>(2)</sup>	2,302	14,487	37,300	12,826	2,289	1,026	2,760	2,930	3,477	3,693	579
New Capital Works - Planning Agreements	36,982	38,019	59,414	59,374	76,972	66,274	54,465	46,473	57,085	52,203	90,820
Replacement/Refurbishment of Existing Assets	4,747	8,721	7,418	11,026	8,956	11,343	10,314	11,619	14,713	15,633	17,497
<b>Total Capital Budget</b>	<b>44,031</b>	<b>61,227</b>	<b>104,132</b>	<b>83,226</b>	<b>88,217</b>	<b>78,643</b>	<b>67,539</b>	<b>61,022</b>	<b>75,275</b>	<b>71,529</b>	<b>108,896</b>
New Capital Works - Planning Agreements											
<b>Funded by:</b>											
- Loans	(1,000)	-	(21,659)	(900)	(750)	(550)	(500)	(350)	(200)	-	-
- Asset sales	(206)	-	(2,160)	(2,700)	-	-	-	-	-	-	-
- Reserves	(2,732)	(16,321)	(15,882)	(16,020)	(4,789)	(4,886)	(4,261)	(5,310)	(7,976)	(7,092)	(4,364)
- Grants/Contributions	(1,426)	(409)	(409)	(409)	(409)	(409)	(39)	(39)	(39)	(39)	(39)
- Community Infrastructure Renewal Program	(1,003)	(1,780)	(750)	(456)	(1,104)	(1,042)	-	-	-	-	-
- Recurrent revenue	(682)	(4,698)	(3,858)	(3,367)	(4,193)	(5,482)	(8,274)	(8,850)	(9,975)	(12,195)	(13,673)
- Planning Agreements	(36,982)	(38,019)	(59,414)	(59,374)	(76,972)	(66,274)	(54,465)	(46,473)	(57,085)	(52,203)	(90,820)
	<b>(44,031)</b>	<b>(61,227)</b>	<b>(104,132)</b>	<b>(83,226)</b>	<b>(88,217)</b>	<b>(78,643)</b>	<b>(67,539)</b>	<b>(61,022)</b>	<b>(75,275)</b>	<b>(71,529)</b>	<b>(108,896)</b>

**Notes:**

(1) From 13/14 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections are in accordance with Council's Integrated Planning and Reporting framework.

Special Schedule No. 9 - Permissible Income Calculation  
for the financial year ended 30 June 2014

\$'000	Calculation 2013/14	Calculation 2014/15
<b>Notional General Income Calculation <sup>(1)</sup></b>		
Last Year Notional General Income Yield	32,863	34,774
Plus or minus Adjustments <sup>(2)</sup>	1,648	1,360
<b>Notional General Income</b>	<b>34,511</b>	<b>36,134</b>
<b>Permissible Income Calculation</b>		
Special variation percentage <sup>(3)</sup>	4.50%	0.00%
or Rate peg percentage	3.40%	2.30%
or Crown land adjustment incl. rate peg percentage	0.00%	0.00%
less expiring Special variation amount	(1,308)	-
plus Special variation amount	1,494	-
or plus Rate peg amount	-	831
or plus Crown land adjustment and rate peg amount	-	-
<b>sub-total</b>	<b>34,697</b>	<b>36,965</b>
plus (or minus) last year's Carry Forward Total	-	(155)
less Valuation Objections claimed in the previous year	(1)	77
<b>sub-total</b>	<b>(1)</b>	<b>(78)</b>
<b>Total Permissible income</b>	<b>34,696</b>	<b>36,887</b>
less Notional General Income Yield	34,774	36,918
<b>Catch-up or (excess) result</b>	<b>(78)</b>	<b>(31)</b>
plus Income lost due to valuation objections claimed <sup>(4)</sup>	(77)	30
less Unused catch-up <sup>(5)</sup>	-	-
<b>Carry forward to next year</b>	<b>(155)</b>	<b>(1)</b>

**Notes**

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- <sup>4</sup> 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.
- <sup>5</sup> 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.



## **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 ended 30 June 2014.

#### ***Responsibility of Council for Special Schedule No. 9***

The Council is 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. 22. 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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***PricewaterhouseCoopers, ABN 52 780 433 757***

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T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)*

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***Audit Opinion***

In our opinion, Special Schedule No. 9 of the Camden Council for the year ended 30 June 2014 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 Council's 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 Division of Local Government.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', written in a cursive style.

Peter Buchholz  
Partner

Sydney  
15 October 2014