



Financial Reports



summary report : bringing camden together





General Purpose Financial Statements

summary report : bringing camden together



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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 specified in Paragraph 8 of the LGA and includes;
- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public,
 - responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
 - a role in the management, improvement and development of the resources of the local government area. A description of the nature of Council's operations and its principal activities are provided in Note 2(b).
- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 27/10/11.
Council has the power to amend and reissue the financial statements

General Purpose Financial Statements

For the Year Ended 30 June 2011

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
- The Local Government Code of Accounting Practice and Financial Reporting



Cr Greg Warren
Mayor



Greg Wright
General Manager

To the best of our knowledge and belief, these 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 this Report false or misleading in any way.

Signed in accordance with a resolution of Council made on 11th October, 2011.



Cr Michael Cottrell
Deputy Mayor



Paul Rofe
Responsible Accounting Officer

Executive Summary



Introduction

The majority of Council's financial indicators are within industry benchmarks.

Council continues to report an operating deficit before capital income which indicates that Council is not generating sufficient income to fund operational activities. The amount of rate income a Council can generate is determined by the State Government through rate pegging. Rate pegging historically has not kept up with rising costs or cost shifting from other levels of Government. Rate pegging is in part why most Council's in NSW have large infrastructure renewal backlogs. Camden's infrastructure renewal backlog for existing areas of the Camden Local Government Area (LGA) is now over \$15 million. In 2009/10 Council applied to the Minister for Local Government for a Special Rate Variation (in perpetuity) to address this infrastructure renewal backlog. The application was only approved for 3 years. Council's infrastructure renewal program was for 20 years leaving a large funding gap.

Camden is one of the fastest growing areas in New South Wales. The population growth is placing more pressure on Council's finances and resources as we plan for an extra 200,000 people over the next 20-30 years. The cost of planning is an up front cost that is required before additional rate income is realised through growth.

Council will continue to work with other levels of Government and our community to ensure there is a balance between providing for existing residents and those we welcome to Camden in the future.

Financial Performance

The following table highlights the 'financial performance' comparison between 2009/10 and 2010/11:

	2010/11 \$000	2009/10 \$000
Total Income from Continuing Operations	\$108,917	\$116,611
Total Expenses from Continuing Operations	\$91,049	\$49,356
Operating Result from Continuing Operations	\$17,868	\$67,255
Grants and Contributions provided for Capital Purposes	\$54,265	\$68,772

Net Operating Result before Grants and Contributions provided for Capital Purposes	(\$36,397)	(\$1,517)
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It is important to note that Council's financial indicators are being distorted by the value of dedications (capital income) received by Council as a result of growth. The dedication of assets includes roads, open space, stormwater drainage, footpaths and bridges. The value of non-cash dedications in 2010/11 was \$43.4 million.

The operational result after accounting for capital items is a surplus of \$17.9 million. As explained above this result is predominately due to non-cash contributions such as road and open space dedications from developers to Council. The accounting standards require the dedication of assets to be brought to account as income which inflate the surplus reported. The remaining balance of capital income primarily relates to Section 94 cash payments and grants which are restricted for the purpose for which they are collected.

Council's operating result before capital items is an operating deficit of \$36.4 million. It is important to note that in the 2010/11 financial year all Councils were required to value Community Land and Other Assets at "fair value". This revaluation resulted in a one-off decrement expense to the Income Statement of \$30.4 million. There was also an increase in depreciation of \$4.8 million predominately a result of the revaluation of Roads, Bridges and Drainage in 2009/10 (increased in value by \$221 million in 2009/10).

The net value of assets owned by our community is \$770 million (\$700 million in 2009/10). The majority of this equity relates to the ownership of land and infrastructure assets such as roads, stormwater drainage, footpaths and bridges. The increase in equity is predominately a result of revaluation increments for land under roads and land improvements (\$51.1 million). All of Council's assets are now held at "fair value" and revalued on a 5 year cycle.

Financial Health Check Indicators

To assist readers interpret the 2010/11 Annual Financial Statements, a number of key financial indicators are graphically presented to provide a 'snapshot' of Council's financial health. It is important for readers to focus on the trend of results rather than the result of an individual year.

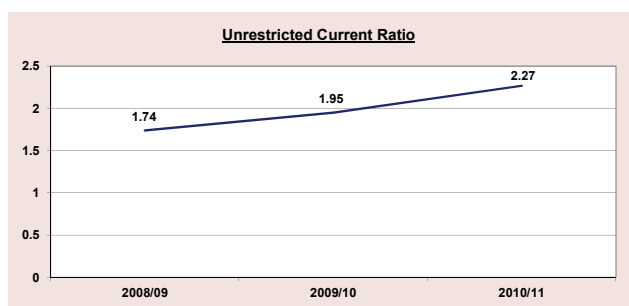
1. Unrestricted Current Ratio

The unrestricted current ratio measures Council's ability to meet its short-term financial obligations such as creditors, loan repayments, payroll and leave entitlements.

Local Government Benchmark

1. Ratio GREATER than 2:1
2. Ratio BETWEEN 1:1 and 2:1
3. Ratio LESS than 1:1

GREEN
AMBER
RED



Council's unrestricted current ratio has increased from 1.95:1 in 2009/10 to 2.27:1 in 2010/11, this ratio indicates that for every \$1 of current liability, Council has \$2.27 in current assets to fund that liability. The increase in this ratio is predominately the result of more money being available for investment as at 30 June 2011. This ratio is above the industry benchmark of 2:1.

2. Debt Service Ratio (Percentage)

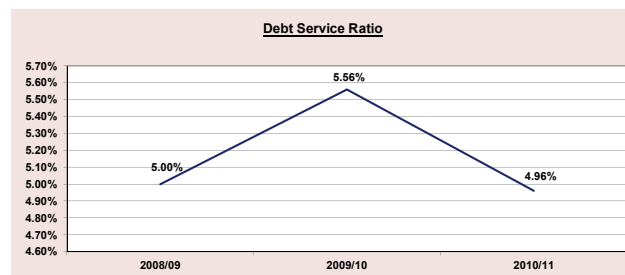
The debt service ratio measures Council's ability to service its outstanding debt. The ratio reflects the annual revenue necessary to service our annual debt obligations. Council borrowed \$1.6 million in 2010/11 and repaid \$1.9 million. The ratio has decreased from 5.56% (2010) to 4.96% which means Council has marginally decreased its reliance on revenue for the repayment of loan borrowings. The indicator is well within the industry benchmark of less than 10.00%.

Council's outstanding loans liability totals \$21.2 million. The amount outstanding is primarily the result of an \$11.8 million interest free loan from the NSW Department of Planning for the renewal of Lodges Road and Hilder Street, Elderslie. The money was borrowed in 2009/10. This loan will not have a material impact on Council's

debt service ratio until 2013/14 as the repayment terms are a balloon payment over 10 years. The debt servicing required over 10 years has been factored into Council's Long-Term Financial Plan.

Local Government Benchmark

1. Ratio is LESS than 10% **GREEN**
2. Ratio is BETWEEN 10% and 15% **AMBER**
3. Ratio is GREATER than 15% **RED**

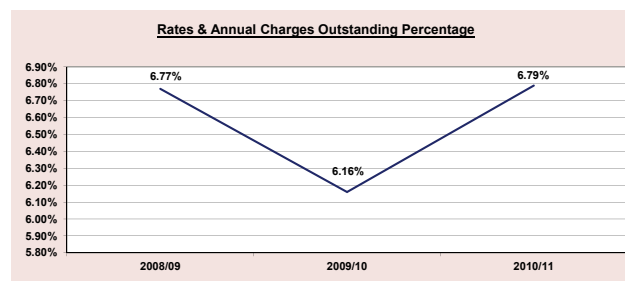


3. Rates and Annual Charges Outstanding Percentage

This indicator identifies the rates outstanding as a percentage of the total rates receivable in any given year. The increase in this indicator is predominately due to an increase in the total rates outstanding. The increase in rates outstanding as at 30 June 2011 is a reflection of some ratepayers finding it difficult pay their rates on time. Council has not changed its debt recovery procedures and allows all ratepayers the opportunity to make arrangements where their economic situation makes it difficult to pay their rates within 12 months. (Note: Council does not legally pursue Pensioners for outstanding rates owed to Council. The indicator excluding Pensioners for 2010/11 is 5.44%).

Local Government Benchmark

1. Ratio is LESS than 5% **GREEN**
2. Ratio is BETWEEN 5% and 9% **AMBER**
3. Ratio is GREATER than 9% **RED**

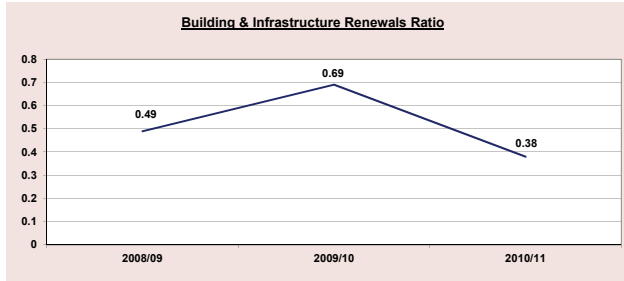


4. Buildings & Infrastructure Renewals Ratio

The Buildings and Infrastructure Renewals ratio measures how quickly Council is replacing assets compared to their consumption. The ratio has decreased from 0.69:1 in 2009/10 to 0.38:1 in 2010/11. This means for every \$1 of asset we consume, Council is spending



0.38 cents to replace it. The level of Council's renewal budget is not a result of poor management Council can simply not afford the renewal budget required to ensure there is a \$1 of funding for every \$1 of asset consumed.



As a result of an approved Special Rate Variation for 3 years (approved in 2009/10) Council will spend an additional \$3.7 million on asset renewal over 3 years. Council spent \$3.85 million on asset renewal in 2010/11 (\$3.89 million 2009/10). The decrease in this ratio is predominately due to a large increase in the depreciation expense, a result of the revaluation of roads, bridges and drainage in 2009/10.

A ratio of better than 1:1 is a benchmark that demonstrates a Council is able to replace assets as they are consumed.

2010/11 & BEYOND

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

Council's Special Rate Variation ends in 2013/14, it will be difficult for Council to keep pace with its asset renewal backlog if a continuation of this Special Rate Variation is not approved beyond 2013/14.

Council will encourage a whole of Government approach to ensure the best possible outcome for the Camden community.

P. ROFE
 Manager Corporate Services
 Responsible Accounting Officer

Income Statement

For The Year Ended 30 June 2011

Budget ⁽¹⁾ 2011	\$000	Notes	Actual 2011	Actual 2010
INCOME FROM CONTINUING OPERATIONS				
REVENUE :				
34,173	Rates and Annual Charges	3(a)	34,027	30,792
6,944	User Charges and Fees	3(b)	10,016	9,017
1,839	Interest and Investment Revenue	3(c)	3,332	1,915
1,269	Other Revenues	3(d)	1,647	1,022
4,056	Grants and Contributions Provided for Operating Purposes	3(e,f)	5,630	4,815
19,135	Grants & Contributions provided for Capital Purposes	3(e,f)	54,265	68,772
OTHER INCOME:				
-	Net Gains from the Disposal of Assets	5	-	278
67,416	TOTAL INCOME FROM CONTINUING OPERATIONS		108,917	116,611
EXPENSES FROM CONTINUING OPERATIONS				
24,348	Employee Benefits and On-Costs	4(a)	23,636	22,622
710	Borrowing Costs	4(b)	681	686
13,815	Materials and Contracts	4(c)	16,899	14,183
10,226	Depreciation and Amortisation	4(d)	12,828	8,019
4,078	Other Expenses	4(e)	36,564	3,846
-	Net losses from the Disposal of Assets	5	441	-
53,177	Total expenses from Continuing Operations		91,049	49,356
14,239	OPERATIONS RESULT FROM CONTINUING OPERATIONS		17,868	67,255
14,239	NET OPERATING RESULT FOR THE YEAR		17,868	67,255
14,239	NET OPERATING RESULT ATTRIBUTABLE TO COUNCIL		17,868	67,255
(4,896)	Net operating result for the year before grants and contributions provided for capital purposes		(36,397)	(1,517)

Note: ⁽¹⁾ Original Budget as approved by Council - refer Note 16.

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For The Year Ended 30 June 2011

\$000	Notes	Actual 2010	Actual 2009
Net Operating result for the year (as per Income Statement)		17,868	67,255
Other Comprehensive Income			
- Revaluations: Roads, Bridges & Drainage	20b (ii)	-	221,039
- Revaluations: Land Improvements	20b (ii)	12,438	-
- Revaluations: Land Under Roads	20b (ii)	38,663	-
- Revaluations: Buildings - Non Specialised	20b (ii)	855	-
Total Other Comprehensive Income for the Year		51,956	221,039
Total Comprehensive Income for the Year		69,824	288,294

Council has re-valued Community Land and Other Structures in accordance with the requirements of the Division of Local Government. The revaluation resulted in a substantial decrease in the carrying value for both Community Land and Other Structures. In accordance with AASB116 this decrease is shown as part of "Other Expenses" in the "Income Statement". This is a one-off accounting adjustment due to a change in the valuation methodology.

To assist users of Council's Financial Statements an adjusted net operating result is provided below to show Council's operating result if the one-off accounting adjustment was removed.

Adjusted Income Statement

For The Year Ended 30 June 2011

Budget ⁽¹⁾ 2011	\$000	Notes	Actual 2011	Actual 2010
67,416	TOTAL INCOME FROM CONTINUING OPERATIONS		108,917	116,611
	ADJUSTED EXPENSES FROM CONTINUING OPERATIONS			
24,348	Employee Benefits & On-Costs	4a	23,636	22,622
710	Borrowing Costs	4b	681	686
13,815	Materials & Contracts	4c	16,899	14,183
10,226	Depreciation & Amortisation	4d	12,828	8,019
4,078	Other Expenses	4e	6,119	3,846
-	Net Losses from the Disposal of Assets	5	441	-
53,177	ADJUSTED TOTAL EXPENSES FROM CONTINUING OPERATIONS		60,604	49,356
14,239	ADJUSTED NET OPERATING RESULT FOR THE YEAR		48,313	67,255

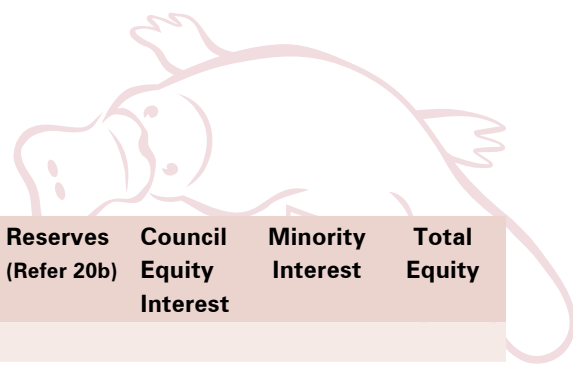
The above Income Statement should be read in conjunction with the accompanying notes.

Balance Sheet as at 30 June 2011

	Notes	Actual 2011	Actual 2010
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6(a)	5,762	2,176
Investments	6(b)	48,000	44,860
Receivables	7	4,429	3,326
Inventories	8	425	1,766
Other	8	549	501
TOTAL CURRENT ASSETS		59,165	52,629
NON-CURRENT ASSETS			
Receivables	7	20,413	11,225
Infrastructure, Property, Plant and Equipment	9	726,071	671,166
TOTAL NON-CURRENT ASSETS		746,485	682,391
TOTAL ASSETS		805,650	735,020
LIABILITIES			
CURRENT LIABILITIES			
Payables	10	6,532	6,153
Borrowings	10	1,747	1,882
Provisions	10	7,075	6,492
TOTAL CURRENT LIABILITIES		15,354	14,527
NON-CURRENT LIABILITIES			
Payables	10	456	456
Borrowings	10	19,473	10,616
Provisions	10	346	224
TOTAL NON-CURRENT LIABILITIES		20,275	20,296
TOTAL LIABILITIES		35,629	34,823
NET ASSETS		770,021	700,197
EQUITY			
Retained Earnings	20	471,656	453,788
Revaluation Reserves	20	298,365	246,409
Council Equity Interest		770,021	700,197
TOTAL EQUITY		770,021	700,197

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement Of Changes In Equity For The Year Ended 30 June 2011



	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
\$'000						
OPENING BALANCE (as per Last Year's Audited Accounts)		453,788	246,409	700,197	-	700,197
Net Operating Result for the Year		17,868		17,868	-	17,868
Other Comprehensive Income						
- Revaluations: Land Improvements	20b(ii)	-	12,438	12,438	-	12,438
- Revaluations: Land Under Roads	20b(ii)	-	38,663	38,663	-	38,663
- Revaluations: Buildings - Non Specialised	20b(ii)	-	855	855	-	855
Other Comprehensive Income		-	51,956	51,956	-	51,956
TOTAL COMPREHENSIVE INCOME (c&d)		17,868	51,956	69,824	-	69,824
EQUITY - BALANCE AT END OF THE REPORTING PERIOD		471,656	298,365	770,021	-	770,021

	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
\$'000						
OPENING BALANCE (as per Last Year's Audited Accounts)		386,533	25,370	411,903	-	411,903
Net Operating Result for the Year		67,255	-	67,255	-	67,255
Other Comprehensive Income						
- Revaluations: Roads, Bridges & Drainage	20b(ii)	-	21,039	221,039	-	221,039
Other Comprehensive Income		-	221,039	221,039	-	221,039
TOTAL COMPREHENSIVE INCOME (c&d)		67,255	221,039	288,294	-	288,294
EQUITY - BALANCE AT END OF THE REPORTING PERIOD		453,788	246,409	700,197	-	700,197

Statement of Cash Flows

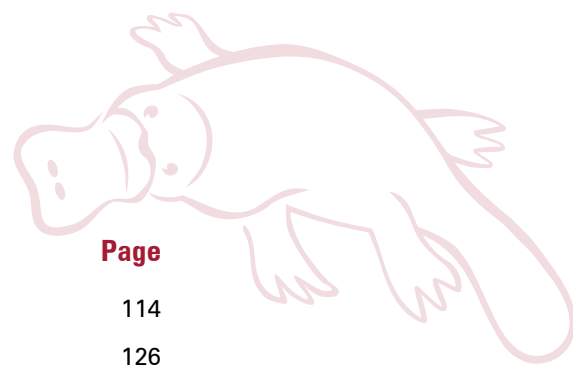
For The Year Ended 30 June 2011

Budget \$'000		Notes	Actual 2011	Actual 2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts:				
34,473	Rates and Annual Charges		33,635	30,890
6,944	User Charges and Fees		10,028	9,381
1,839	Investment Income		3,117	1,717
10,791	Grants and Contributions		7,136	11,594
1,269	Other operating receipts		4,740	2,814
Payments:				
(24,048)	Employee Benefits & On-Costs		(22,855)	(21,832)
(14,245)	Materials and Contracts		(17,759)	(17,062)
(710)	Borrowing Costs		(681)	(686)
(4,078)	Other operating payments		(7,669)	(4,762)
12,235	Net Cash Provided by (or used in) Operating Activities	11b	9,662	12,054
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts:				
23,899	Sale of Investment Securities		77,560	95,310
298	Sale of Infrastructure, Property, Plant & Equipment		1,421	427
Payments:				
(17,600)	Purchase of Investment Securities		(80,700)	(110,120)
(18,457)	Purchase of Infrastructure, Property, Plant & Equipment		(4,079)	(7,907)
(11,860)	Net Cash provided by (or used in) Investing Activities		(5,798)	(22,290)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts:				
1,600	Proceeds from Borrowings and Advances		1,600	13,400
Payments:				
(1,867)	Repayments from Borrowings and Advances		(1,878)	(1,835)
(267)	Net Cash Provided by (or used in) Financing Activities		(278)	11,565
108	Net Increase/(Decrease) in cash & cash equivalents		3,586	1,329
2,232	plus: cash and cash equivalents - beginning of year	11a	2,176	847
2,340	Cash and Cash Equivalents - end of year	11a	5,762	2,176
additional Information:				
	plus: Investments on hand - end of year	6b	48,000	44,860
Total Cash, Cash Equivalents & Investments			53,762	47,036
Please refer to Note 11 for information on the following:				
- Non Cash Investing and Financing Activities.				
- Financing Arrangements.				



Notes to the Financial Statements

For The Year Ended 30 June 2011



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Notes To and Forming Part of the Financial Statements - Note 3

Income From Continuing Operations

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

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

(a) Basis of preparation

(i) Background

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

- Australian Accounting Standards,
- Other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

(ii) Compliance with International Financial Reporting Standards (IFRS's)

Because Australian Accounting Standards (AASB's) are sector neutral, some standards either:

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

(b) specifically exclude application by Not for Profit entities.

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

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

(iii) Basis of Accounting

These financial statements have been prepared under the historical cost convention except for **(i)** financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value, **(ii)** the write down of any Asset on the basis of Impairment (if warranted) and **(iii)** certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

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

(iv) Changes in Accounting Policies

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

Unless otherwise stated, there have also been no changes in accounting policies when compared with previous financial statements.

(v) Critical Accounting Estimates

The preparation of these financial statements requires the use of certain critical accounting estimates (in conformity with AASB's).

It also requires Council's management to exercise their judgement in the process of applying Council's accounting policies.

(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 the entity and specific criteria have been met for each of the Council's activities as described below.

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

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

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash & Investments is accounted for using the "Effective Interest Method" in accordance with AASB 139.

(c) Principles of consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any Entities (or operations) that it controls (as at 30/6/11) and (ii) all the related operating results (for the financial year ended the 30th June 2011).

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

(i) The Consolidated Fund

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

For the following Section 355 Committee, the transactions of which have been excluded from consolidation, due to unavailability of information.

- Camden Town Farm

(ii) The Trust Fund

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

to those monies.

Trust monies and property subject to Council's control have been included in these statements.

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

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

(iii) Joint Ventures

Council does not currently participate in any Joint Venture partnerships.

(iv) Associated Entities

Council does not currently have any Associated Entities, ie, entities where council has the power to participate in the financial and operating decisions of another entity.

(v) County Councils

Council is not a member of any County Councils.

(vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

Finance Leases

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

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

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

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

Council does not currently have any 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) Cash and Cash Equivalents

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 balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

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

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are nonderivatives 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 short 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 short term.

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

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

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

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

(iii) Impairment

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

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost, 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. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the income statement.

(vi) Types of Investments

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

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

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

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. As at 30 June 2011 Council does not hold any of these unprescribed investments, (eg. managed funds, CDOs, and equity linked notes). These have been disposed of when most financially advantageous to Council.

(g) Fair value estimation

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

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

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

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

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

(h) Receivables

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

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

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

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

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

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

(i) Inventories

Raw materials and stores, work in progress and finished goods

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

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

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

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

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

Land Held for Resale/ Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

Council's non current assets have been progressively revalued to fair value in accordance with a staged implementation as advised by the Division 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 incl. roads, bridges & footpaths** (Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)
- **Community Land** (Internal Valuation – Valuer General)
- **Land Improvements** (External and Internal Valuation)



- **Other Structures**
(External and Internal Valuation)

- **Other Assets**
(External and Internal Valuation)

Initial Recognition

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

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

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

- Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve.
- To the extent that the increase reverses a decrease previously recognised via the profit or loss, then the increase is first recognised in profit or loss.

- Decreases that reverse previous increases of the same asset 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.

For all other 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.

Council has revalued Community Land, Other Structures and Land Improvements in accordance with the requirements of the Division of Local Government. These assets are now reflected at Fair Values and are presented in note 9.

Full revaluations are undertaken for all assets on a 5 year cycle.

Disposal of Assets

This year Council has sold two (2) parcels of land in the Narellan area. One of these parcels was located within the Narellan Town Centre car park and was sold at a loss of \$929,793. This loss on sale was primarily due to various constraints and conditions being placed on the land covenants. Conditions included the provision of no less than sixty-six (66) parking spaces being maintained on the land for public benefit. They also provided for ongoing legal access to the land. Council's independent valuer considered the overall sale value, ie. the sale proceeds plus additional car parking provisions, to be excellent value to Council.

Capitalisation Thresholds

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

Land

- council land	100% Capitalised
- open space	100% Capitalised
- land under roads	100% Capitalised

Plant & Equipment

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

Buildings & Land Improvements

Park Furniture & Equipment	100% Capitalised
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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 years
- Roof Membrane & Air Conditioning	20 years
- Lift & Escalators	25 years
- Fire Services	30 years
- Floor Coverings	10 years

Stormwater Drainage

- Drains	100 years
- Culverts	70 years
- Flood Control Structures	10 to 100 years

Transportation Assets

- Sealed Roads : Surface	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 (where appropriate), at each balance sheet 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 – refer Note 1(s) on Asset Impairment.

Disposal and De-recognition

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

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

(k) Land

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

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

(l) Land under roads

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

Historically Council has not recognised land under roads. In accordance with AASB116, Council has brought to account all land under roads with the movement in valuation going to the Asset Revaluation Reserve.

Council has elected to recognise land under roads on an Englobo valuation basis using a municipal rate.

(m) Intangible Assets

Council has not classified any assets as Intangible.

(n) Crown Reserves

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

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

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating 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 both tiers of government.

(o) Rural Fire Service assets

Under section 119 of the Rural Fires Act 1997, "all fire fighting equipment purchased or constructed

wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed".

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets.

(p) Investment property

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

Council does not currently own any investment properties.

(q) Provisions for close down, restoration and for environmental clean up costs - including Tips and Quarries

Close down, Restoration and Remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g, updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period.

This amortisation of the disclosed as a borrowing cost in Note 4(b).

Other movements in the provisions for Close down, Restoration and Remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement.

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Specific Information relating to Council's provisions relating to Close down, Restoration and Remediation costs can be found at Note 26.

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

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

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

A Discontinued Operation is a component of the entity 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.

(s) Impairment of assets

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

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in 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. For non-cash generating assets of Council such as roads, drains, public buildings etc - value in use is represented by the "deprival value" of the asset which is approximated as its written down replacement cost.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

(t) 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.

(u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.



Borrowings are subsequently measured at amortised cost.

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

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(v) Borrowing Costs

Borrowing costs are expensed.

(w) Provisions

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

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

Provisions are not recognised for future operating losses.

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.

(x) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including nonmonetary benefits), annual leave and vesting sick leave expected to be 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.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports. Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Other Long Term Obligations

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

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

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

(iii) Retirement Benefit Obligations

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

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

Defined Benefit Plans

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

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

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

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

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

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.

Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense for the year ending 30 June 2011 was \$884,015 and disclosed as part of Superannuation Expenses at Note 4(a).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. The share of the deficit that can be broadly attributed to Council was estimated to be in the order of \$1.4 million as at 30 June 2011. No liability for the deficiency has been recognised in these financial statements.

As a result, they have asked for significant increases in future contributions to recover that deficiency.

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

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/11.

(y) Self insurance

Council does not self insure.

(z) 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.

Exceptions

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

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(ab) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2011.

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, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010- 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2013 but is available for early adoption.

When adopted, the standard will affect in particular the 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. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

Applicable to Local Government but no implications for Council;

AASB 2009 14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme.

It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. Council does not make any such prepayments.

AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

Amendments made to AASB 7 Financial Instruments: Disclosures in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets.

The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties.


They are not expected to have any significant impact on Council's disclosures.

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

None

Not applicable to Local Government per se;

Revised AASB 124 Related Party Disclosures and AASB 2009 12 Amendments to Australian Accounting Standards (effective from 1 January 2011)



In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures.

It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively.

The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia.

Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements.

Local Government are specifically excluded from adopting the new Australian Accounting Standards – Reduced Disclosure Requirements.

AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model.

AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale.

Council is not subject to Income Tax and accordingly this amendment will have no impact on future financial statements

(ac) Rounding of amounts

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

(ad) 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.

(ae) Disclaimer

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

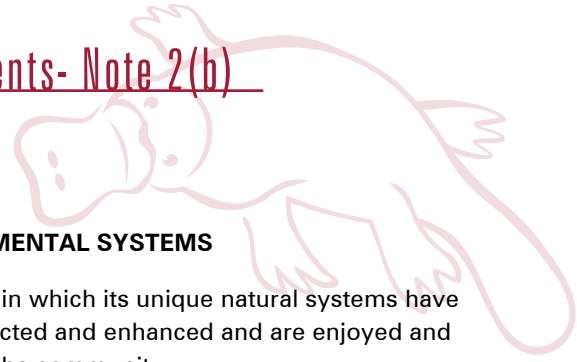
Notes To and Forming Part of the Financial Statements - Note 2(a)
For The Year Ended 30 June 2011

PRINCIPAL ACTIVITIES													
\$'000 FUNCTIONS/ ACTIVITIES	INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING PRINCIPAL ACTIVITIES DETAILS OF THOSE PRINCIPAL ACTIVITIES ARE PROVIDED												
	INCOME FROM CONTINUING OPERATIONS			EXPENSES FROM CONTINUING OPERATIONS			OPERATING RESULTS FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN INCOME FROM CONTINUING OPERATIONS		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ORIGINAL BUDGET 2011 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000	ORIGINAL BUDGET 2011 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000	ORIGINAL BUDGET 2011 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000	ACTUAL 2011 \$000	ACTUAL 2010 \$000
PRINCIPAL ACTIVITIES													
Governance	364	1,483	1,081	12,590	42,015	10,020	(12,226)	(40,532)	(8,939)	16	-	36,929	27,402
Sustainable Urban Growth	5,599	4,441	3,568	4,593	4,300	4,047	1,006	141	(479)	-	19	15,799	15,799
Accessibility	7,116	32,727	18,550	11,751	15,620	9,978	(4,635)	17,107	8,574	482	518	336,557	299,569
Environmental Systems	10,815	24,771	53,033	8,979	10,349	8,267	1,836	14,422	44,766	87	222	172,439	149,978
Economic & Community Development	10,341	12,245	10,467	15,264	18,765	17,046	(4,923)	(6,521)	(6,579)	4,543	4,788	243,926	242,272
TOTAL FUNCTIONS & ACTIVITIES	34,235	75,666	86,699	53,177	91,049	49,356	(18,942)	(15,383)	37,343	5,128	5,547	805,650	735,020
GENERAL PURPOSE INCOME	33,181	33,241	29,912	-	-	-	33,181	33,251	29,912	2,569	2,344	-	-
OPERATING RESULT FROM CONT. OPERATIONS	67,416	108,917	116,917	53,177	91,049	49,356	14,239	17,868	67,255	7,697	7,891	805,650	735,020

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

Notes To and Forming Part of the Financial Statements- Note 2(b)

Components of Principal Activities



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

GOVERNANCE

A Camden which is a community served by a Council that is viable, responsible and encourages participation in decision making.

Costs relating to the delivery of this strategic outcome include: local democracy, financial services, rating services, debt servicing, legal & statutory, public relations, information systems, risk & management, property management, human resources and training.

SUSTAINABLE URBAN GROWTH

A Camden that has retained its valued traditional qualities, integrated its new communities and not compromised its environment.

Costs relating to the delivery of this strategic outcome include : building approvals, land information system and development contributions.

ACCESSIBILITY

A Camden that provides convenient and equitable access to services, facilities and places for all members of the community through a range of technological and physical opportunities.

Costs relating to the delivery of this strategic outcome include: design and survey, traffic, infrastructure maintenance including roads, bridges, footpaths, parking areas, bus shelters, RTA works, street lighting and street and gutter cleaning.

ENVIRONMENTAL SYSTEMS

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 : animal control, regulatory compliance, storm water drainage, pollution control, health services, sewerage systems, and waste management.

ECONOMIC & COMMUNITY DEVELOPMENT

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: civic centre, family day care, library services, tourism, community development, emergency services, business & economic development, recreation & leisure and entrepreneurial services.



Notes To and Forming Part of the Financial Statements - Note 3

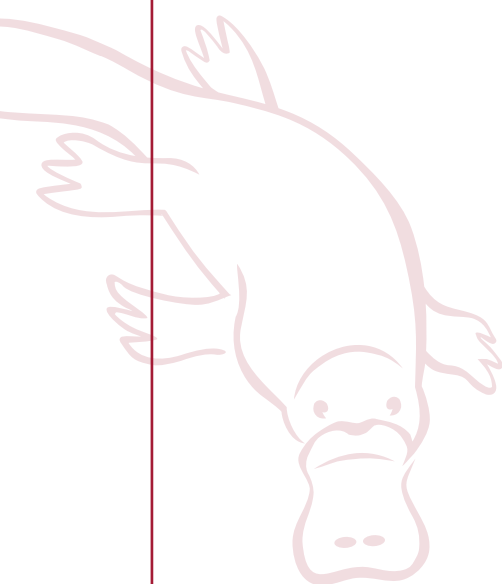
Income From Continuing Operations

	Actual 2011	Actual 2010
(a) RATES AND ANNUAL CHARGES		
ORDINARY RATES		
Residential	21,565	19,307
Farmland	879	775
Business	6,043	5,549
	28,487	25,631
ANNUAL CHARGES		
Domestic Waste Management Services	5,186	4,822
Section 611 Charges	22	21
Stormwater Management Levy	332	318
	5,540	5,161
TOTAL RATES & ANNUAL CHARGES	34,027	30,792
Council has used 2011 valuations provided by NSW Valuer General in calculating its Rates.		
(b) USER CHARGES & FEES		
USER CHARGES		
Domestic Waste Management	39	32
Commercial Waste Management	538	501
Sullage and Septic	170	168
	747	701
OTHER USER CHARGES AND FEES		
(I) Fees & Charges - Statutory & regulatory Functions (per s608 & 610A)		
Building Services	1,287	1,189
Private Works	183	208
Section 149 Certificates (EPA Act)	138	123
Section 603 Certificates	107	107
Town Planning	2,318	2,012
Pollution Control	132	-
TOTAL CHARGES & FEES	4,145	3,639
(II) Fees & Charges - Other (Incl. General User Charges)		
Cemeteries	112	170
Child Care	198	179
Leaseback Fees - Council Vehicles	605	634
Library Services	56	65
Public Halls	944	908
Recreational Services	3,183	2,703
Other	26	18
TOTAL CHARGES & FEES - OTHER	5,124	4,677
TOTAL USER CHARGES AND FEES	10,016	9,017

	Actual 2011	Actual 2010
(c) INTEREST & INVESTMENT REVENUE		
Interest & Dividends		
- Interest on Overdue Rates & Annual Charges	284	269
- Interest earned on Investments (interest & coupon payment income)	3,048	1,646
TOTAL INTEREST & INVESTMENT REVENUE	3,332	1,915
Interest Revenue is attributable to:		
Unrestricted Investments/Financial Assets:		
Overdue Rates & Annual Charges	284	269
General Council Cash & Investments	1,911	900
Restricted Investments/Funds - External:		
Development Contributions		
- Section 94 (under plans)	1,132	742
- Section 94 (not under plans)	5	4
TOTAL INTEREST & INVESTMENT REVENUE RECOGNISED	3,332	1,915

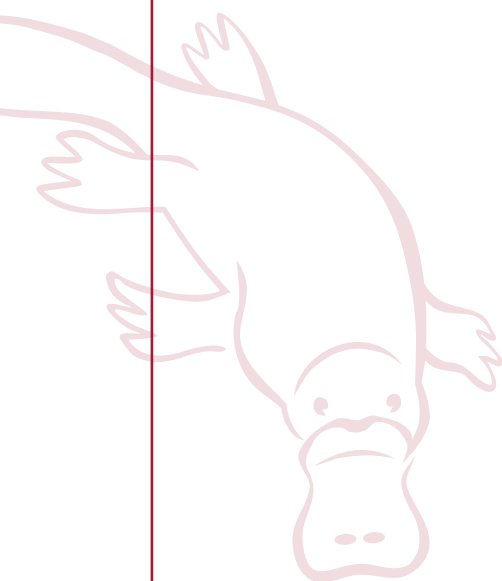
(d) OTHER REVENUES		
Fines - Other	142	145
Bushfire Services	52	47
Commissions & Agency Fees	110	121
Development Service Income	26	27
Domestic Waste Management	11	3
Employee Relations	135	107
Insurance Claim Recoveries	13	-
Sales - General	140	158
State Road Grass Cutting & Rubbish Collection	241	250
Contributions to Long Service Leave - Other Councils	145	94
Sand Extraction Sales	529	-
Other	103	70
TOTAL OTHER REVENUE	1,647	1,022

	OPERATING		CAPITAL	
	2011	2010	2011	2010
(e) GRANTS				
General Purpose (Untied)				
- Financial Assistance	1,475	1,369	-	-
- Financial Assistance- Local Roads	793	685	-	-
- Pensioner Rates Subsidies (General)	301	290	-	-
Total General Purpose	2,569	2,344	-	-
SPECIFIC PURPOSE				
Child Care	1,057	875	-	-
Community Care Services	485	643	97	-
Employment & Training Programs	17	-	-	-
Health Services	87	30	-	-
Library	145	142	-	-
NSW Rural Fire Services	87	147	-	45
Planning & Development	-	19	-	-
Recreational Services	54	123	2,617	3,005
Street Lighting	40	39	-	-
Transport (Other Roads & Bridges Funding)	-	2	441	477
Total Specific Purpose	1,973	2,020	3,155	3,527
TOTAL GRANTS	4,542	4,364	3,155	3,527
Grant Revenue is attributable to:				
- Commonwealth Funding	1,231	1,275	3,038	2,917
- State Funding	3,311	3,089	117	610
	4,542	4,364	3,155	3,527



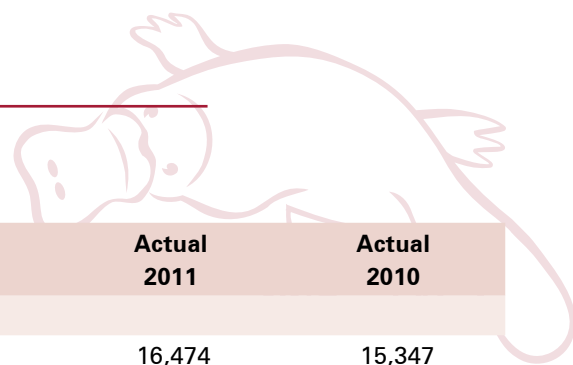
	OPERATING		CAPITAL	
	2011	2010	2011	2010
(f) CONTRIBUTIONS				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
Section 94				
- Roadworks	-	-	1,424	944
- Roadworks-In Kind	-	-	4,873	3,684
- Drainage	-	-	1,720	770
- Drainage-In Kind	-	-	1,838	34,459
- Traffic Facilities	-	-	27	11
- Parking	-	-	31	22
- Open Space	-	-	1,313	341
- Recreational & Open Space-In Kind	-	-	6,394	2,092
- Community Facilities	-	-	2,364	612
- Other	220	280	22	54
Total Developer Contributions	220	280	20,006	42,989
Other Contributions:				
Development Pilot Project	500	-	-	-
Community Facilities	315	108	-	-
Dedicated Drainage	-	-	9,499	7,395
Dedicated Open Space	-	-	-	869
Dedicated Subdivision Roads	-	-	20,772	13,676
RTA Contributions	53	63	833	249
Other	-	-	-	67
Total Other Contributions	868	171	31,104	22,256
Total Contributions	1,068	451	51,110	65,245
TOTAL GRANTS & CONTRIBUTIONS	5,630	4,815	54,265	68,772

	Actual 2011	Actual 2010
(g) RESTRICTIONS RELATING TO GRANTS AND CONTRIBUTIONS		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	20,052	16,405
add: Grants and contributions recognised in the current period which have not been spent:	8,964	6,826
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(5,291)	(3,179)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	3,673	3,647
Unexpended at the Close of this Reporting Period and held as Restricted Assets	23,725	20,052
Comprising:		
- Specific Purpose Unexpended Grants	736	3,174
- Developer Contributions	22,989	16,878
	23,725	20,052



Notes To the Financial Statements- Note 3

Expenses From Continuing Operations



	Actual 2011	Actual 2010
(a) EMPLOYEE BENEFITS & ON-COSTS		
Salaries and Wages	16,474	15,347
Travelling	1,488	1,482
Employee Leave Entitlements (ELE)	2,678	2,766
Superannuation	2,192	2,165
Workers' Compensation Insurance	747	846
Fringe Benefit Tax (FBT)	96	128
Training Costs (other than Salaries & Wages)	342	220
Other	267	177
Total Employee Costs	24,284	23,131
less: Capitalised Costs	(648)	(509)
TOTAL EMPLOYEE COSTS EXPENSED	23,636	22,622
Number of "Equivalent Full Time" Employees at year end	295.2	276.6

	Actual 2011	Actual 2010
(b) BORROWING COSTS		
(i) Interest Bearing Liability Costs		
Interest on Loans	681	686
Total Interest Bearing Liability Costs	681	686
TOTAL BORROWING COSTS EXPENSED	681	686

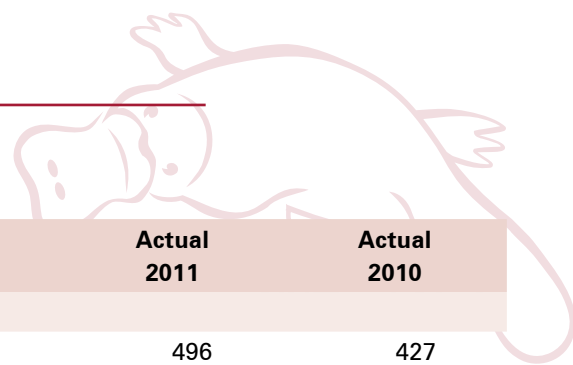
	Actual 2011	Actual 2010
(c) MATERIALS & CONTRACTS		
Contractor & Consultancy Costs	685	462
Auditors Remuneration		
- Audit Services: Council's Auditor	53	35
Legal Expenses:		
- Legal Expenses: Planning & Development	105	90
- Legal Expenses: Other	152	153
Agency Agreements	490	373
Building Maintenance	492	496
Community Support Programs	1,512	1,217
Companion Animal Control	80	50
Emergency Services	92	112
Function Centre Administration	136	109
Information Technology	391	372
Infrastructure Maintenance and Repairs	2,826	1,883
Noxious Weeds Control	9	12
Office Administration	311	382
Parks and Gardens Maintenance	1,890	1,660
Plant Management	1,878	1,792
Pollution Control	153	16
Private Works	-	5
Recreational Services	2,986	2,678
Tree Maintenance	231	211
Waste Management Disposal Cost	2,420	2,066
Other	7	9
Total Materials & Contracts	16,899	14,183
TOTAL MATERIALS & CONTRACTS	16,899	14,183

	IMPAIRMENT COSTS		DEPRECIATION/ AMORTISATION	
	2011	2010	2011	2010
(d) DEPRECIATION, AMORTISATION & IMPAIRMENT				
Plant and Equipment	-	-	1,531	1,387
Office Equipment	-	-	165	203
Furniture & Fittings	-	-	37	43
Land Improvements (depreciable)	-	-	941	960
Buildings - Non Specialised	-	-	33	50
Buildings - Specialised	-	-	1,755	1,635
Other Structures	-	-	204	168
Infrastructure:				
- Roads, Bridges & Footpaths	-	-	6,599	3,104
- Stormwater Drainage	-	-	1,809	821
Other Assets				
- Library Books	-	-	110	95
- Other	-	-	163	55
Total Depreciation & Impairment Costs	-	-	13,347	8,521
less: Capitalised Costs	-	-	(519)	(502)
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED	-	-	12,828	8,019

	Notes	Actual 2011	Actual 2010
(e) OTHER EXPENSES			
Other Expenses for the year include the following:			
Advertising General		192	119
Bad & Doubtful Debts		6	-
Bushfire Services		51	47
- Emergency Services Levy		546	478
Councillor Expenses - Mayoral Fee		34	33
Councillor Expenses - Councillors' Fees & Allowances		140	136
Councillors' Expenses (incl. Mayor) Expenses		38	30
Development Operating Expenses		37	79
Donations & Contributions to Local & Regional Bodies		231	177
Election Expenses		-	91
Electricity & Gas		399	357
Information Technology Expenses		291	226
Insurance		627	617
Rates Collection Charges		154	131
Street Lighting		931	788
Telephone & Communications		176	160
Water Charges		159	164
Disposal of Road Resurfacing (write-off)		1,795	-
Revaluation of Community Land - Decrement	9a	24,741	-
Revaluation of Other Structures - Decrement	9a	5,704	-
Other		312	213
Total Other Expenses		36,564	3,846
TOTAL OTHER EXPENSES		36,564	3,846

Notes To the Financial Statements- Note 5

Gains or Losses from the Disposal of Assets



	Actual 2011	Actual 2010
PLANT & EQUIPMENT		
Proceeds from Disposal	496	427
less: Carrying Amount of P&E Assets Sold	(82)	(149)
Net Gain/(Loss) on Disposal	414	278
REAL ESTATE ASSETS FOR SALE		
Proceeds from Disposal	925	-
less: Carrying Amount of Real Estate Assets Sold	(1,780)	-
Net Gain/(Loss) on Disposal	(855)	-

Please refer to page 20 of note 1 for explanation of loss on sale of land.

Notes To the Financial Statements- Note 6a and 6b

Cash Assets and Investment Securities

	Actual Current	Actual Non Current	Actual Current	Actual Non Current
	2011	2011	2010	2010
CASH & CASH EQUIVALENTS (Note 6b)				
Cash on Hand and at Bank	162	-	1,426	-
Cash-Equivalent Assets ¹				
- Deposits at Call	5,600	-	750	-
Total Cash & Cash Equivalents	5,762	-	2,176	-
INVESTMENT SECURITIES (Note 6b)				
- Term Deposits	48,000	-	44,860	-
Total Investment Securities	48,000	-	44,860	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	53,762	-	47,036	-
1 Those Investments where time to maturity (from date of purchase) is < 3 mths.				
Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:				
Cash & Cash Equivalents				
a. "At Fair Value through the Profit & Loss"	5,762	-	2,176	-
Investments				
b. "Held to Maturity"	48,000	-	44,860	-
Investments	48,000	-	44,860	-
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	44,860	-	30,050	-
Additions	80,700	-	110,120	-
Disposals (sales & redemptions)	(77,560)	-	(95,310)	-
Balance at End of Year	48,000	-	44,860	-
Comprising:				
- Term Deposits (Short Term)	48,000	-	44,860	-
Total	48,000	-	44,860	-

Notes To the Financial Statements- Note 6c

Restricted Cash, Cash Equivalents & Investments - Details

	Actual Current	Actual Non Current	Actual Current	Actual Non Current
	2011	2011	2010	2010
TOTAL CASH, CASH EQUIVALENTS AND INVESTMENT SECURITIES	53,762	-	47,036	-
attributable to:				
External Restrictions (refer below)	36,653	-	33,792	-
Internal Restrictions (refer below)	16,390	-	11,246	-
Unrestricted	719	-	1,998	-
	53,762	-	47,036	-

	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
DETAILS OF RESTRICTIONS				
External Restrictions - Included in Liabilities				
Unexpended Loans - Dept. of Planning (A)	11,397	615	(2,218)	9,794
Retention Bonds - S94 Developer Contribution	495	-	-	495
External Restrictions - Included in Liabilities	11,892	615	(2,218)	10,289
External Restrictions - Other				
Sec 94 Developer Contributions - General (B)	16,383	8,258	(2,147)	22,494
Specific Purpose Unexpended Grants (C)	685	596	(1,153)	128
Camden Pool Redevelopment Grant (C)	1,991	-	(1,991)	-
Unexpended Grants - Interest	18	67	(85)	-
Domestic Waste Management (D)	2,447	779	(437)	2,789
Stormwater Management (D)	256	384	(242)	398
Development Assessment Acceleration Fund	-	392	-	392
Other	120	80	(37)	163
External Restrictions - Other	21,900	10,556	(6,092)	26,364
Total External Restrictions	33,792	11,171	8,310	36,653

	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
INTERNAL RESTRICTIONS				
Plant Replacement Reserve	803	695	(933)	565
Community Infrastructure Renewal Program	-	1,228	(962)	266
Employees Leave Entitlement Reserve	1,527	444	(351)	1,620
Deposits, Retentions & Bonds	2,819	1,789	(688)	3,920
Camden Parking Reserve	121	-	-	121
Capital Works Reserve	474	261	(298)	437
Cemetery Improvements	300	72	(42)	330
Commercial Waste Services	614	151	-	765
Community Bus Restricted Income	14	-	(14)	-
Community Facility Reserve	9	-	-	9
Elections Reserve	75	75	-	150
Engineering Services Deposits	351	14	(198)	167
Family Day Care Trust	123	23	-	146
Expenditure Revote Reserve	734	857	(603)	988
Garden Competition Restricted Fees	1	-	(1)	-
Loan Repayment Reserve	105	9	(114)	-
On Site Sewage Management	15	-	(15)	-
Public Appeals Reserve	36	-	-	36
Risk Management Reserve	272	40	(70)	242
Sec 355 Committee Reserve	186	-	(50)	136
Working Funds Reserve	294	2,365	(1,639)	1,020
Camden Town Centre Reserve	1,190	-	(6)	1,184
DOP Loan Repayment Reserve	1,183	1,172	(100)	2,255
Central Administration Building Reserve	-	1,925	-	1,925
Narellan ArtyCafe Reserve	-	54	-	54
Water Savings Action Plan Reserve	-	14	-	14
Swimming Pools Repairs Fund	-	40	-	40
Road Improvement Reserve	-	349	(349)	-
Total Internal Restrictions	11,246	11,577	(6,433)	16,390
TOTAL RESTRICTIONS	45,038	22,748	(14,743)	53,043

A Loan monies 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 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.

Notes To the Financial Statements- Note 7

Receivables

	Current	Non Current	Current	Non Current
	2011	2011	2010	2010
PURPOSE				
Rates & Annual Charges	1,860	400	1,489	380
Interest & Extra Charges	165	47	182	18
Accrued Revenues				
- Interest on Investments	573	-	370	-
Amounts due from Other Councils	42	-	-	-
Bushfire Grants	43	-	88	-
Community Services Income	130	-	102	-
Deferred Debtors - Australand	-	502	-	502
Employee Accounts	12	-	16	-
Government Grants & Subsidies	617	-	375	-
Health & Environment Inspections	21	-	8	-
Lease Rentals	5	-	5	-
Net GST Receivable	352	-	322	-
Private Works/Road Restorations	6	-	23	-
RTA Contributions	-	-	55	-
Sec 94 Works in Kind Agreements	-	19,464	-	10,325
Water/Electricity	7	-	7	-
Other Debtors	618	-	299	-
Total	4,451	20,413	3,341	11,225
less: Provision for Impairment				
Other Debtors	(22)	-	(15)	-
Total Provision for Impairment - Receivables	(22)	-	(15)	-
TOTAL NET RECEIVABLES	4,429	20,413	3,326	11,225

	Current	Non Current	Current	Non Current
	2011	2011	2010	2010
EXTREMELY RESTRICTED RECEIVABLES				
Domestic Waste Management	367	84	310	75
Stormwater Management Levy	25	2	21	1
Specific Purpose Grants	165		443	-
RTA Contributions	443		55	-
Sec 94 Works in Kind Agreements	-	19,464	-	10,325
Total External Restrictions	1,000	19,550	829	10,401
Internally Restricted Receivables				
Commercial Waste Reserve	9	-	10	-
Capital Works Reserve	435	-	696	-
Working Funds Reserve	2,163	-	1,345	-
Employee Leave Entitlements	42	-	-	-
Internally Restricted Receivables	2,649	-	2,051	-
Unrestricted Receivables	780	863	446	824
TOTAL NET RECEIVABLES	4,429	20,413	3,326	11,225

Notes on Debtors above:

(i) Rates & Annual Charges Outstanding are secured against the property.

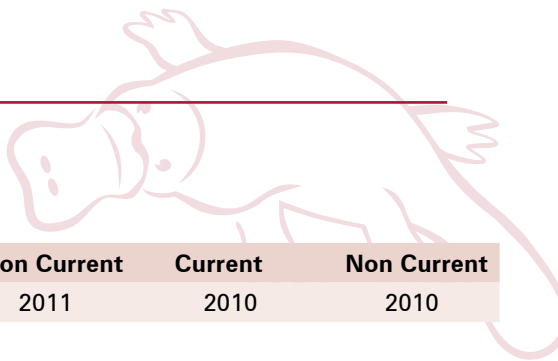
(ii) Interest was charged on overdue rates & charges at 9.00% (2010 9.00%).

Generally all other receivables are non interest bearing.

(iii) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Notes To the Financial Statements- Note 8

Inventories & Other Assets



	Current	Non Current	Current	Non Current
	2011	2011	2010	2010
INVENTORIES				
Real Estate (refer below)	-	-	1,403	-
Stores & Materials	387	-	346	-
Trading Stock	38	-	17	-
Total Inventories	425	-	1,766	-
Other Assets				
Prepayments	549	-	501	-
Total Other Assets	549	-	501	-
TOTAL INVENTORIES / OTHER ASSETS	974	-	2,267	-
Externally Restricted Assets				
Domestic Waste Management				
Stores & Materials	21	-	12	-
Total Domestic Waste Management	21	-	12	-
Total Externally Restricted Assets	21	-	12	-
Total Internally Restricted Assets				
Total Unrestricted Assets	953	-	2,255	-
TOTAL INVENTORIES & OTHER ASSETS	974	-	2,267	-

	Current	Non Current	Current	Non Current
	2011	2011	2010	2010
(i) OTHER DISCLOSURES				
(a) Details for Real Estate Development				
Industrial/Commercial	-	-	1,403	-
Total Real Estate for Resale	-	-	1,403	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition Costs	-	-	1,403	-
Total Costs	-	-	1,403	-
Total Real Estate for Resale	-	-	1,403	-
Movements:				
Real Estate assets at beginning of the year	1,403	-	1,403	-
- Purchases and other costs	377	-	-	-
- WDV of Sales (exp)	(1,780)	-	-	-
Total Real Estate for Resale	-	-	1,403	-

Notes To and Forming Part of the Financial Statements- Note 9(a)

Infrastructure, Property, Plant and Equipment

	as at 30/06/2010				Asset Movements during the Reporting Period								as at 30/06/2011					
	At Cost	At Fair Value	Accum Depn	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Trfs from/ (to) "Held for Sale" category"	Trfs from/ (to) Real Estate Assets (Note 8)	Revaluation Decrements to P&L	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated Dep'n	Accumulated Impairment	Carrying Value	
Capital Work in Progress	-	-	-	-	4,463	-	-	-	-	-	-	-	4,462	-	-	-	-	4,462
Plant & Equipment	-	12,908	7,015	5,893	1,484	(83)	(1,531)	-	-	-	-	-	-	13,053	7,289	-	-	5,764
Office Equipment	-	2,881	2,384	497	174	-	(165)	-	-	-	-	-	-	3,048	2,543	-	-	505
Furniture & Fittings	-	1,273	1,098	175	20	-	(37)	-	-	-	-	-	-	1,293	1,293	-	-	159
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Operational Land	-	59,382	-	59,382	-	(1,430)	-	1,300	-	-	-	-	-	59,252	59,252	-	-	59,252
- Community Land	111,247	5,322	-	116,569	550	(350)	-	103	(24,741)	-	-	-	-	92,131	92,131	-	-	92,131
- Land Under Roads	-	-	-	-	33	-	-	-	-	-	38,663	-	-	38,697	38,697	-	-	38,697
Land Improvements - depreciable	42,070	-	14,206	27,864	61	-	(941)	-	-	-	12,438	-	-	47,050	47,050	-	-	39,424
Buildings - non specialised	-	1,413	801	612	603	-	(33)	-	-	-	855	-	-	2,871	2,871	-	-	2,037
Buildings - specialised	-	53,710	21,083	32,627	71	-	(1,755)	-	-	-	-	-	-	53,781	53,781	-	-	30,943
Other Structures	6,043	-	2,824	3,219	5,848	-	(204)	-	(5,704)	-	-	-	-	4,700	4,700	-	-	3,159
Infrastructure	-	323,891	60,753	263,138	25,119	(1,753)	(6,599)	-	-	-	-	-	-	347,257	347,257	-	-	279,904
- Roads, Bridges, Footpaths	-	14,852	-	14,852	642	-	-	-	-	-	-	-	-	15,493	15,493	-	-	15,493
- Bulk earthworks (non-deprec)	-	170,190	25,192	144,998	9,573	(41)	(1,809)	-	-	-	-	-	-	179,721	179,721	-	-	152,720
- Stormwater Drainage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	2,575	-	1,800	775	152	-	(110)	-	-	-	-	-	-	2,726	2,726	-	-	816
- Library Books	3,639	-	3,074	565	204	-	(163)	-	-	-	-	-	-	3,843	3,237	-	-	606
- Other	165,574	645,822	140,230	671,166	48,997	(3,657)	(13,347)	221,039	(30,445)	-	51,956	-	4,462	864,916	143,306	-	-	726,072
TOTALS																		

Notes To and Forming Part of the Financial Statements - Note 9(b)

Restricted Infrastructure, Property, Plant and Equipment

Class of Asset	2010 \$000				2009 \$000			
	At Cost	At Fair Value	A/Dep & Impair't	Carrying Value	At Cost	At Fair Value	A/Dep & Impair't	Carrying Amount
Domestic Waste Management								
Plant & Equipment	-	6,766	3,493	3,273	-	7,073	3,114	3,959
Land								
- Operational Land	-	644	-	644	-	644	-	644
- Improvements non-depreciable	-	-	-	-	-	-	-	-
- Improvements - depreciable	-	100	78	22	100	-	88	12
Buildings	-	457	207	250	-	398	214	184
Total Domestic Waste	-	7,967	3,778	4,189	100	8,115	3,416	4,799
TOTAL RESTRICTIONS	-	7,967	3,778	4,189	100	8,115	3,416	4,799

Notes To and Forming Part of the Financial Statements - Note 10(a)

Payables, Borrowings & Provisions

\$'000	2011		2010	
	Current	Non-Current	Current	Non-Current
Payables				
Goods & Services - operating expenditure	1,808	-	2,607	-
Payments Received In Advance	239	456	227	456
Accrued Expenses:				
- Borrowings	1	-	-	-
- Salaries & Wages	308	-	232	-
Security Bonds, Deposits & Retentions	4,176	-	3,087	-
Total Payables	6,532	456	6,153	456
Borrowings				
Loans - Secured 1	1,747	19,473	1,882	19,616
Total Borrowings	1,747	19,473	1,882	19,616
Provisions				
Employee Benefits;				
Annual Leave	2,112	-	1,907	-
Long Service Leave	4,963	346	4,585	224
Total Provisions	7,075	346	6,492	224
Total Payables, Borrowings & Provisions	15,354	20,275	14,527	20,296

(i) Liabilities relating to Restricted Assets	2011		2010	
	Current	Non-Current	Current	Non-Current
Externally Restricted Assets				
Domestic Waste Management - Payables	84	-	104	-
Section 94 - Retention Bonds	495	-	495	-
Liabilities relating to externally restricted assets	579	-	599	-
Internally Restricted Assets				
Liabilities relating to internally restricted assets	-	-	-	-
Total Liabilities relating to restricted assets	579	-	599	-

1. Loans are secured over the General Rating Income of Council

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

	2011	2010
--	------	------

(ii) Current Liabilities not anticipated to be settled within the next 12 months

The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months. Accrued Expenses - Other Deposits, Retentions & Bonds

Provisions - Employee Benefits	5,307	4,698
	5,307	4,698

Notes To and Forming Part of the Financial Statements - Note 10(b) Payables, Borrowings & Provisions

Class of Provision	2010		2011			
	Opening Balance as at 1/7/10	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/11
Annual Leave	1,907	1,410	(1,205)	-	-	2,112
Long Service Leave	4,809	965	(465)	-	-	5,309
TOTAL	6,716	2,375	(1,670)	-	-	7,421

a. 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 and Forming Part of the Financial Statements - Note 11

Statement of Cash Flows

	Notes	Actual 2011	Actual 2010
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets		5,762	2,176
BALANCE as per the STATEMENT of CASH FLOWS		5,762	2,176
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		17,868	67,255
Adjust for non cash items:			
Depreciation & Amortisation		12,828	8,019
Net Losses/(Gains) on Disposal of Assets		441	(278)
Non Cash Capital Grants and Contributions		(34,237)	(51,962)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(10,298)	(10,976)
Increase/(Decrease) in Provision for Doubtful Debts		6	-
Decrease/(Increase) in Inventories		(62)	(20)
Decrease/(Increase) in Other Assets		(48)	16
Increase/(Decrease) in Payables		263	1,013
Increase/(Decrease) in Accrued Interest Payable		1	-
Increase/(Decrease) in Other Accrued Expenses Payable		76	81
Increase/(Decrease) in Other Liabilities		2,795	(1,884)
Increase/(Decrease) in Employee Leave Entitlements		705	790
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		(9,662)	12,054
(c) Non-Cash Investing & Financing Activities			
Bushfire Grants		-	45
S94 Contributions "in kind"		3,965	29,910
Other Dedications		30,272	22,007
Total Non-Cash Investing & Financing Activities		34,237	51,962
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities (1)		430	430
Credit Cards / Purchase Cards		650	650

Notes:

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

Notes To and Forming Part of the Financial Statements - Note 12

Commitments for Expenditure

	Actual 2011	Actual 2010
(a) Capital Commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, Plant & Equipment		
Infrastructure Assets	3,710	5,127
Total Commitments	3,710	5,127
These expenditures are payable as follows:		
Within the next year	3,710	5,127
Total Payable	3,710	5,127
(b) Other Expenditure Commitments (exclusive of GST)		
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Cleaning and Mowing Services	30	9
Audit Services	70	105
Other	190	265
Total Commitments	290	379
These expenditures are payable as follows:		
Within the next year	228	189
Later than one year and not later than 5 years	62	190
Total Payable	290	379
(c) Operating Lease Commitments (Non Cancellable)		
Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:		
Within the next year	763	901
Later than one year and not later than 5 years	283	410
Total Non Cancellable Operating Lease Commitments	1,046	1,311
(d) Remuneration Commitments		
Commitments for the payment of salaries & other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities are payable:		
Within the next year	607	543
Later than one year and not later than 5 years	1,114	244
Total Payable	1,721	787

Notes To and Forming Part of the Financial Statements - Note 13

Statement of Performance Measurement - Indicators (consolidated)

\$'000	Amounts 2011	Indicator 2011	Prior Periods 2010	Prior Periods 2009
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions (1)	21,491	2.27: 1	1.95	1.74
Current Liabilities less Specific Purpose Liabilities (2,3)	9,468			
2. Debt Service Ratio				
Debt Service Cost				
Income from Continuing Operations	2,559	4.96%	5.56%	5.00%
excluding Capital Items & Specific Purpose Grants/Contributions	51,591			
3. Rates & Annual Charges				
Coverage Ratio				
Rates & Annual Charges	34,027	31.24%	26.39%	33.00%
Income from Continuing Operations	108,917			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	2,472	6.79%	6.16%	6.77%
Rates, Annual & Extra Charges Collectible	36,380			
5. Building & Infrastructure				
Renewals Ratio				
Asset Renewals(4) [Buildings & Infrastructure]	3,845	37.71%	69.40%	49.00%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	10,196			

Notes:

(1) Refer Notes 6-8 inclusive.

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

(2) Refer to Note 10(a).

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

(4) Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance

as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Notes To and Forming Part of the Financial Statements - Note 14

Investment Properties

Council did not have any investment property for the year 2010.

	Actual 2011	Actual 2010
Council does not actively Invest in property.		

Notes To and Forming Part of the Financial Statements - Note 15

Financial 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	
	2011	2010	2011	2010
Financial Assets				
Cash and Cash Equivalents	5,762	2,175	5,762	2,176
Investments - "Held to Maturity"	48,000	44,860	48,000	44,860
Receivables	24,842	14,551	24,842	14,551
Total Financial Assets	78,804	51,587	78,804	61,587
Financial Liabilities				
Payables	6,293	5,925	6,293	5,925
Loans/Advances	21,220	21,498	21,220	21,498
Total Financial Liabilities	27,613	27,423	27,618	27,423

Fair Value is determined as follows:

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

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

Cash & Investments are subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is 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.

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
2011				
Possible impact of a 1% movement in Interest Rates	179	179	(179)	(179)
2010				
Possible impact of a 1% movement in Interest Rates	673	673	(470)	(470)

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.

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:

	2011 Rates & Annual Charges	2011 Other Receivables	2010 Rates & Annual Charges	2010 Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	1,860	2,591	1,489	1,852
Past due by more than 1 year	400	20,013	380	10,845
	<u>2,260</u>	<u>22,604</u>	<u>1,869</u>	<u>12,697</u>

	2011	2010
(ii) Movement in Provision for Impairment of Receivables		
Balance at the beginning of the year	15	15
+ new provisions recognised during the year	7	-
Balance at the end of the year	<u>22</u>	<u>15</u>

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 Liquidity Table below:

	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Yr	1-2 Yrs	2-3Yrs	3-4Yrs	4-5 Yrs	> 5 Yrs		
2011									
Trade/Other Payables	4,176	2,117	-	-	-	-	-	6,293	6,293
Loans & Advances	-	1,747	1,660	1,920	2,208	2,633	11,052	21,220	21,220
Total Financial Liabilities	4,176	3,864	1,660	1,920	2,208	2,633	11,052	27,513	27,513
2010									
Trade/Other Payables	3,087	2,839	-	-	-	-	-	5,926	5,926
Loans & Advances	-	1,882	1,635	1,556	1,791	2,068	12,566	21,498	21,498
Total Financial Liabilities	3,087	4,721	1,635	1,556	1,791	2,068	12,566	27,424	27,424

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:

	2011		2010	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	6,293	0.0%	5,926	0.0%
Loans & Advances - Fixed Interest Rate	21,220	6.7%	21,498	7.8%
	27,513		27,424	

Notes To and Forming Part of the Financial Statements - Note 16

Material Budget Variations

Council's Original Financial Budget for 10/11 was incorporated as part of its Management Plan and was adopted by the Council on 23 March 2010.

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

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

Note that for Variations* of Budget to Actual :

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

F = Favourable Budget Variation, U = Unfavourable Budget Variation

	2011 Budget	2011 Actual		2011 Variance	
REVENUES					
User Charges & Fees	6,944	10,016	3,072	44%	F
The actual amount of user charges and fees received exceeded the budget by \$3,072K (F) mainly due to increases in development activity in the Camden LGA and increase in leisure centre operating revenues. Building and Town Planning revenues increased by \$1,810K, Leisure Centre and other Recreational Services revenues increased by \$956K, Pollution Control by \$132K, and Commercial Waste By \$174K.					
Interest & Investment Revenue	1,839	3,332	1,493	81%	F
Improvements in the global financial market led to higher investment returns and some planned capital expenditure was delayed resulting in a higher level of funds being available for investment.					
Other Revenues	1,269	1,647	378	30%	F
The actual amount of other revenues received exceeded the budget by \$377K (F). Long Service Leave payment from other councils \$144k, State Road grass cutting revenue \$22K, and increase in Sand Extraction sales increased by \$211K.					
Operating Grants & Contributions	4,056	5,630	1,574	39%	F
Actual amounts for Operating Grants & Contributions received exceeded the budget by \$1,574K due to grants and contributions being received during the year that were not known at the time of preparing the original budget. The increases were for Development Projects \$815K, Community Services \$365K, Financial Assistance Grant \$197K, Roadworks \$174K, Domestic Waste Management \$47K, Employee Relations \$19K, Noxious Weeds \$21K. Grants received for Recreational Services were less than budget by \$64K.					
Capital Grants & Contributions	19,135	54,265	35,130	184%	F
Actual amounts for Capital Grants & Contributions received exceeded the budget by \$35,130K due to grants and contributions received during the year that were not known at the time of preparing the original budget. The increases were for Dedicated Roads \$20,772K, Dedicated Drainage \$9,499K, Sec 94 non cash contributions \$4,116K, Roadworks \$481K, Community Projects \$158K and Parks & Gardens \$104K.					

	2011 Budget	2011 Actual	2011 Variance	
Materials & Contracts	13,815	16,899	(3,084)	(22%) U
Materials and Contracts exceeded budget by \$3,084K (U) mainly due to the number of community and special projects not known at the time of preparing the original budget. Special projects and an increase in operational activities include: Mt Annan Leisure Centre \$762K, Parks and Gardens \$813K, Domestic Waste Management \$320K, Infrastructure Maintenance \$690K, Community Services \$89K, Library Services \$247K, Health Services \$138K, Tree Maintenance \$25K.				
Depreciation & Amortisan	10,226	12,828	(2,602)	(25%) U
The increase in value of fixed assets as a result of previous years revaluations has resulted in an increase in depreciation expense.				
Other Expenses	4,078	36,564	(32,486)	(797%) U
Other Expenses exceeded the budget by \$32,486K (U) predominately due to a revaluation decrement for Community Land and Other Structures \$30,446K and the disposal of Road Resurfacing \$1,795K.				
Net Losses from Disposal of Assets	-	441	(441)	0% U
Council does not budget for the gain or loss from asset sales, however during the year council sold some plant and property. The net result from these sales was a loss of \$441K. Further details are available in note 5.				

Notes To and Forming Part of the Financial Statements - Note 17

Statement of Developer Contributions

Purpose	SUMMARY OF DEVELOPER CONTRIBUTIONS							PROJECTIONS			Cumulative Internal Borrowings due (payable)
	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	3,066	1,720	1,838	233	(1,842)	-	5,015	148,739	(153,737)	17	17
Roads	6,372	1,424	4,873	362	(6,580)	-	6,451	137,044	(143,512)	(17)	(17)
Traffic Facilities	687	27	-	41	-	-	755	3,185	(3,940)	-	-
Parking	(58)	31	-	(2)	-	-	(29)	2,841	(2,812)	-	-
Open Space	7,744	1,313	3,994	493	(3,994)	-	9,550	232,206	(241,756)	-	-
Community Facilities	(447)	2,364	2,400	37	(2,600)	-	1,754	170,558	(172,312)	-	-
Other	(578)	242	-	(32)	(236)	-	(604)	2,835	(2,231)	-	-
S94 Contributions - under a plan	16,786	7,121	13,105	1,132	(15,252)	-	22,892	697,408	(720,300)	-	-
Total S94 Revenue Under Plans	16,786	7,121	13,105	1,132	(15,252)	-	22,892	-	-	-	-
S94 not under Plans	92	-	-	5	-	-	97	-	(97)	-	-
TOTAL CONTRIBUTIONS	16,878	7,121	13,105	1,137	(15,252)	-	22,989	697,408	(720,397)	-	-

CONTRIBUTION PLAN - MANAGEMENT & PROVISION OF INFRASTRUCTURE IN LGA								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	1,653	705	477	114	(477)	-	2,472	71,843	(74,298)	17	17
Roads	2,859	932	2,690	184	(3,145)	-	3,520	68,151	(71,553)	118	118
Traffic Facilities	4	5	-	-	-	-	9	2,475	(2,484)	-	-
Parking	(58)	31	-	(2)	-	-	(29)	2,841	(2,812)	-	-
Open Space	1,007	771	3,994	82	(3,994)	-	1,860	142,219	(144,730)	(651)	(651)
Community Facilities	(484)	1,704	-	8	(200)	-	1,028	79,210	(80,238)	-	-
Other	(760)	133	-	(46)	(201)	-	(874)	2,099	(1,225)	-	-
TOTAL	4,221	4,281	7,161	340	(8,017)	-	7,986	368,838	(377,340)	(516)	(516)

CONTRIBUTION PLAN NO.3 - UPPER NARELLAN CREEK (TRUNK DRAINAGE & WATER QUALITY FACILITIES)								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	1,304	362	-	87	(4)	-	1,749	8,437	(10,186)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	1,304	362	-	87	(4)	-	1,749	8,537	(10,186)	-	-
TOTAL	4,221	4,281	7,161	340	(8,017)	-	7,986	368,838	(377,340)	(516)	(516)

CONTRIBUTION PLAN NO.5 - TRUNK DRAINAGE CATHERINE FIELD - PRECINCT 3								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	83	-	-	5	-	-	88	255	(343)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL	83	-	-	5	-	-	88	255	(343)	-	-

CONTRIBUTION PLAN NO.6 - REHABILITATION & MANAGEMENT - ELDERSLIE SAND AND SOIL DEPOSITS								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	2,088	-	-	80	(1,244)	-	924	-	(1,457)	(533)	(533)
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	5,914	-	-	343	-	-	6,257	-	(6,257)	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	(326)	-	-	(20)	-	-	(346)	346	-	-	-
TOTAL	7,676	-	-	403	(1,244)	-	6,835	346	(7,714)	(533)	(533)

CONTRIBUTION PLAN NO.7 - ROAD MAINTENANCE - EXTRACTIVE INDUSTRIES								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	649	-	-	37	(9)	-	677	-	(677)	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL	649	-	-	37	(9)	-	677	-	(677)	-	-

CONTRIBUTION PLAN NO.8 - NARELLAN RELEASE AREA : PRIMARY 7 SECONDARY ROUNDABOUTS								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	742	22	-	44	-	-	808	-	(808)	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL	742	22	-	44	-	-	808	-	(808)	-	-

CONTRIBUTION PLAN NO.11 - SMEATON GRANGE ROADWORKS								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	351	294	-	31	-	-	676	7,324	(7,467)	533	533
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL	351	294	-	31	-	-	676	7,324	(7,467)	533	533

CONTRIBUTION PLAN NO.16 - ELLIS LANE/GRASMERE DEVELOPMENT								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	392	6	-	23	-	-	421	-	(556)	(135)	(135)
Traffic Facilities	114	-	-	7	-	-	121	-	(121)	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	76	-	-	4	-	-	80	-	(80)	-	-
Other	(53)	2	-	(3)	-	-	(54)	68	(14)	-	-
TOTAL	529	8	-	31	-	-	568	68	(771)	(135)	(135)

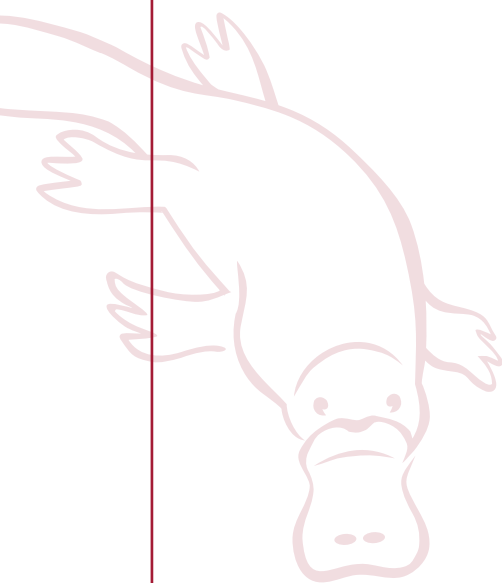
CONTRIBUTION PLAN NO.17 - NARELLAN TOWN CENTRE								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	(173)	-	-	(10)	-	-	(183)	710	(527)	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	769	-	-	44	-	-	813	1,505	(2,318)	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	391	45	-	24	(35)	-	425	-	(425)	-	-
TOTAL	987	45	-	58	(35)	-	1,055	2,215	(3,270)	-	-

CONTRIBUTION PLAN NO.18 - HARRINGTON PARK RELEASE AREA (COMMUNITY & RECREATION FACILITIES)								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	54	-	-	3	-	-	57	-	(57)	-	-
Community Facilities	(39)	-	-	(2)	-	-	(41)	41	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL	15	-	-	1	-	-	16	41	(57)	-	-

CONTRIBUTION PLAN NO.20 - CAMDEN LGA FIRE & OTHER EMERGENCY SERVICES								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	171	4	-	10	-	-	185	313	(498)	-	-
TOTAL	171	4	-	10	-	-	185	313	(498)	-	-

CONTRIBUTION PLAN - ORAN PARK AND TURNER ROAD PRECINCTS								PROJECTIONS			Cumulative Internal Borrowings due (payable)
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	
		Cash	Non-Cash								
Drainage	26	653	1,361	27	(1,361)	-	706	68,204	(68,900)	-	-
Roads	33	192	2,183	7	(2,182)	-	233	61,569	(61,802)	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	542	-	21	-	-	563	88,482	(88,394)	651	651
Community Facilities	-	660	2,4000	27	(2,400)	-	687	91,307	(91,994)	-	-
Other	(1)	58	-	3	-	-	60	9	(69)	-	-
TOTAL	58	2,105	5,944	85	(5,943)	-	2,249	309,571	(311,169)	651	651

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Future Income	Exp still outstanding	Over or (under) Funding	Cumulative Internal Borrowings Due (payable)
		Cash	Non-Cash								
Drainage	16	-	-	1	-	-	17	-	(17)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	44	-	-	2	-	-	46	-	(46)	-	-
Community Facilities	32	-	-	2	-	-	34	-	(34)	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
TOTAL	92	-	-	5	-	-	97	-	(97)	-	-





Notes To and Forming Part of the Financial Statements - Note 18

Contingencies & Other Assets/Liabilities Not Recognised

\$' 000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, 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 the 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 Council's required to make significantly higher contributions from 2009/10 & beyond.

The position is monitored annually and the Actuary has estimated that as at 30 June 2011 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 \$1.41 million as at 30 June 2011.

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.

Notes To and Forming Part of the Financial Statements - Note 19

Controlled Entities, Associated Entities & Interests in Joint Ventures

\$' 000

Council has no interest in Controlled Entities, Associated Entities or Joint Ventures.

Notes To and Forming Part of the Financial Statements - Note 20

Equity - Retained Earnings and Revaluation Reserves

\$' 000	Notes	Actual 2011	Actual 2010
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		453,788	386,533
b. Net Operating Result for the Year		17,868	67,255
Balance at End of the Reporting Period		<u>471,656</u>	<u>453,788</u>
b. Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		2 98,365	246,409
Total		<u>2 98,365</u>	<u>246,409</u>
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		246,409	25,370
- Revaluations: Roads, Bridges & Drainage		-	221,039
- Revaluations: Land Improvements	9(a)	12,438	-
- Revaluations: Land Under Roads	9(a)	38,663	-
- Revaluations: Buildings - Non Specialised	9(a)	855	-
- Balance at End of Year		<u>298,365</u>	<u>246,409</u>
TOTAL VALUE OF RESERVES		<u>298,365</u>	<u>2 46,409</u>

(iii). Nature & Purpose of Reserves**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

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

Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

Notes To and Forming Part of the Financial Statements - Note 21

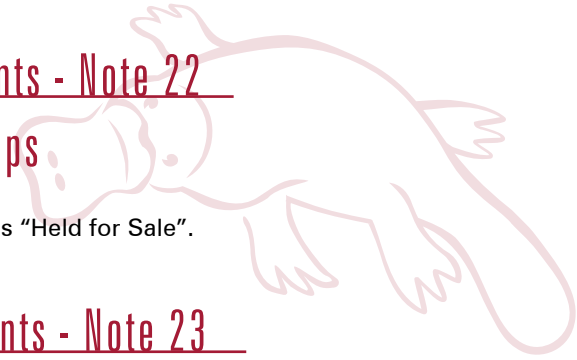
Financial Result & Financial Position by Fund

Balance Sheet by Fund	Actual	Actual	Actual
\$' 000	2011	2011	2011
Continuing Operations	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	-	-	34,027
User Charges & Fees	-	-	10,016
Interest & Investment Revenue	-	-	3,332
Other Revenues	-	-	1,647
Grants & Contributions provided for Operating Purposes	-	-	5,630
Grants & Contributions provided for Capital Purposes	-	-	54,265
Other Income			
Net Gains from Disposal of Assets	-	-	-
Total Income from Continuing Operations	-	-	108,917
Expenses from Continuing Operations			
Employee Benefits & on-costs	-	-	23,636
Borrowing Costs	-	-	681
Materials & Contracts	-	-	16,899
Depreciation & Amortisation	-	-	12,828
Other Expenses	-	-	36,564
Net Losses from the Disposal of Assets	-	-	441
Total Expenses from Continuing Operations	-	-	91,049
Operating Result from Continuing Operations	-	-	17,868
Net Operating Result for the Year	-	-	17,868
Net Operating Result attributable to each Council Fund	-	-	17,868
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	-	-	(36,397)

Notes To and Forming Part of the Financial Statements - Note 21

Financial Result & Financial Position by Fund (continued)

Balance Sheet by Fund	Actual	Actual	Actual
\$' 000	2011	2011	2011
ASSETS	Water	Sewer	General ¹
Current Assets			
Cash & Cash Equivalents	-	-	5,762
Investments	-	-	48,000
Receivables	-	-	4,429
Inventories	-	-	425
Other	-	-	549
Total Current Assets	-	-	59,165
Total Current Assets			
Receivables	-	-	20,413
Infrastructure, Property, Plant & Equipment	-	-	726,072
Total Non-Current Assets	-	-	746,485
TOTAL ASSETS	-	-	805,650
LIABILITIES			
Current Liabilities			
Payables	-	-	6,532
Borrowings	-	-	1,747
Provisions	-	-	7,075
Total Current Liabilities	-	-	15,354
Non-Current Liabilities			
Payables	-	-	456
Borrowings	-	-	19,473
Provisions	-	-	346
Total Non-Current Liabilities	-	-	20,275
TOTAL LIABILITIES	-	-	35,629
NET ASSETS	-	-	770,021
EQUITY			
Retained Earnings	-	-	471,656
Revaluation Reserves	-	-	298,365
Council Equity Interest	-	-	770,021
TOTAL EQUITY	-	-	770,021



Notes To and Forming Part of the Financial Statements - Note 22

“Held for Sale” Non Current Assets & Disposal Groups

Council did not classify any Non Current Assets or Disposal Groups as “Held for Sale”.

Notes To and Forming Part of the Financial Statements - Note 23

Events occurring after Balance Sheet Date

Events that occur after the reporting date of 30 June 2011, up to and including 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 appropriate “authorised for issue” date relating to these General Purpose Financial Statements.

Accordingly, the “authorised for issue” date is 27/10/11.

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the Reporting Date

These Financial Statements (and the figures therein) incorporate all “adjusting events” that provided evidence of conditions that existed at 30 June 2011.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These Financial Statements (and figures therein) do not incorporate any “non adjusting events” that have occurred after 30 June 2011 and which are only indicative of conditions that arose after 30 June 2011.

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

Notes To and Forming Part of the Financial Statements - Note 24

Discontinued Operations

Council has not classified any of its Operations as “Discontinued”.

Notes To and Forming Part of the Financial Statements - 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.

Notes To and Forming Part of the Financial Statements - Note 26

Non-Curent Assets Classified As Held For Sale

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

Auditors Report - General Purpose



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CAMDEN COUNCIL

Independent Audit Report to the Council

General Purpose Financial Statements for the Year ended 30 June 2011

Report on the Financial Report

We have audited the general purpose financial statements of Camden Council, which comprises the Balance Sheet as at 30 June 2011, Statement by Councillors and Management, and the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Council's Responsibilities for the Financial Statements

Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the statutory requirements under the Local Government Act, 1993, and for such internal control that Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the Original Budget figures disclosed in the Income Statement and Cash Flow Statement, Notes 2(a), and 16 to the financial statements, estimated expenditure in note 17, additional Council disclosure notes, nor the attached Special Schedules.

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 judgement, 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

Auditors Report - General Purpose



policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Camden Council as of 30 June 2011, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Emphasis of Matter – Application of Australian Accounting Standard AASB116 Property, Plant and Equipment and decrement arising from revaluation of assets.

We draw attention to the Statement of Comprehensive Income which includes additional disclosures in an "Adjusted Income Statement". Our opinion is not qualified in respect of this matter.

Council has re-valued Community Land and other structures in accordance with the requirements of the Division of Local Government. The revaluation of Community Land was based on values provided by the NSW Valuer General and has resulted in a \$24.741M decrease in the carrying value of Community Land. The revaluation of other structures resulted in a decrease of \$5.704M. In accordance with Australian Accounting Standard AASB116 Property, Plant and Equipment, these decreases are included in "Other Expenses" in the Income Statement.

The additional disclosures included by Camden Council report the operating result for the year without the impact of the revaluation decrements totalling \$30.445M.

In our opinion the additional disclosures in the Statement of Comprehensive Income are relevant and reliable in meeting the objectives of the financial statements.

Report on Other Legal and Regulatory Requirements

Council's Responsibilities for compliance with other legal and regulatory requirements

Council is responsible for ensuring compliance with the accounting and reporting requirements of Division 2 of Part 3, Chapter 12 of the Local Government Act, 1993. This responsibility includes maintaining such accounting records as are necessary to correctly record and explain its financial transactions and its financial position, and to facilitate convenient and proper auditing of its financial statements.

Auditor's Responsibilities under Section 417(2) of the Local Government Act, 1993

Our responsibility is to report on Council's compliance with the accounting and reporting requirements of the Local Government Act, 1993 and Local Government (General) Regulation 2005.

Auditors' Opinion on other legal and regulatory requirements

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 and the Local Government (General) Regulation 2005; and

Auditors Report - General Purpose



- (b) the Council's general purpose financial statements
 - i) have been prepared in accordance with the requirements of this Division and Regulation;
 - ii) are consistent with the Council's accounting records;
 - iii) present fairly the Council's financial position and the results of its operations;
- (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 we have become aware of in the course of the audit.

Pitcher Partners
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Carl Millington
CARL MILLINGTON
Partner

Sydney, 27 October 2011

Auditors Report - General Purpose



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CAMDEN COUNCIL INDEPENDENT AUDITORS' REPORT ON THE CONDUCT OF THE AUDIT (Local Government Act, 1993 - Section 417(3)) YEAR ENDED 30 JUNE 2011

Camden Council has prepared a general purpose financial report for the year ended 30 June 2011 on which we issued a separate audit report to the Council dated 27 October 2011. This report has been prepared in accordance with the requirements of the Division of Local Government, and the provisions of Section 417(3) of the Local Government Act, 1993.

We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the New South Wales Division of Local Government, or for any purpose other than that for which it was prepared.

Audit Conclusion and Emphasis of Matter

Our audit of the financial report for the year ended 30 June 2011 resulted in an unqualified independent audit report for Council's General Purpose Financial Statements.

Our audit report also included an "emphasis of matter" comment, drawing attention to the Statement of Comprehensive Income which includes additional disclosures in an "Adjusted Income Statement". Our audit opinion was not qualified in respect of this matter.

Council has re-valued Community Land and other structures in accordance with the requirements of the Division of Local Government. These revaluations resulted in a substantial decrease in the carrying value of Community Land and other structures. In accordance with Australian Accounting Standard AASB116 Property, Plant and Equipment, this decrease is included in "Other Expenses" in the Income Statement, resulting in a substantial operating deficit. The approach taken by Camden Council is technically correct and in accordance with current Australian Accounting Standards. This is an isolated event and in no way reflects on Council's operating performance for the 2011 year.

The additional disclosures included in the Statement of Comprehensive Income by Camden Council report the operating result for the year without the impact of the one-off revaluation decrements totalling \$30.445M.

In our opinion the additional disclosures in the Statement of Comprehensive Income are relevant and reliable in meeting the objectives of the financial statements.

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Auditors Report - General Purpose



Additional Audit Considerations and Comment

Income Statement

Summarised Income Statement

	2011 Actual \$'000	2011 Budget \$'000	* Budget Variance %	2010 Actual \$'000
Operating result	17,868	14,239	25.49%F	67,255
Operating result before capital revenue	(36,397)	(4,896)	643.40%U	(1,517)
Total revaluation decrement	30,445	-	-	-
Adjusted operating result	48,313	14,239	239.31%F	67,255
Rates & annual charges	34,027	34,173	0.43% U	30,792
Operating grants & contributions	5,630	4,056	38.81% F	4,815
Capital grants & contributions	54,265	19,135	183.59% F	68,772
Depreciation & amortisation	12,828	10,226	25.45% F	8,019

* Detailed explanations for material favourable (F) and unfavourable (U) budget variations are provided in Note 16 to the financial statements

Operating Result.

Council's operating deficit was a direct result of the decrement arising on the revaluation of Community Land and other assets. The revaluation was required by the NSW Division of Local Government, and the \$30.445M difference between the carrying value and fair value was included in the Income Statement as an expense.

Adjusted Operating Result.

The adjusted operating result, which more accurately reflects the results of Council's operations for the 2011 year, decreased from \$67.255M in 2010 to \$48.313M in 2011. This compared with a budgeted surplus of \$14.239M for the year. The most significant variations impacting the operating result was the receipt of higher than anticipated user charges and fees, improved investment performance and increased capital grants.

Adjusted Operating Result before Capital.

The adjusted operating result before Capital grants and contributions was a deficit of \$5.952M compared with the prior year deficit of \$1.517M. This compared with the original budget deficit of \$4.896M.

Rates and Annual Charges.

Revenue from rates and annual charges increased to \$34.027M from \$30.792M in the prior year, and was within 0.43% of budget for the 2011 year.

Grants and Contributions.

Operating grants and contributions for the year totalled \$5.630M and represented 5.17% of total income from continuing operations. This compares with budget of \$4.056M.

Capital grants and contributions amounted to \$54.265M for the 2011 year and represented 49.82% of total income from continuing operations. This compares with budget of \$19.135M.

Depreciation.

Included in the operating result was \$12.828M for the depreciation and amortisation of infrastructure, property, plant and equipment which increased from \$8.019M in the prior year and compared with the original budget of \$10.226M. This variance results from increased depreciation expense arising from the revaluation of infrastructure assets in accordance with the requirements of the Division of Local Government in recent years.

Balance Sheet

Council's equity at 30 June 2011 amounted to \$770.021M comprised of retained earnings (\$471.656M), and reserves (\$298.365M) arising from revaluation of infrastructure assets.

The most significant impact on retained earnings during 2011 was the operating surplus of \$17.868M, whilst the Asset Revaluation Reserve increased by \$51.956M as a result of the revaluation of other assets.

At balance date Council had not utilised any of its bank overdraft facility of \$430K.

Movements in Cash and Cash Equivalents

Summarised Statement of Cash Flows

Activities	2011 Actual \$'000	2011 Budget \$'000	* Budget Variance %	2010 Actual \$'000
Net cash flows from operations	9,662	12,235	21.03%U	12,054
Net cash flows from investing	(5,798)	(11,860)	51.11%F	(22,290)
Net cash flows from financing	(278)	(267)	4.12%U	11,565
Net movement in cash	3,586	108		1,329

* Detailed explanations for material budget variations are provided in Note 16 to the financial statements

Council's cash and cash equivalent balances increased to a total of \$5.762M during the year, with \$9.662M being provided from operations, \$5.798M utilised in net investing activities for the acquisition and sale of non-current assets, and \$278K utilised in net movements in borrowings and advances.

Total Investments and Cash Balances

Council's cash and investments balances totaled \$53.762M at 30 June 2011 compared to \$47.036M in 2010.

Of this total, \$36.653M (2010 - \$33.792M) is externally restricted for use as specified by legislation and/or other regulatory requirements, \$16.390M (2010 - \$11.246M) has been reserved for specific projects and purposes identified by Council, and \$719K (2010 - \$1.998M) is unrestricted.

The most significant movement in externally restricted cash balances was in relation to Sec 94 Developer Contributions which increased by \$6.111M.

Internally restricted balances increased overall by \$5.144M, including increases in reserves created for deposits, retentions and bonds, employees leave entitlements, working funds reserve, and Central Administration Building Reserve.

Auditors Report - General Purpose


Working Capital (Net Current Assets)

	2011	2010
	\$'000	\$'000
Current assets	59,165	52,629
Current liabilities	15,354	14,527
Net current assets	43,811	38,102
Add: anticipated longer term liabilities included in current	5,307	4,698
Adjusted net Current Assets	49,118	42,800
<i>Less: Working Capital Commitments</i>		
Net external restrictions	37,095	34,038
Unrestricted Working Capital	12,023	8,762

Council's balance of unrestricted working capital has increased from \$8.762M in 2010 to \$12.022M at the end of the 2011 financial year.

After taking into consideration Council's internal reserves, other liabilities that are anticipated to be funded from the 2011/12 operating budget and anticipated timing of rate revenues, Council's unrestricted working capital balance appears to provide a reasonable basis for funding the coming year's operations and is a continuation of the improvements experienced in the last two years .

Performance Indicators and Trends

Prescribed performance indicators are included in Note 13 to the financial report and provide a comparison of the 2011 year results with prior years.

Unrestricted Current Ratio.

The ratio has continued the improvement experienced in recent years and is now above the industry benchmark of 2:1.

Debt Service Ratio.

The debt service ratio is indicative of Council's current low debt levels and remains well below the industry benchmark of 10%

Rates and Annual Charges Coverage Ratio.

Council's rates and annual charges revenue represented 31.24% of 2011 total revenue, demonstrating the impact that increased developer and other capital contributions has on Council's operations.

Rates and Annual Charges Outstanding Percentage.

The amount of rates uncollected at year end expressed as a percentage of the total rates and annual charges collectible was 6.79%. This is a slight increase on the prior year, and the ratio remains above the industry benchmark of 5%.

Asset Renewals Ratio.

The ratio decreased from 69.40% in the prior year to 37.71% and is well below the industry guidelines of 100%.

Auditors Report - General Purpose



Other Issues

As mentioned earlier in this report, Council revalued its community land and other assets as required by the Division of Local Government resulting in a significant decrement which has resulted in Council presenting additional information in regard to the operations for the 2011 year.

Legislative Compliance

As a result of our audit we advise that no material deficiencies in the accounting records or financial reports have come to our attention during the conduct of the audit, and that Council's accounting records have been kept accurately and conscientiously and in accordance with requirements of the Local Government Act, 1993, and Regulations.

Council has complied with all statutory reporting requirements relating to Division 2 of Chapter 12 of the Local Government Act, 1993, the Code of Accounting Practice and Financial Reporting (Update 19), and other legislatively prescribed standards.

Conduct of the audit

During the conduct of our audit, there were minimal issues requiring additional explanation and investigation. We are able to report that all such issues have been appropriately attended to and there are no matters of audit significance, other than those already referred to in this report, that require mention in this or our statutory audit report.

We commend the courteous and professional manner in which Council's staff have acted throughout the conduct of our audit, and their willingness to consider issues that we raised and assist us with our audit.

Pitcher Partners
PITCHER PARTNERS

Carl Millington
CARL MILLINGTON

Partner

Sydney, 27 October 2011



Special Purpose Financial Statements

summary report : bringing camden together



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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.
Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- (iii) In preparing these financial statements for Council's self classified Category 2 business and ABS defined activities, councils must apply full cost attribution including tax equivalent regime payments & debts guarantee fees (where the business benefits from councils borrowing position by compensation with commercial rates).

Special Purpose Financial Statements For The Year Ended 30 June 2011

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice & Financial Reporting

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

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



Cr Greg Warren
Mayor



Greg Wright
General Manager

- The NSW Office of Water, Department of Environment, Climate Change and Water Guidelines.

To the best of our knowledge and belief, these Reports:

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

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

Signed in accordance with a resolution of Council made on 11th October, 2011.

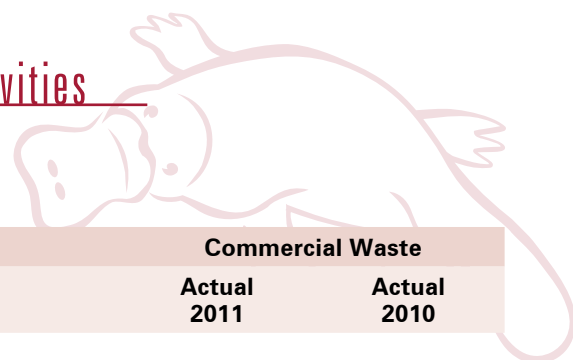


Cr Michael Cottrell
Deputy Mayor



Paul Rofe
Responsible Accounting Officer

Income Statement of Council's Other Business Activities For The Year Ended 30 June 2011



\$' 000	Commercial Waste	
	Actual 2011	Actual 2010
INCOME FROM CONTINUING OPERATIONS		
<i>User Charges</i>	538	501
Total income from continuing operations	538	501
Expenses from continuing operations		
Employee benefits and on-costs	117	117
Materials and contracts	127	87
Depreciation and impairment	76	5
Other expenses	136	132
Total expenses from continuing operations	456	341
Surplus (deficit) from Continuing Operations before capital amounts	82	160
Surplus (deficit) from Continuing Operations after capital amounts	82	160
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(25)	(48)
SURPLUS (DEFICIT) AFTER TAX	57	112
plus Opening Retained Profits	1,156	996
- Corporate taxation equivalent	25	48
less:		
- Dividend paid	-	-
Closing Retained Profits	1,238	1,156
Return on Capital %	36.0%	54.1%
Subsidy from Council	-	-

Balance Sheet of Council's Other Business Activities For The Year Ended 30 June 2011

\$' 000	Commercial Waste Category 2	
	Actual 2011 2010	Actual 2010 2009
ASSETS		
Current Assets		
Cash and cash equivalents	1,010	860
Total Current Assets	1,010	860
Non-Current Assets		
Infrastructure, property, plant and equipment	228	296
Other	-	-
Total Non-Current Assets	228	296
TOTAL ASSETS	1,238	1,156
LIABILITIES		
Current Liabilities		
Payables	-	-
Total Current Liabilities	-	-
Non-Current Liabilities		
Payables	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	-	-
NET ASSETS	1,238	1,156
EQUITY		
Retained earnings	1,238	1,156
Council equity interest	1,238	1,156
Minority equity interest	-	-
TOTAL EQUITY	1,238	1,156



Notes to the Special Purpose Financial Statements

Note 1. Significant Accounting Policies

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

For the purposes of these statements, the Council's business activities (reported herein) are not reporting entities.

These special purpose financial statements, unless otherwise stated, have been prepared in accordance with;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Australian Accounting Interpretations,
- 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. They are 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 Division 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)

a. Camden Commercial Waste Activity

Provide a diversified range of waste removal services to business operations in the Camden local government area. Council does not self insure.

Monetary Amounts

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



Notes to the Special Purpose Financial Statements

Note 1. Significant Accounting Policies (continued)

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

Notional Rate Applied %

Corporate Tax Rate:	30%
Land Tax:	The first \$387,000 of combined land values attracts 0%. From \$387,001 to \$2,366,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,366,000, a premium marginal rate of 2.0% applies.
Payroll Tax:	5.45% on the value of taxable salaries and wages in excess of \$658,000.

Income Tax

An income tax equivalent has been applied on the profits of the business.

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 GPFS.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 2 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.

As at 30 June 2011, Camden Commercial Waste Services had no outstanding loans and did not borrow during the financial year. As such, loans and debt guarantee fees have not been applied to the 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 Business Activities.

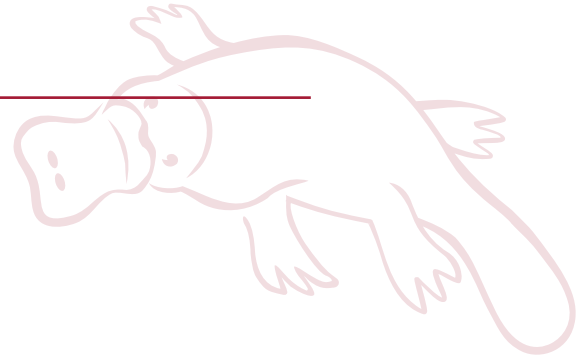
(iii) Return on Investments (Rate of Return)

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".



Notes to the Special Purpose Financial Statements

Note 1. Significant Accounting Policies (continued)



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 return equal to the Commonwealth 10 year bond rate which is 5.21% at 30/6/11.

However, Council does not have any Category 1 business.

(iv) Dividends

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

Auditors Report - Special Purpose


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CAMDEN COUNCIL
Special Purpose Financial Report
Independent Auditors' Report to the Council for the Year ended 30 June 2011
Report on the Financial Statements of Council's Declared Business Activities

We have audited the accompanying financial statements, being special purpose financial statements, of Camden Council's declared business activities, which comprises the balance sheet as at 30 June 2011 and the income statement for the year then ended, a summary of significant accounting policies, and other explanatory notes and the Statement by Councillors and Management.

Council's Responsibilities for the Financial Statements

Council is responsible for the preparation and fair presentation of the financial statements and has determined that the accounting policies described in Note 1 to the financial statements which form part of the financial statements are appropriate to their needs. Council's responsibility also includes such internal controls as the Council determines are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 Council, as well as evaluating the overall presentation of the financial statements.

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

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Auditors Report - Special Purpose



Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Camden Council as of 30 June 2011 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the special purpose financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial statements have been prepared for distribution to the Council and the New South Wales Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial statements to which it relates to any person other than the Council or the New South Wales Division of Local Government, or for any purpose other than that for which it was prepared.

Other Matter

Camden Council has prepared a separate financial report for the year ended 30 June 2011 in accordance with Australian Accounting Standards and the Code of Accounting Practice and Financial Reporting on which we issued a separate auditor's report to the Council dated 27 October 2011.

A handwritten signature in cursive script that reads "Pitcher Partners".

PITCHER PARTNERS

A handwritten signature in cursive script that reads "C. R. Millington".

C. R. MILLINGTON
Partner

Sydney, 27 October 2011



Special Schedules



summary report : bringing camden together



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1 Special Purpose Schedules are not audited.

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 Division of Local Government (DLG).

(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.

Special Schedule No. 1 - Net Cost of Services

Net Cost of Services For The Year Ended 30 June 2011

\$' 000

Function or Activity	Expenses From Continuing Operations	Income From Continuing Operations		Net Cost of Services
		Non Capital	Capital	
GOVERNANCE	1,108	63	-	(1,045)
ADMINISTRATION	43,733	2,156	-	(41,577)
PUBLIC ORDER & SAFETY				
Fire Service Levy, Fire Protection, Emergency Services	832	139	-	(693)
Enforcement of Local Govt Regs	13	2	-	(11)
Animal Control	409	74	-	(1,039)
Total Public Order & Safety	1,254	215	-	(759)
HEALTH	871	112	-	(759)
ENVIRONMENT				
Noxious Plants and Insect/Vermin Control	107	14	-	(93)
Other Environmental Protection	242	167	-	(75)
Solid Waste Management	6,391	6,049	-	(342)
Drainage	2,212	330	18,021	16,139
Total Environment	8,952	6,560	18,021	15,629
COMMUNITY SERVICES AND EDUCATION				
Administration & Education	223	19	-	(204)
Social Protection (Welfare)	2,237	1,664	-	(573)
Aged Persons and Disabled	12	33	-	21
Childrens Services	288	64	-	(224)
Total Community Services & Education	2,760	1,780	-	(980)
HOUSING AND COMMUNITY AMENITIES				
Public Cemeteries	81	112	-	31
Street Lighting	934	-	-	(934)
Town Planning	2,608	410	-	(2,198)
Other Community Amenities	171	-	-	(171)
Total Community Services & Education	3,794	522	-	(3,272)

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

For The Year Ended 30 June 2011

\$' 000

Function or Activity	Expenses From Continuing Operations	Income From Continuing Operations		Net Cost of Services
		Non Capital	Capital	
RECREATION & CULTURE				
Public Libraries	1,816	210	-	(1,606)
Community Centres and Halls	1,072	906	-	(166)
Other Cultural Services	13	1	-	(12)
Swimming Pools	3,592	3,182	-	(410)
Parks & Gardens (Lakes)	5,233	359	5,113	239
Other Sport & Recreation	13	-	-	(13)
Total Recreation and Culture	11,739	4,658	5,113	(1,968)
MINING, MANUFACTURING & CONSTRUCTION				
Building Control	4,300	4,441	-	141
Total Mining, Manufacturing and Const.	4,300	4,441	-	141
TRANSPORT & COMMUNICATION				
Urban Roads (UR) - Local	11,221	-	22,955	11,734
Sealed Rural Roads - Regional	-	561	-	561
Parking Areas	1	-	-	(1)
Footpaths	204	-	-	(204)
Other Transport & Communication	576	297	8,176	7,897
Total Transport and Communication	12,002	858	31,131	19,987
ECONOMIC AFFAIRS				
Other Economic Affairs	536	36	-	(500)
Total Economic Affairs	536	36	-	(500)
TOTALS - FUNCTIONS	91,049	21,401	54,265	(15,383)
GENERAL PURPOSE REVENUES⁽²⁾		33,251		33,251
NET OPERATING RESULT⁽¹⁾	91,049	54,652	54,265	17,865

(1) As reported in the Income Statement

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

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

As At 30th June 2011

\$' 000

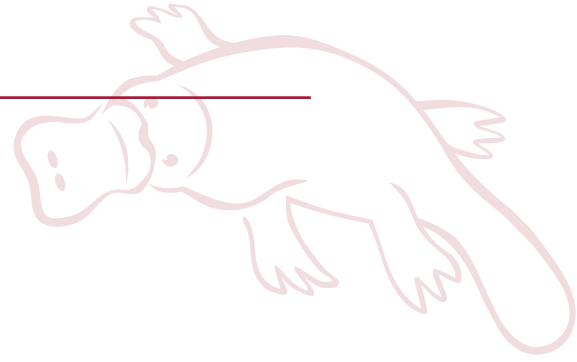
Classification of Debt	Principal outstanding New at beginning of the year		Loans raised during the year	Debt redemption During the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year	
	Current	Non Current		Total	From Revenue			Sinking Funds	Current
Loans (by Source)									
Financial Institutions	1,782	7,916	9,698	1,600	1,778	-	681	1,747	7,773
Dept of Planning (NSW Treasury)	100	11,700	11,800	100	100	-	-	-	11,700
Total Loans	1,882	19,616	21,498	1,600	1,878	-	681	1,747	19,473
Total Debt	1,882	19,616	21,498	1,600	1,878		681	1,747	19,473
									21,220

Notes:

Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the face value of debt obligations, rather than fair value (which are reported in the GPFS).

Special Schedule No. 7 - Condition of Public Works For The Year Ended 30 June 2011



\$' 000

Asset Class	Asset Category	Dep. Expense Rate (%)	Depreciation Expense (\$)	Cost	Valuation	Accumulated Depreciation, Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition #	Est. Cost to bring to a Satisfactory Condition/Standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Current Annual Maintenance ⁽³⁾
		per Note 1	per Note 4	-	per Note 9	per Section 428 (2d)					
Buildings	Administration Services	2.00%	227	-	6,454	2,234	4,220	3	296	79	48
	Council Works Depot	2.00%	32	-	1,676	1,114	532	3	-	39	39
	Civic Centre Facilities	2.00%	143	-	3,574	1,169	2,405	3	200	52	52
	Community Facilities	2.00%	855	-	23,025	9,031	13,994	3	2,487	245	186
	Swimming Pool	2.00%	119	-	6,127	1,971	4,156	3	710	122	122
	Bushfire Buildings & SES	2.00%	24	-	1,025	501	524	2	-	14	14
	Environment Services	2.00%	16	-	903	446	457	2	-	12	12
	Amenities/Toilets	2.00%	210	-	8,271	4,470	3,801	3	-	40	40
	Other Structures	2.00%	162	-	5,597	2,706	2,891	3	-	11	11
	Subtotal			1,788	-	56,652	23,672	32,980		3,693	614
Public Roads	Sealed Roads	2.00%	4,646	-	251,015	33,055	217,960	3	9,888	5,666	5,644
	Bridges	1.00%	380	-	13,951	8,207	5,744	3	380	40	-
	Footpaths	2.00%	503	-	13,827	6,189	7,638	3	160	257	204
	Kerb and Gutter	2.00%	1,070	-	83,957	19,902	64,055	3	70	111	111
	Subtotal		6,599	-	362,750	67,353	295,397		10,498	6,074	5,959

Special Schedule No 7 Condition of Public Works (continued)

As At 30th June 2011

\$' 000

Asset Class	Asset Category	Dep. Expense Rate (%)	Depreciation Expense (\$)	Cost	Valuation	Accumulated Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition #	Est. Cost to bring to a Satisfactory Condition/Standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Current Annual Maintenance ⁽³⁾
		per Note 1	per Note 4		per Note 9				per Section 428 (2d)		
Drainage Works	Retarding Basins	1.00%	152	-	7,909	2,528	5,381	4	750	183	142
	Conduits	1.00%	1,272	-	143,346	18,063	125,283	2	389	194	54
	Inlet and Junction Pits	1.00%	385	-	28,466	6,410	22,056	3	-	303	303
	Subtotal		1,809	-	179,721	27,001	152,720		1,139	680	499
	Total - All Assets		10,196	-	599,123	118,026	481,097		15,330	7,368	6,982

Notes:

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
 (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.
 (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

Condition Rating Structure :

- 1 New = Near Perfect
 2 Good Condition = No Work Required
 3 Satisfactory = Minor Work Required
 4 Poor = Major Work Required
 5 Unserviceable = Replacement Required

Additional Information Supporting Special Schedule 7

In preparing the 2011/12 Integrated Planning & Reporting Package "Transforming Community Vision into Action", Council prepared a comprehensive Asset Management Strategy and Plan. The preparation of this strategy identified the following key issues for managing the Communities assets:

We have an increasing renewal gap with our assets.

This means we are consuming assets at a greater rate than we can replace them or bring them back to a satisfactory standard.

In 2010/11 Council applied for a Special Rate Increase of 4.50% to assist in the renewal backlog, the increase was granted for 3 years only, it is likely that Council will need to apply for a continuation of the special rate increase in 2013/14 (in perpetuity) to ensure the renewal gap does not continue to grow.

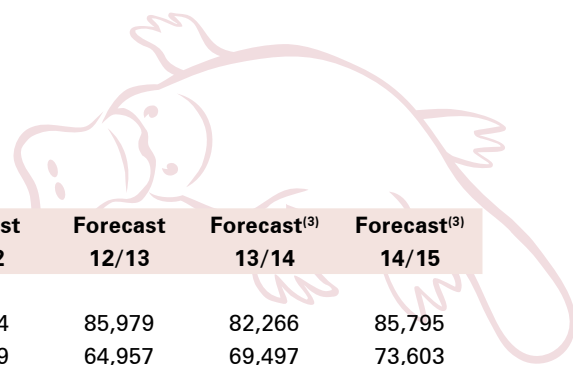
We are gaining more and more assets.

Camden is experiencing unprecedented growth which means the assets Council is required to maintain continues to increase each year.

Our asset management systems are still being developed.

Camden's asset base is over \$700M, an asset base of this size requires a sophisticated asset management system to efficiently and effectively manage the life cycle of these assets. Camden Council uses the Conquest asset management system which is about 2 years into its implementation phase, it takes approximately 5 years to have a fully mature asset management system.

Special Schedule No 8 Financial Projections For The Year Ended 30 June 2011



\$' 000	Actual 10/11	Forecast 11/12	Forecast 12/13	Forecast ⁽³⁾ 13/14	Forecast ⁽³⁾ 14/15
(i) RECURRENT BUDGET					
Income from continuing operations	108,917	75,104	85,979	82,266	85,795
Expenses from continuing operations	91,049	62,369	64,957	69,497	73,603
OPERATING RESULT FROM CONTINUING OPERATIONS	17,868	12,735	21,022	12,769	12,192
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	8,380	23,809	27,914	20,090	20,252
Replacement/Refurbishment of Existing Assets	6,259	7,606	5,941	7,894	6,929
TOTAL CAPITAL BUDGET	14,639	31,415	33,855	27,984	27,181
Funded by:					
- Loans	1,600	2,317	1,985	2,312	2,392
- Asset sales	436	668	370	547	304
- Reserves	4,905	9,573	4,955	5,573	5,656
- Grants/Contributions	6,071	536	-	-	-
- Recurrent revenue	1,627	2,793	2,703	2,719	2,578
- Other	-	15,528	23,842	16,833	16,251
	14,639	31,415	33,855	27,984	27,181

Note :

(1) From 10/11 Income Statement.

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