



# Financial Reports



summary report : bringing camden together



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## **General Purpose and Special Purpose Financial Reports and Special Schedules for the year ended 30 June 2009**

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This Financial Report is the General Purpose Financial Report of Camden Council and its controlled entities and is presented in the Australian currency. Camden Council is constituted under the Local Government Act (1993) and has its principal place of business at:

37 John Street  
Camden, NSW 2570.

The Financial Report was authorised for issue by the Council on 26 October 2009. Council has the power to amend and reissue the Financial Report.

Through the use of the internet, we have ensured that our reporting is timely, complete, and available at minimum cost. All process releases, financial reports and other information are available on our website: [www.camden.nsw.gov.au](http://www.camden.nsw.gov.au).

# General Purpose Financial Report

## For the Year Ended 30 June 2009

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 Report has 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
- The Local Government Asset Accounting Manual.



Cr Chris Patterson  
**Mayor**



Greg Wright  
**General Manager**

To the best of our knowledge and belief, this Report:

- Present fairly the Council's Operating Result and Financial Position 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 13th October, 2009.



Cr Greg Warren  
**Deputy Mayor**



Paul Rofe  
**Responsible Accounting Officer**

# Executive Summary



The majority of Council's financial indicators are within industry benchmarks. Council is still reporting an operating deficit before capital which indicates that Council is not generating enough income to fund its operational activities. As a result, discretionary funds continue to decrease, the infrastructure backlog continues to grow and the maintenance budget is not keeping up with growth and rising costs. This is unsustainable. Council attempted to address the operational shortfall by applying to the DLG for a Special Rate Variation in 2009/10, this application was unsuccessful. Council has in the short term addressed the budget shortfall by reducing Council's operational budget by \$1.6 million over the next two years and by not providing for organisational growth. Council will realise additional rate income from the increase in population expected in the coming years but there is a time lag between realising additional rate income and the pressure being placed on Council's finances to prepare for growth now.

It is important to note that Council's financial indicators are being distorted by the large value of non-cash capital contributions (capital income) being received by Council as a result of growth. The value of non-cash dedications in 2008/09 is \$37.5 million.

The following table highlights the 'financial performance' comparison between 2007/08 and 2008/09:

	2008/09 \$000	2007/08 \$000
Total Income from Continuing Operations	\$89,738	\$55,543
Total Expenses from Continuing Operations	\$47,770	\$44,509
Operating Result from Continuing Operations	\$41,968	\$11,034
Grants and Contributions provided for Capital Purposes	\$42,414	\$12,052
Net Operating Result before Grants and Contributions provided for Capital Purposes	(\$446)	(\$1,018)

The financial result, after accounting for capital items is a surplus of \$41.9 million. As explained above this result is predominately due to non-cash contributions such as road and open space dedications from developers to Council. Council received a total of \$37.5

million in dedicated assets in 2008/09 compared to \$4.9 million 2007/08. The remaining balance of the operating surplus (after Capital items) primarily relates to Section 94 cash payments which are restricted for the purpose for which they are collected, extra ordinary income of \$2.4 million being settlement for poor construction of roads in the Narellan Release Area and supplementary rate income of \$2.1 million.

It is important to note that the operating surplus after capital revenue of \$41.9 million is not necessarily cash. The accounting standards require the dedication of assets to be brought to account as income which can distort the surplus reported. Council's operating result before capital items is a deficit of \$446k without the extra ordinary income of \$2.4 million Council's operating deficit before capital items would have been closer to \$2.9 million.

The net value of assets owned by our community is \$412 million (2008=\$369 million). The majority of this wealth relates to our ownership of land and infrastructure assets such as roads, bridges, footpaths, and stormwater drainage. Council was required to adopt "fair value" (market value) accounting for operational land and buildings in 2007/08 this added \$25 million to Council's total equity. Council is required to adopt "fair value" for roads, footpaths, bridges and stormwater drainage in 2009/10 which is expected to significantly increase Council's equity.

## Financial Health Check Indicators

To assist readers interpret the 2008/09 Annual Financial Reports, 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

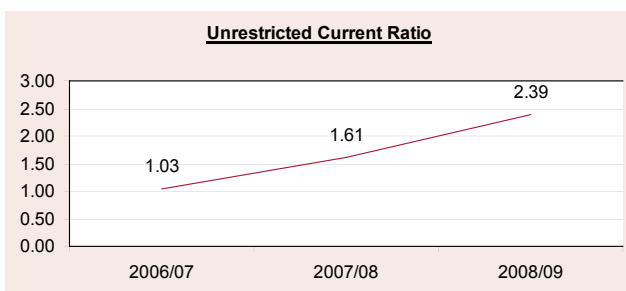
The unrestricted current ratio measures Council's ability to meet its short-term financial obligations such as creditors, loan repayments, payroll and leave entitlements.

#### 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**





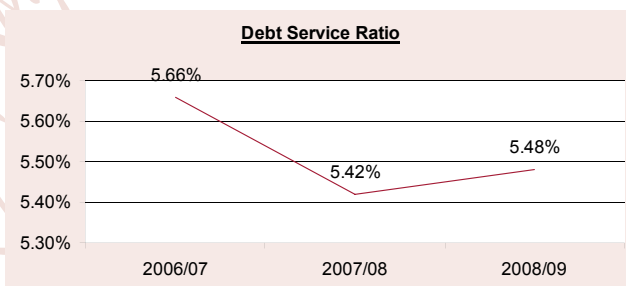
Council's unrestricted current ratio has increased from 1.61:1 in 2007/08 to 2.39:1 in 2008/09, this ratio indicates that for every \$1 of current liability, Council has \$2.39 in current assets to fund that liability. The increase in this ratio is the result of a reduction in Section 94 credits (liabilities) owed to developers. This liability has been off-set against contributions owed to Council for future development. There is also an increase in current assets due to the reclassification of land (\$1.4 million) from land held as a non-current asset to land held for sale (current asset).

## 2. Debt Service Ratio

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 2008/09 and repaid \$1.8 million. An increase from 5.42% (2007) to 5.48% means that Council has marginally increased its reliance on revenue for the repayment of loan borrowings. The indicator is well within the industry benchmark of less than 10.00%.

### Local Government Benchmark

- |                                 |              |
|---------------------------------|--------------|
| 1. Ratio is LESS than 10%       | <b>GREEN</b> |
| 2. Ratio is BETWEEN 10% and 15% | <b>AMBER</b> |
| 3. Ratio is GREATER than 15%    | <b>RED</b>   |

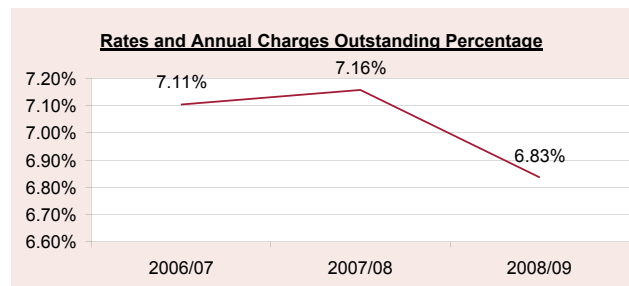


## 3. Rates and Annual Charges Outstanding Percentage

This ratio identifies the rates outstanding as a percentage of the total rates receivable in any given year. The decrease in this indicator is predominately due the increase in the total rates receivable. The increase in rates receivable is a result of a 3.20% rate increase (Ministers allowable limit in 2008/09) and supplementary rate income. (Note: Council does not legally pursue Pensioners for outstanding rates owed to Council. The figure excluding Pensioners for 2008/09 is 5.39%).

### Local Government Benchmark

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



## 4. Buildings & Infrastructure Renewals Ratio

The Buildings and Infrastructure Renewals ratio measures how quickly Council is replacing assets compared to their consumption. The ratio was introduced for the first time in 2007/08. The ratio has decreased from 0.73:1 in 2007/08 to 0.49:1 in 2008/09. This means for every \$1 of asset we consume, Council is spending 0.49 cents to replace it. Although the level of spending on asset renewal has not changed significantly from 2007/08, the level of depreciation has increased by \$933k, due to the revaluation of buildings in 2007/08. The increase in depreciation charge will reduce the ratio. The level of Council's renewal budget is not a result of poor management but due to a shortfall is discretionary funding. This ratio can be improved by spending more on capital renewal or increasing infrastructure maintenance funding to extend the life of assets.

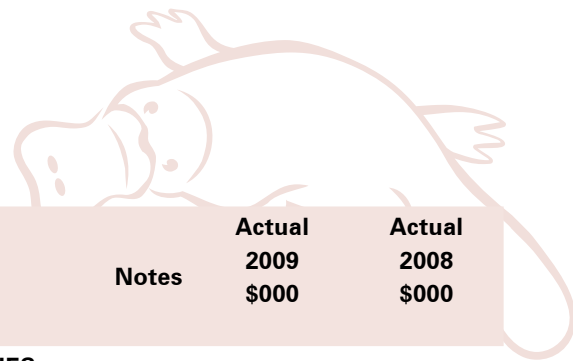
### 2008/09 & BEYOND

A detailed analysis of Council's financial performance over the past 12 months still identifies a growing operational deficit before capital items and need for increased spending on the renewal and maintenance of community infrastructure. Council is implementing a new asset management system and strategy that will assist Council and the community to understand the implications of not spending enough money now to maintain existing assets at acceptable levels. Council has reduced expenditure in 2009/10 to address short term budget deficits but this is unsustainable. In coming years Council may also need to reduce current services or service levels unless additional recurrent income can be identified. Council will continue to investigate ways of addressing the financial strain being placed on the organisation due to growth.

P. ROFE  
 Manager Corporate Services  
 Responsible Accounting Officer

# Income Statement

## For The Year Ended 30 June 2009



Original Budget <sup>(1)</sup> 2009 \$000		Notes	Actual 2009 \$000	Actual 2008 \$000
<b>INCOME FROM CONTINUING OPERATIONS REVENUES :</b>				
28,472	Rates and Annual Charges	3(a)	<b>29,620</b>	26,803
5,859	User Charges and Fees	3(b)	<b>6,265</b>	5,902
2,331	Interest and Investment Revenue	3(c)	<b>2,013</b>	2,461
1,528	Other Revenues	3(d)	<b>3,956</b>	3,067
4,251	Grants and Contributions Provided for Operating Purposes	3(e&f)	<b>5,185</b>	4,759
38,187	Grants & Contributions provided for Capital Purposes	3(e&f)	<b>42,414</b>	12,052
<b>OTHER INCOME:</b>				
100	Net Gains from the Disposal of Assets	5	<b>285</b>	499
<b>80,728</b>	<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>		<b>89,738</b>	55,543
<b>EXPENSES FROM CONTINUING OPERATIONS</b>				
20,554	Employee Benefits and On-Costs	4(a)	<b>21,236</b>	20,043
646	Borrowing Costs	4(b)	<b>672</b>	642
13,831	Materials and Contracts	4(c)	<b>14,415</b>	13,744
8,776	Depreciation and Amortisation	4(d)	<b>7,861</b>	6,563
3,327	Other Expenses	4(e)	<b>3,586</b>	3,517
<b>47,134</b>	<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>		<b>47,770</b>	44,509
<b>33,594</b>	<b>OPERATIONS RESULT FROM CONTINUING OPERATIONS</b>		<b>41,968</b>	11,034
<b>33,594</b>	<b>NET OPERATING RESULT FOR THE YEAR</b>		<b>41,968</b>	11,034
Attributable to :				
<b>33,594</b>	Camden Council		<b>41,968</b>	11,034
<b>33,594</b>			<b>41,968</b>	11,034
<b>(4,593)</b>	<b>NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES</b>		<b>(446)</b>	(1,018)

Note: <sup>(1)</sup> Original Budget as approved by Council - refer Note 16.

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

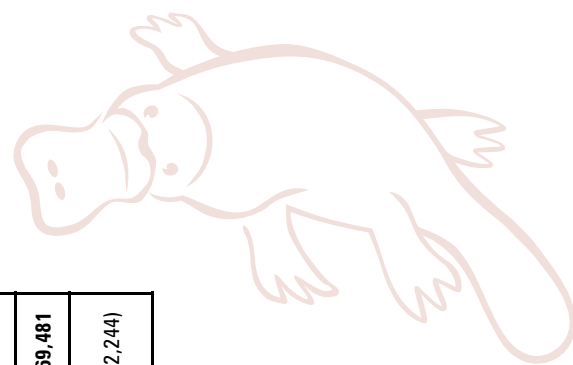
## Balance Sheet as at 30 June 2009

	Notes	Actual 2009 \$000	Actual 2008 \$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	6(a)	1,170	2,716
Investments	6(b)	30,050	25,450
Receivables	7	3,211	3,281
Inventories	8	1,746	359
Other	8	517	369
<b>TOTAL CURRENT ASSETS</b>		<b>36,694</b>	<b>32,175</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	7	364	420
Infrastructure, Property, Plant and Equipment	9	398,426	361,577
<b>TOTAL NON-CURRENT ASSETS</b>		<b>398,790</b>	<b>361,997</b>
<b>TOTAL ASSETS</b>		<b>435,484</b>	<b>394,172</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	10(a)	4,971	6,654
Borrowings	10(a)	2,162	1,793
Provisions	10(a)	5,741	5,471
<b>TOTAL CURRENT LIABILITIES</b>		<b>12,874</b>	<b>13,918</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	10(a)	2,428	2,287
Borrowings	10(a)	8,094	8,333
Provisions	10(a)	186	153
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>10,708</b>	<b>10,773</b>
<b>TOTAL LIABILITIES</b>		<b>23,582</b>	<b>24,691</b>
<b>NET ASSETS</b>		<b>411,902</b>	<b>369,481</b>
<b>EQUITY</b>			
Retained Earnings	20	386,532	344,564
Revaluation Reserves	20	25,370	24,917
Council Equity Interest		411,902	369,481
<b>TOTAL EQUITY</b>		<b>411,902</b>	<b>369,481</b>

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

# Statement Of Changes In Equity

## For The Year Ended 30 June 2009



	Notes	2009 \$'000				2008 \$'000				
		Retained Earnings	Asset Revaluation Reserve	Council Equity Interest	Minority Interest	Total	Retained Earnings	Asset Revaluation Reserve	Council Equity Interest	Total
Balance at beginning of the reporting period	20	344,564	24,917	369,481	-	369,481	3,357,774	-	335,774	335,774
Transfers to/(from) Asset Revaluation Reserve		-	453	453	-	453	-	24,917	24,917	24,917
Other adjustments		-	-	-	-	-	(2,244)	-	(2,244)	(2,244)
Net movements recognised directly in equity		-	453	453	-	453	(2,244)	24,917	22,673	22,673
Net Operating Result for the year		41,968	-	41,968	-	41,968	11,034	-	11,034	11,034
Total recognised income and expense for the year		41,968	453	42,421	-	42,421	8,790	24,917	33,707	33,707
<b>Balance at end of the reporting period</b>		<b>386,532</b>	<b>25,370</b>	<b>411,902</b>	<b>-</b>	<b>411,902</b>	<b>3,444,564</b>	<b>24,917</b>	<b>369,481</b>	<b>369,481</b>
Effect of correction of errors in previous years on retained earnings		-	-	-	-	-	(2,244)	-	(2,244)	(2,244)

Note: The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



## Cash Flow Statement

### For The Year Ended 30 June 2009

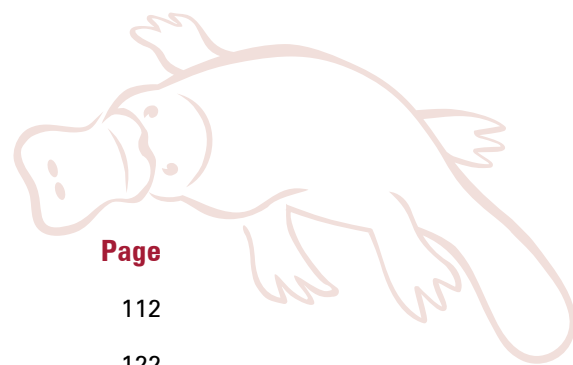
Budget 2009 \$000		Notes	Actual 2009 \$000	Actual 2008 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts:</b>				
28,387	Rates and Annual Charges		29,483	26,857
5,854	User Charges and Fees		6,573	6,181
2,420	Investment Income		2,040	2,291
9,230	Grants and Contributions		10,261	12,043
1,504	Other operating receipts		6,056	6,300
<b>Payments:</b>				
(20,741)	Employee Costs		(20,933)	(19,564)
(13,948)	Materials and Contracts		(17,474)	(20,047)
(626)	Borrowing Costs		(535)	(615)
(2,788)	Other operating payments		(4,817)	(4,767)
<u>9,292</u>	<b>Net Cash Provided by (or used in) Operating Activities</b>	11	<u>10,654</u>	<u>8,679</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts:</b>				
419	Proceeds from sale of Infrastructure, Property, Plant & Equipment		371	782
9,900	Proceeds from sale of Investment Securities		15,550	24,250
<b>Payments:</b>				
(7,337)	Purchase of Infrastructure, Property, Plant & Equipment		(8,101)	(11,089)
(12,200)	Purchase of Investment Securities		(20,150)	(21,600)
<u>(9,218)</u>	<b>Net Cash provided by (or used in) Investing Activities</b>		<u>(12,330)</u>	<u>(7,657)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts:</b>				
1,600	Proceeds from Borrowings and Advances		1,600	1,600
<b>Payments:</b>				
(1,793)	Repayments from Borrowings and Advances		(1,793)	(1,579)
<u>(193)</u>	<b>Net Cash Provided by (or used in) Financing Activities</b>		<u>(193)</u>	<u>21</u>
<u>(119)</u>	<b>Net Increase/(Decrease) in cash held</b>		<u>(1,869)</u>	<u>1,043</u>
<u>1,611</u>	Cash Assets at beginning of Reporting Period	11	<u>2,716</u>	<u>1,673</u>
<u>1,492</u>	<b>Cash Assets at end of Reporting Period</b>	11	<u>847</u>	<u>2,716</u>

This Statement is to be read in conjunction with the attached Notes.



# Notes to the Financial Statements

## For The Year Ended 30 June 2009



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## Note 1 Summary of Significant Accounting Policies

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

### (a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulations and the Local Government Code of Accounting Practice and Financial Reporting.

#### AAS 27

The Standard has been superseded from 1 July 2008. However, all key elements of the former Standard have been incorporated into other current Standards including AASB 1051, 1052 and 1004.

#### Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

#### Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

### (b) Revenue recognition

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. 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.

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 doubtful debts on rates 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.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and 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). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

#### User charges and fees

User charges and fees (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 doubtful debt is recognised when collection in full is no longer probable.

#### Sale of plant, property, infrastructure 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

Interest and 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.

### (c) Principles of consolidation

#### (i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following Section 355 Committees have been included as part of consolidation:

- Camden International Friendship Association Committee
- Pat Kontista Committee
- Bicentennial Equestrian Park Committee
- Camden Seniors Program
- Camden Town Farm

The total revenue and expenditure from continuing operations for the year and the net assets held by these Committees as at 30 June 2009 are as follows:

Total income from continuing operations	\$176,934
Total expenditure from continuing operations	\$133,394
Total operating surplus	\$43,540
Total net assets (Equity) held	\$241,752

#### **(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 reports.

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

The interest in a joint venture partnership is accounted for using the equity method and is carried at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet.

Camden Council did not have any joint venture projects for the year ending 30 June 2009.

#### **(d) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee 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.

Council did not have any finance leases as at 30 June 2009.

#### **(e) Acquisition of assets**

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

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

#### **(f) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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 the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### **(g) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### **(h) Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of

receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

### **(i) Inventories**

#### **(i) Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are 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. Cost includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

#### **(ii) Land held for resale/capitalisation of borrowing costs**

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

#### **(j) Non-current assets held for sale**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets

and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities 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.

### **(k) Investments and other financial assets**

#### **Classification**

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.



## **(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 are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (note 8) and receivables (note 7) in the balance sheet.

## **(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. If council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are 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.

## **Financial assets – reclassification**

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, Council may 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.

## **Change in accounting policy**

Council has adopted the policy of reclassifying financial assets out of the held-for-trading category from 1 July 2008, following amendments made to AASB 139 Financial Instruments: Recognition and Measurement in October 2008. Under Council's previous policy reclassifications of financial assets were not permitted.

## **Recognition and de-recognition**

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. 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.

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.

## **Subsequent measurement**

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

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial instruments is determined are disclosed in note 1 (I)



### Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. 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

### Investment Policy

Council has an approved investment policy complying with *Section 625 of the Local Government Act* and *S212 of the LG (General) Regulations 2005*. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Local Government Investment Order. Council maintains an investment policy that complies 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.

#### (I) 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. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

#### (m) Infrastructure, property, plant and equipment (IPPE)

Council's assets are being progressively revalued to fair value in accordance with a staged implementation advised by the Department of Local Government. Valuations are carried out by a qualified valuer. At balance date the following classes of IPPE 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).

Other asset classes will be revalued to fair value as follows:  
2009/10 – roads, bridges, footpaths and drainage assets.  
2010/11 – community land, land improvements, other structures and other assets.

Increase in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reserves a decreases previously recognising profit or loss, 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; all other decreases are charged to the income statement.

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.

All valuations to 30 June 2008 were undertaken by C B Richard Ellis.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Office equipment	5 years
Bulk earthworks	Infinite
Office furniture	7 years
Drains	100 years



Vehicles and road making equipment	5-7 years
Culverts	70 years
Other plant and equipment	5-7 years
Flood control structures	80-100 years
Building:	
Structure	40 years
Sealed roads - Surface	50 years
Roof membrane & Air Conditioning	20 years
Sealed roads - Structure	50 years
Lifts & escalators	25 years
Footpath	50 years
Lifts & escalators	25 years
Bridge – Concrete	100 years
Fire services	30 years
Floor coverings	10 years
Playground equipment	10 years
Benches, seats etc	10 years
Library Books	10 years

The assets' residual values and useful lives are reviewed, and adjusted if 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.

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

Land, other than land under roads, is classified as either operational or community in accordance with Part 2 of Chapter 6 of the *Local Government Act (1993)*. This classification is made in Note 9(a).

**(n) Investment property**

Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

Council did not have any investment property as at 30 June 2009.

**(o) Payables**

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(p) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the

establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.



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.

**(q) Borrowing costs**

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

**(r) Provisions**

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable 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.

### **(s) Employee benefits**

#### **(i) Wages and salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vested sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### **(ii) Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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.

#### **(ii) 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.

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 accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans.

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 amounting to around \$290 million at 30 June 2009. As a result, they have asked for significant increases in contributions from 2009/2010 onwards to recover that deficiency. Council's share of that deficiency cannot be accurately calculated as the

Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. 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.

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.

### **(t) Rounding of amounts**

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

### **(u) Land under roads**

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

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

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

Council continues to collect the necessary physical data to undertake the valuations upon adoption of an industry standard for LUR's.

Council has 364 km of urban and rural roads and 156km of footpaths. Data is currently being collected for road reserves, nature strips and median strips.

### **(v) Allocation between current and non-current assets and liabilities**

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

### **(w) 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 from both State and Local Government are being sought to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

### **(x) Rural Fire Service assets**

Under *section 119 of the Rural Fire Services 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". Until such time as discussions on this matter have concluded and the legislation changed, Council will (will not) recognise rural fire service assets including land, buildings, plant and vehicles.

### **(y) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

### **(z) Comparative Figures for the year 2008**

Where necessary the comparative figures for the year ending 2008 have been re-categorised.

### **(aa) Section 94 Projections – Note 17**

It is noted that new disclosure requirements have been introduced for Note 17 – Statement of Developer Contributions relating to:

- Internal borrowings between plans (transfers to and from) regarding the current reporting period, and
- the balance outstanding of internal borrowings between plans

There is also one (1) additional Contributions Plan that was adopted by Council during the 2008/09 financial year. Council at its meeting, 12 February 2009 adopted the Oran Park and Turner Road Precincts (OPTR) Contributions Plan.

The OPTR Contributions Plan is a result of the recent release of the first precincts in the South West Growth Corridor. This corridor is expected to be home to an additional 150,000 residents and provide local employment opportunities. The population of Camden LGA is expected to grow from 51,000 (current) to 230,000 people.

With the inclusion of the OPTR Contributions Plan, Council's number of Contributions Plans has increased to twelve (12). These plans ensure that the infrastructure, services and facilities required to meet the demand generated by this growth is provided in a timely manner.

Excluding the recently adopted OPTR Contributions Plan, Council's Contribution Plans are between 4-15 years old and some are quite dated and in need of review. As a result, it is difficult to determine with accuracy the projected future contributions, cost of works to be completed and funding difference as development projections have changed, and the scope and cost of works may be different as new approaches to infrastructure delivery have been adopted.

To achieve the reporting requirements of Note 17 – Statement of Contributions, where Council must identify projected future contributions, projected future costs of works outstanding, and the projected over/under funding of the plan, the following methodology has been applied:

- The contributions plan provides an estimate of the income to be received over the life of the plan. The income received to date has been deducted from the total income expected to derive the projected future contributions.
- The contributions plan provides an estimate of the cost of works to be provided under the plan. The expenditure to date on works provided under the plan has been deducted from the total cost of the works to derive the projected future cost of works still outstanding.
- The cost of projected future works still outstanding has been deducted from the projected future contributions to derive the project over/ (under) funding.



It is acknowledged that this is a fairly simple accounting process that does not take into account other planning issues, such as changes to development projections and changes to the scope and cost of works.

During the 2007/08 financial year, Council recognised the need for, and began a comprehensive review of all Contributions Plans. Camden Contributions Plan 2004 is the main contribution plan for the LGA (excluding the Growth Corridor) and is the first plan to be reviewed. Council has engaged Newplan Pty Ltd to undertake this task. As a result of the review, Council will be able to more accurately provide information about projected future contributions and cost of works to be completed. This plan is anticipated to be presented to Council during the second quarter of 2009/10. Following completion of the review of this plan, Council will review all remaining contributions plans. This process must be complete by 2010, ahead of the date when plans will be automatically repealed in accordance with recent legislative changes.

Council has also established a Development Contributions Management Committee to provide a whole-of-Council approach to the management of development contributions. This Committee has representation from Finance, Capital Works, Development and Strategic Planning. The Committee has been instrumental in determining roles and responsibilities for various aspects of the contributions management. A key focus of this committee has been to assess Council's financial position in relation to development contributions and infrastructure delivery.

#### **(ab) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

##### **(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)**

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. There will be no impact as this Standard is not applicable to not-for-profit entities like Council.

##### **(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2009)**

The revised AASB 123 has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial reports as Council already capitalises borrowing costs relating to qualifying assets.

##### **(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)**

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. Council will apply the revised standard from 1 July 2009.

##### **(iv) AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations (effective from 1 January 2009)**

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. There will be no impact on the financial reports as Council makes no share based payments.

##### **(v) Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)**

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

There will be no impact on the financial reports as Council has no exposure to these types of transactions.

**(vi) AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009)**

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. There will be no impact on the financial reports as Council does not have any subsidiaries it is proposing to dispose of.

**(vii) AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)**

In July 2008, the AASB approved amendments to AASB 1 First-time Adoption of International Financial Reporting Standards and AASB 127 Consolidated and Separate Financial Statements. Council will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment.

**(viii) AASB Interpretation 15 Agreements for the Construction of Real Estate (effective 1 January 2009)**

AASB-I 15 clarifies whether AASB 118 Revenue or AASB 111 Construction Contracts should be applied to particular transactions. Council intends to apply the interpretation from 1 July 2009. It has reviewed its current agreements for the sale of real estate in light of the new guidance and concluded that there would be no change to the accounting for these agreements if AASB-I 15 was adopted in the current financial year. Consequently, it does not expect to make any adjustment on the initial application of AASB-I 15.

**(ix) AASB Interpretation 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)**

AASB-I 16 clarifies which foreign currency risks qualify as hedged risk in the hedge of a net investment in a foreign operation and that hedging instruments may be held by any entity or entities within the group. It also provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. There will be no impact on the financial reports as Council has no hedges of a net investment in a foreign operation.

**(x) AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009)**

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. Council will apply the amended standard from 1 July 2009. It is not expected to have any impact on the financial reports.

**(xi) AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17**

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution. There will be no impact on the financial reports as Council has no exposure to these types of transactions.





## Notes To The Financial Statements - Note 2(a)

For The Year Ended 30 June 2009

PRINCIPAL 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 2009 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000	ORIGINAL BUDGET 2009 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000	ORIGINAL BUDGET 2009 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000	ACTUAL 2009 \$000	ACTUAL 2008 \$000
<b>PRINCIPAL ACTIVITIES</b>													
Sustainable Urban Growth	6,102	2,266	3,259	3,998	3,956	5,864	2,104	(1,690)	(2,605)	64	27	2,637	2,235
Accessibility	7,608	22,058	11,651	10,461	9,683	6,588	(2,853)	12,375	5,063	447	302	109,568	103,594
Environmental Systems	31,667	12,965	6,939	8,180	7,985	7,017	23,487	4,980	(78)	28	38	69,241	66,996
Economic & Community Development	6,301	21,662	4,899	14,623	15,224	12,675	(8,322)	6,438	(7,776)	2,588	1,955	218,959	214,160
Governance	1,709	3,575	1,569	9,872	10,922	12,365	(8,163)	(7,347)	(10,796)	-	-	35,089	7,187
<b>TOTAL PRINCIPAL ACTIVITIES</b>	53,387	62,526	28,317	47,134	47,770	44,509	6,253	14,756	(16,192)	3,127	2,322	435,484	394,172
<b>GENERAL PURPOSE INCOME</b>	27,341	27,212	27,226	-	-	-	27,341	27,212	27,226	2,842	2,243	-	-
<b>TOTALS</b>	80,728	89,738	55,543	47,134	47,770	44,509	33,594	41,968	11,034	5,969	4,565	435,484	394,172



## Notes To The Financial Statements- Note 2(b)

### Components of Principal Activities

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

#### **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.

#### **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.



## Notes To The Financial Statements - Note 3

## Income From Continuing Operations

	2009 \$000	2008 \$000
<b>(a) RATES AND ANNUAL CHARGES</b>		
<b>ORDINARY RATES</b>		
Residential	18,028	17,779
Farmland	762	486
Business	5,999	3,953
	<u>24,789</u>	<u>22,218</u>
<b>ANNUAL CHARGES</b>		
Domestic Waste Management Services	4,518	4,281
Stormwater Management Levy	313	304
	<u>4,831</u>	<u>4,585</u>
<b>TOTAL RATES &amp; ANNUAL CHARGES</b>	<u><u>29,620</u></u>	<u><u>26,803</u></u>
<b>(b) USER CHARGES &amp; FEES</b>		
<b>USER CHARGES</b>		
Domestic Waste Management	25	25
Commercial Waste Management	471	432
Sullage and Septic	145	136
Public Halls	860	923
Recreational Services	1,932	1,484
	<u>3,433</u>	<u>3,000</u>
<b>FEES</b>		
Private Works	348	164
Sec 611 Charges	19	19
Child Care	172	147
Town Planning	1,311	1,221
Building Services	815	1,191
Library Services	72	65
Cemeteries	77	60
Other	18	35
	<u>2,832</u>	<u>2,902</u>
<b>TOTAL USER CHARGES &amp; FEES</b>	<u><u>6,265</u></u>	<u><u>5,902</u></u>
<b>(c) INTEREST &amp; INVESTMENT REVENUE</b>		
Interest on Overdue Rates & Charges	288	279
Development Contributions:		
- Section 94 (under plans)	855	1,162
- Section 94 (not under plans)	5	6
Interest on Investments	865	1,014
<b>GROSS INVESTMENT REVENUES</b>	<u>2,013</u>	<u>2,461</u>
<b>TOTAL INVESTMENT REVENUES</b>	<u><u>2,013</u></u>	<u><u>2,461</u></u>

	2009 \$000	2008 \$000
<b>(d) OTHER REVENUES</b>		
Other Fines	99	92
Bushfire Services	40	51
State Road Grass Cutting & Rubbish Collection	178	140
Vehicle Use Contribution	635	564
Employee Relations	99	151
Domestic Waste Management	35	23
Tourism Income	10	10
Development Service Income	62	30
Comission and Agency Fees	265	175
Settlement - Roadwroks	2,400	1,500
Miscellaneous Sales	28	17
Other	105	314
<b>TOTAL OTHER REVENUE</b>	<b>3,956</b>	<b>3,067</b>

	Notes	OPERATING		CAPITAL	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
<b>(e) GRANTS</b>					
General Purpose (Untied)					
- Financial Assistance		1,756	1,372	-	-
- Financial Assistance- Local Roads		809	602	-	-
- Pensioners' Rates Subsidy (General)		278	269	-	-
Specific Purpose					
- Roads & Bridges		42	-	392	324
- Planning & Development		64	27	-	-
- Recreational Services		45	21	843	210
- Health Services		28	38	-	-
- Community Care Services		1,347	1,372	-	28
- Bushfire & Emergency Services		182	105	183	197
<b>TOTAL GRANTS &amp; SUBSIDIES</b>		<b>4,551</b>	<b>3,806</b>	<b>1,418</b>	<b>759</b>
<b>Comprising</b>					
- Commonwealth Funding		3,514	3,245	1,235	562
- State Funding		1,037	561	183	197
		<b>4,551</b>	<b>3,806</b>	<b>1,418</b>	<b>759</b>

<b>(f) CONTRIBUTIONS</b>					
Developers Contributions					
- Roadworks		-	-	1,661	1,993
- Drainage		-	-	506	2,215
- Drainage-In Kind	17	-	-	219	-
- Traffic Facilities		-	-	183	78
- Open Space		-	-	366	918
- Open Space-In Kind	17	-	-	572	-
- Community Facilities		-	-	433	800
- Other		277	215	13	14

	OPERATING		CAPITAL	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
RTA Contributions	65	83	372	384
Dedicated Drainage	-	-	6,471	1,628
Dedicated Open Space	-	-	15,301	-
Dedicated Subdivision Roads	-	-	14,899	3,263
Community Facilities	215	655	-	-
Other	77	-	-	-
<b>TOTAL CONTRIBUTIONS &amp; DONATIONS</b>	<b>634</b>	<b>953</b>	<b>40,996</b>	<b>11,293</b>
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>5,185</b>	<b>4,759</b>	<b>42,414</b>	<b>12,052</b>

	ACTUAL 2009 \$000	ACTUAL 2008 \$000
--	-------------------------	-------------------------

**(g) RESTRICTIONS RELATING TO GRANTS & CONTRIBUTIONS**

Certain Grants and Contributions are obtained by Council on the condition they be spent in a specified manner. Grants and Contributions recognised in current period which have not been spent:

**Grants:**

- Roadworks	-	48
- Day Care Centre	32	32
- Noxious Weeds	1	4
- Library	6	2
- Tourism	-	3
- Water Grants	-	41
- Camden Swimming Pool Redevelopment	250	-
- Stimulus Package Grants	468	-
- Other	319	340

**Contributions:**

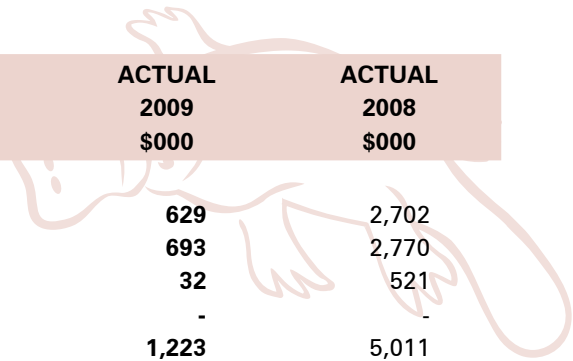
- Drainage	901	3,157
- Roads	1,960	2,483
- Traffic Facilities	231	136
- Parking	(4)	(5)
- Open Space	1,333	4,008
- Community Facilities	405	(108)
- Other	265	207
	<b>6,167</b>	<b>10,348</b>

**LESS**

Grants and Contributions recognised in previous reporting period which have been spent in the current reporting period

**Grants:**

- Roadworks	153	466
- Day Care Centre	32	58
- Noxious Weeds	6	28
- Library	52	7
- Tourism	3	6
- Water Grants	66	32
- Camden Swimming Pool Redevelopment	-	-
- Stimulus Package Grants	-	-
- Other	263	232



	<b>ACTUAL 2009 \$000</b>	<b>ACTUAL 2008 \$000</b>
<b>Contributions:</b>		
- Drainage	629	2,702
- Roads	693	2,770
- Traffic Facilities	32	521
- Parking	-	-
- Open Space	1,223	5,011
- Community Facilities	913	543
- Other	364	314
	<b>4,429</b>	<b>12,690</b>

Net Increase/(Decrease) in restricted grants and Contributions:

<b>Grants:</b>		
- Roadworks	(153)	(418)
- Day Care Centre	-	(26)
- Noxious Weeds	(5)	(24)
- Library	(46)	(5)
- Tourism	(3)	(3)
- Water Grants	(66)	9
- Camden Swimming Pool Redevelopment	250	-
- Stimulus Package Grants	468	-
- Other	56	108
<b>Contributions:</b>		
- Drainage	272	455
- Roads	1,267	(287)
- Traffic Facilities	199	(385)
- Parking	(4)	(5)
- Open Space	110	(1,003)
- Community Facilities	(508)	(651)
- Other	(99)	(107)
	<b>1,738</b>	<b>(2,342)</b>



## Notes To The Financial Statements- Note 4

## Expenses

	2009 \$000	2008 \$000
<b>(a) EMPLOYEE COSTS</b>		
Salaries & Wages	14,807	13,694
Travelling	1,467	1,370
Employee Leave Entitlements	2,405	2,296
Superannuation	1,707	1,437
Workers' Compensation Insurance	788	1,047
Fringe Benefits Tax	106	88
Training Costs (Excluding Salaries)	172	280
Other	222	248
Less: Capitalised and distributed costs	(438)	(417)
<b>TOTAL OPERATING EMPLOYEE COSTS</b>	<b>21,236</b>	<b>20,043</b>
<b>Number of FTE Employees</b> (Full time equivalent at end of reporting period)	<b>270.2</b>	<b>264.8</b>
<b>(b) BORROWING COST</b>		
Interest on Loans	672	642
<b>TOTAL INTEREST CHARGES</b>	<b>672</b>	<b>642</b>
<b>(c) MATERIALS AND CONTRACTS</b>		
Contractor and consultancy costs	803	1,170
Agency Agreements	462	418
Auditor's Remuneration		
- Audit Services	45	35
Legal Expenses		
- Planning & Development	296	176
- Other Legal Expenses	183	208
Office Administration	303	418
Building Maintenance	608	504
Information Technology	390	213
Function Centre Administration	144	226
Community Support Programs	1,202	1,125
Pollution Control	21	19
Waste Management Disposal Cost	2,228	1,880
Emergency Services	95	75
Infrastructure Maintenance and Repairs	1,711	1,729
Companion Animal Control	71	92
Parks and Gardens Maintenance	1,861	1,692
Tree Maintenance	221	218
Noxious Weeds Control	13	69
Private Works	16	19
Plant Management	1,723	1,704
Health Services	8	-
Recreational Services	1,956	1,678
Other	55	76
<b>TOTAL MATERIAL &amp; CONTRACTS</b>	<b>14,415</b>	<b>13,744</b>

	<b>DEPRECIATION</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>
<b>(d) DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
Intangible Assets (Note 25)		
Plant and Equipment	1,321	1,258
Office Equipment	341	319
Furniture & Fittings	52	65
Land Improvements	980	1,079
Buildings - non specialised	50	4
Buildings - specialised	1,626	739
Other Structures	143	155
Infrastructure		
- Roads, Bridges & Footpaths	2,806	2,663
- Storm Water Drainage	751	692
- Library Books	111	115
- Other	185	156
Less: Capitalised and distributed costs	(505)	(682)
<b>TOTAL DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>	<b>7,861</b>	<b>6,563</b>

	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>
	<b>(e) OTHER EXPENSES</b>	
Mayoral Fee	33	32
Councillor's Fees & Allowances	137	131
Councillor's (Incl. Mayor) Expenses	57	63
Council Election Expenses	120	-
Insurances	609	620
Street Lighting	615	570
Light, Power & Heating	247	272
Telephone & Communications	200	221
Donations & Contributions to Local & Regional Bodies	120	114
Advertising General	153	190
Water Charges	141	130
Bushfire Services	337	269
Development Operating Expenses	91	97
Information Technology Expenses	161	143
Rates Collection Charges	144	138
Land Assets - Write-Off	21	47
Demolished Buildings - Write-Off	-	76
Other	400	404
<b>TOTAL OTHER EXPENSES</b>	<b>3,586</b>	<b>3,517</b>

## Notes To The Financial Statements - Note 5

## Gain or Loss on Disposal of Assets

	2009 \$000	2008 \$000
<b>DISPOSAL OF PROPERTY</b>		
Proceeds from Disposal	-	-
Less : Carrying Amount of Assets Sold	-	-
<b>GAIN (LOSS) ON DISPOSAL</b>	<b>-</b>	<b>-</b>
<b>DISPOSAL OF INFRASTRUCTURE, PLANT AND EQUIPMENT</b>		
Proceeds from Disposal	371	660
Less : Carrying Amount of Assets Sold	86	161
<b>GAIN (LOSS) ON DISPOSAL</b>	<b>285</b>	<b>499</b>
<b>TOTAL GAIN (LOSS) ON DISPOSAL OF ASSETS</b>	<b>285</b>	<b>499</b>

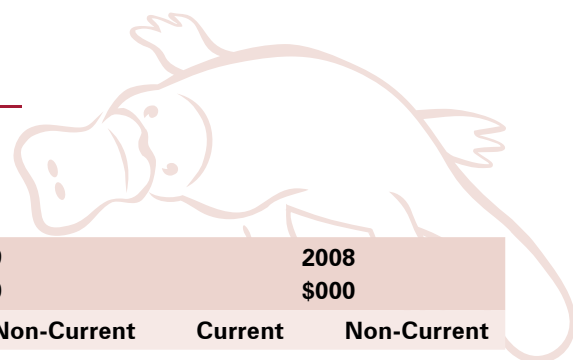
## Notes To The Financial Statements- Note 6

## Cash Assets and Investments

	2009 \$000		2008 \$000	
	Current	Non-Current	Current	Non-Current
<b>(a) CASH AND CASH EQUIVALENTS</b>				
Cash on Hand and at Bank	-	-	1,416	-
Deposits at Call	1,170	-	1,300	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>1,170</b>	<b>-</b>	<b>2,716</b>	<b>-</b>
<b>Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value.</b>				
<b>(b) INVESTMENTS</b>				
Held to maturity investments	30,050	-	25,450	-
<b>TOTAL</b>	<b>30,050</b>	<b>-</b>	<b>25,450</b>	<b>-</b>
<b>Financial Assets</b>				
At beginning of year	25,450	-	28,100	-
Additions	20,150	-	21,600	-
Disposals	(15,550)	-	(24,250)	-
At end of year	30,050	-	25,450	-
<b>Investment Held</b>				
Term Deposits (Short Term)	30,050	-	25,450	-
	30,050	-	25,450	-

## Notes To The Financial Statements - Note 6(c)

### Restricted Cash, Cash Equivalents and Investments



	Notes	2009		2008	
		Current	Non-Current	Current	Non-Current
Cash & Cash Equivalent Assets		1,170	-	2,716	-
Investments		30,050	-	25,450	-
<b>TOTAL CASH &amp; INVESTMENT SECURITIES</b>		<b>31,220</b>	<b>-</b>	<b>28,166</b>	<b>-</b>
External Restrictions		20,583	-	18,092	-
Internal Restrictions		10,409	-	9,971	-
Unrestricted		228	-	103	-
		<b>31,220</b>	<b>-</b>	<b>28,166</b>	<b>-</b>

DETAILS OF MOVEMENTS OF RESTRICTED CASH ASSETS & INVESTMENT SECURITIES	Notes	Opening Balance	Movements		Closing Balance
		30 June 2008	Transfer to Restrictions	Transfer from Restrictions	30 June 2009
		\$000	\$000	\$000	\$000
<b>EXTERNAL RESTRICTIONS</b>					
<b>Included in liabilities</b>					
Retention Bonds - S94 Developer Contribution	17	1,760	496	-	2,256
		1,760	496	-	2,256
<b>Other</b>					
Section 94 Developer Contributions	17	12,236	3,803	3,062	12,977
RTA Contributions		12	74	85	1
Unexpended Grants		324	974	750	548
Camden Pool Redevelopment Grant		-	250	-	250
Roads to Recovery - Interest		32	4	36	-
Domestic Waste Management		3,457	1,618	929	4,146
Stormwater Management		207	353	272	288
Other		64	56	3	117
		16,332	7,132	5,137	18,327
<b>TOTAL EXTERNAL RESTRICTIONS</b>		<b>18,092</b>	<b>7,628</b>	<b>5,137</b>	<b>20,583</b>

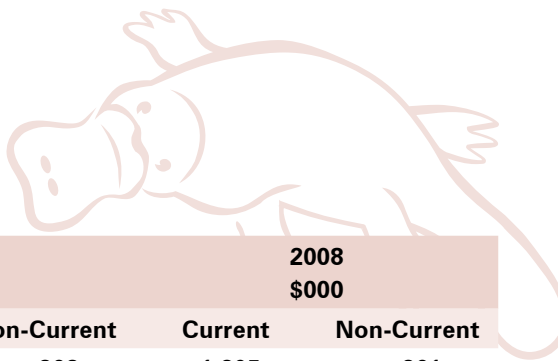
External Restrictions arise pursuant to section 409(3) of the Local Government Act, the Local Government (Financial Management) Regulation 1999 and other applicable legislation. Further information relating to Developer Contributions is provided in Note 17 and Unexpended Grants in Note 3. Amounts raised for Domestic Waste Management may only be used for those purposes.

	Opening Balance 30 June 2008 \$000	Movements		Closing Balance 30 June 2009 \$000
		Transfer to Restrictions \$000	Transfer from Restrictions \$000	
<b>INTERNAL RESTRICTIONS</b>				
Employee Leave Entitlements	585	616	583	618
Refundable Bonds/Deposits	2,558	581	310	2,829
<b>Other:</b>				
Plant Replacement Reserve	237	567	356	448
Working Funds Reserve	300	1,708	300	1,708
Expenditure Revote Reserve	846	511	762	595
Loan Repayment Reserve	88	9	1	96
Capital Works Reserve	4,169	1,312	2,734	2,747
Cemetery Improvements	147	28	8	167
Risk Management Reserve	197	85	58	224
Camden Parking Reserve	121	-	1	120
Community Facility Reserve	8	1	-	9
Engineering Services	403	13	71	345
Road Improvement Reserve	-	430	243	187
Public Appeals Reserve	35	-	-	35
Mayoral Relief Reserve	5	1	5	1
Family Day Care Trust	103	10	-	113
Community Bus Restricted Income	14	-	-	14
On Site Sewage Management	10	-	10	-
Sec 355 Committee Reserve	145	8	-	153
<b>TOTAL INTERNAL RESTRICTIONS</b>	<b>9,971</b>	<b>5,880</b>	<b>5,442</b>	<b>10,409</b>

Internal Restrictions arise pursuant to resolutions of Council to set aside reserves of cash resources either relating to liabilities recognised in these reports or to fund future expenditure for the stated purpose. Such reserves are not permitted to exceed the amounts of cash assets and cash investments not otherwise restricted.

## Notes To The Financial Statements- Note 7

### Receivables



	2009 \$000		2008 \$000	
	Current	Non-Current	Current	Non-Current
Rates and Annual Charges	1,499	303	1,305	361
Interest and Extra Charges	323	61	352	59
Government Grants and Subsidies	283	-	89	-
Bushfire Grants	88	-	105	-
RTA Government Grants	-	-	163	-
Health & Environment Inspections	12	-	5	-
Government Subsidy - Dept of Planning	15	-	15	-
Water/Electricity	8	-	10	-
Employee Accounts	11	-	12	-
Reimbursement of Lease Rentals	-	-	4	-
Private Works/Road Restorations	14	-	33	-
Community Facilities Income	256	-	88	-
Goods and Services Tax	252	-	395	-
Accrued Interest on Investment	172	-	297	-
Other	293	-	424	-
<b>TOTAL</b>	<b>3,226</b>	<b>364</b>	<b>3,297</b>	<b>420</b>
<b>Less : Allowance for Doubtful Debts:</b>				
- Other	15	-	16	-
	<b>3,211</b>	<b>364</b>	<b>3,281</b>	<b>420</b>

#### Rates, Annual Charges, Interest & Extra Charges

Overdue rates and annual charges (being amounts not paid on or before the due date determined in accordance with the Local Government Act) are secured over the relevant land and are subject to simple interest at a rate of 10.00% (2008): 10.00%). Although Council is not materially exposed to any individual ratepayer, credit risk exposure is concentrated within the Council boundaries in the State of New South Wales.

#### Other levels of Government

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Government of New South Wales and the Government of Australia.

#### Other Receivables

Amounts due (other than User Charges which are secured over the relevant land) are unsecured and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State of New South Wales.

RESTRICTED RECEIVABLES	2009		2008	
	\$000	\$000	\$000	\$000
<b>External Restrictions:</b>				
Specific Purpose Grants	199	-	172	-
RTA Contributions	174	-	163	-
Domestic Waste Management	301	61	336	59
Stormwater Management Levy	21	-	22	-
<b>TOTAL EXTERNAL RESTRICTIONS</b>	<b>695</b>	<b>61</b>	<b>693</b>	<b>59</b>
<b>Internal Restrictions:</b>				
Capital Works Reserve	424	-	691	-
<b>TOTAL INTERNAL RESTRICTIONS</b>	<b>424</b>	<b>-</b>	<b>691</b>	<b>-</b>
<b>Unrestricted Receivables</b>	<b>2,092</b>	<b>303</b>	<b>1,897</b>	<b>361</b>
<b>TOTAL RECEIVABLES</b>	<b>3,211</b>	<b>364</b>	<b>3,281</b>	<b>420</b>

## Notes To The Financial Statements - Note 8

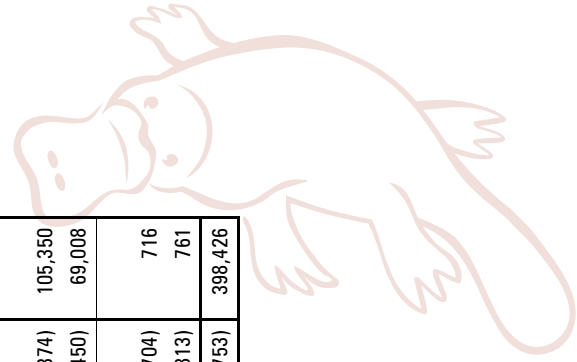
### Inventories Other Assets

	2009		2008	
	\$000		\$000	
	Current	Non-Current	Current	Non-Current
<b>INVENTORIES</b>				
Stores and Materials	325	-	346	-
Trading Stock	18	-	13	-
Real Estate (refer below)	1,403	-	-	-
<b>TOTAL INVENTORIES</b>	<b>1,746</b>	<b>-</b>	<b>359</b>	<b>-</b>
<b>OTHER ASSETS</b>				
Prepayments	517	-	369	-
<b>TOTAL OTHER ASSETS</b>	<b>517</b>	<b>-</b>	<b>369</b>	<b>-</b>
<b>Real Estate Developments</b>				
(Valued at the lower of cost and net realisable value)				
Industrial & Commercial	1,403	-	-	-
<b>TOTAL REAL ESTATE FOR RESALE</b>	<b>1,403</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>	<b>1,403</b>	<b>-</b>	<b>-</b>	<b>-</b>
Acquisition Costs	1,403	-	-	-
Less: Allowance for Under-Recovery	-	-	-	-
<b>TOTAL REAL ESTATE FOR RESALE</b>	<b>1,403</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RESTRICTIONS EXIST IN RESPECT OF:</b>				
<b>Inventories</b>				
Domestic Waste Management	14	-	11	-
	14	-	11	-



# Notes To The Financial Statements- Note 9(a)

## Infrastructure, Property, Plant and Equipment



	2008 \$000					Movements During The Year \$000					2009 \$000		
	At Cost	At Fair Value	Accum Depn	Carrying Amount	Asset Purchases	Asset Disposals	Depreciation	Land Held For Sale	Net Revaluation	At Cost	At Fair Value	Accum Depn	Carrying Amount
<b>BY ASSET TYPE</b>													
Plant & Equipment	-	10,776	(6,501)	4,275	1,176	(86)	(1,321)	-	-	-	11,866	(7,822)	4,044
Office Equipment	2,578	-	(1,677)	901	86	-	(341)	-	-	2,665	-	(2,019)	646
Furniture & Fittings	1,235	-	(1,002)	233	17	-	(52)	-	-	1,252	-	(1,054)	198
Land													
- Operational Land	-	33,001	-	33,001	8,398	-	-	(1,403)	453	-	40,449	-	40,449
- Community Land	104,705	-	-	104,705	9,207	-	-	-	-	113,912	-	-	113,912
Land Improvements - depreciable	39,647	-	(13,661)	25,986	1,313	-	(980)	-	-	40,961	-	(14,642)	26,319
Buildings - non specialised	-	930	(465)	465	483	-	(50)	-	-	-	1,413	(515)	898
Buildings - specialised	-	53,033	(18,056)	34,977	401	-	(1,626)	-	-	-	53,435	(19,683)	33,752
Other Structures	4,719	-	(2,535)	2,184	332	-	(143)	-	-	5,050	-	(2,677)	2,373
Infrastructure													
- Roads, Bridges, Footpaths	154,217	-	(63,568)	90,649	17,507	-	(2,806)	-	-	171,724	-	(66,374)	105,350
- Stormwater Drainage	76,441	-	(13,699)	62,742	7,017	-	(751)	-	-	83,458	-	(14,450)	69,008
Other Assets													
- Library Books	2,203	-	(1,594)	609	218	-	(111)	-	-	2,420	-	(1,704)	716
- Other	3,478	-	(2,628)	850	96	-	(185)	-	-	3,574	-	(2,813)	761
<b>TOTALS</b>	<b>389,223</b>	<b>97,740</b>	<b>(125,386)</b>	<b>361,577</b>	<b>46,251</b>	<b>(86)</b>	<b>(8,366)</b>	<b>(1,403)</b>	<b>453</b>	<b>425,016</b>	<b>107,163</b>	<b>(133,753)</b>	<b>398,426</b>

## Notes To The Financial Statements - Note 9(b)

## Restricted Infrastructure, Property, Plant and Equipment

	2009 \$000				2008 \$000			
	At Cost	At Valuation	Accum Depn	Carrying Amount	At Cost	At Valuation	Accum Depn	Carrying Amount
<b>Domestic Waste Management</b>								
Plant & Equipment	-	5,047	(3,493)	1,554	-	5,958	(4,155)	1,803
Land (Operational)	-	644	-	644	-	644	-	644
Land Improvements (depreciable)	100	-	(78)	22	100	-	(78)	22
Buildings	-	398	(207)	191	-	1,061	(255)	806
<b>Total Domestic Waste</b>	<b>100</b>	<b>6,089</b>	<b>(3,778)</b>	<b>2,411</b>	<b>100</b>	<b>7,663</b>	<b>(4,488)</b>	<b>3,275</b>
<b>TOTAL RESTRICTIONS</b>	<b>100</b>	<b>6,089</b>	<b>(3,778)</b>	<b>2,411</b>	<b>100</b>	<b>7,663</b>	<b>(4,488)</b>	<b>3,275</b>

## Notes To The Financial Statements - Note 10(a)

### Payables, Borrowings and Provisions

	2009		2008	
	\$000		\$000	
	Current	Non-Current	Current	Non-Current
<b>PAYABLES</b>				
Goods & Services	2,164	-	4,537	-
Payments received in advance	113	-	87	-
Accrued Expenses	151	-	86	-
Deposits, Retentions & Bonds	2,543	2,428	1,944	2,287
<b>TOTAL PAYABLES</b>	<b>4,971</b>	<b>2,428</b>	<b>6,654</b>	<b>2,287</b>
<b>BORROWINGS</b>				
Bank Overdraft	323	-	-	-
Loans				
- Secured	1,839	8,094	1,793	8,333
<b>TOTAL BORROWINGS</b>	<b>2,162</b>	<b>8,094</b>	<b>1,793</b>	<b>8,333</b>
All interest bearing liabilities are secured over the future revenues of the Council.				
<b>PROVISIONS</b>				
Annual Leave	1,724	-	1,687	-
Long Service Leave	4,017	186	3,784	153
<b>TOTAL PROVISIONS</b>	<b>5,741</b>	<b>186</b>	<b>5,471</b>	<b>153</b>
Current provisions not expected to be settled within the next 12 months.	4,107	-	3,780	-
<b>LIABILITIES RELATING TO RESTRICTED ASSETS</b>				
Domestic Waste Management				
- Payables	75	-	84	-
<b>Subtotal</b>	<b>75</b>	<b>-</b>	<b>84</b>	<b>-</b>
Section 94				
- Retention Bonds	2,256	-	1,760	-
<b>Subtotal</b>	<b>2,256</b>	<b>-</b>	<b>1,760</b>	<b>-</b>
<b>TOTAL</b>	<b>2,331</b>	<b>-</b>	<b>1,844</b>	<b>-</b>

## Notes To The Financial Statements - Note 10(b)

### Description of and Movements in Provisions

CLASS OF PROVISION	Opening Balance \$000	Reduction in Provision			Closing Balance \$000
		Increase in Provision \$000	Payments \$000	Re-Measurement \$000	
Annual Leave	1,687	1,229	1,192	-	1,724
Long Service Leave	3,937	769	503	-	4,203
<b>TOTAL</b>	<b>5,624</b>	<b>1,998</b>	<b>1,695</b>	<b>-</b>	<b>5,927</b>

## Notes To The Financial Statements - Note 11

## Reconciliation of Cash Flow Movements

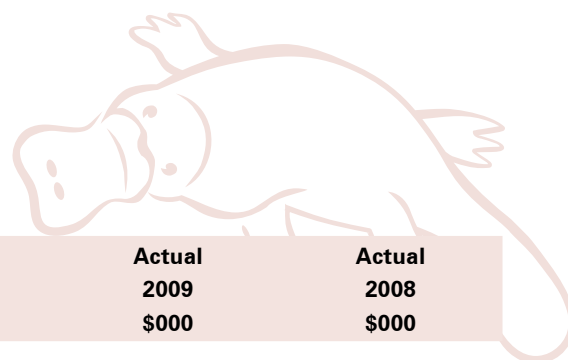
	Notes	2009 \$000	2008 \$000
<b>(a) RECONCILIATION OF CASH ASSETS</b>			
Cash Assets comprise of highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash and Cash Equivalents	6(a)	1,170	2,716
Less: Bank Overdraft	10	(323)	-
<b>BALANCE AS PER CASH FLOWS STATEMENT</b>		<u>847</u>	<u>2,716</u>
<b>(b) RECONCILIATION OF NET OPERATING RESULT TO CASH PROVIDED FROM OPERATING ACTIVITIES</b>			
Net Operating result from Income Statement		41,968	11,034
<b>ADD:</b>			
Depreciation, Amortisation & Impairment		7,861	6,563
Increase in employee benefits provisions		303	478
Decrease in receivables		127	1,105
Decrease in inventories		16	12
Decrease in other assets		-	19
Increase in accrued expenses payable		65	27
Increase in other payables		740	1,013
		<u>51,080</u>	<u>20,251</u>
<b>LESS:</b>			
Decrease in provision for doubtful debts		1	22
Increase in other assets		148	-
Decrease in trade creditors		2,347	5,963
Gain on Sale of Assets		285	499
Non-cash Capital Grants and Contributions		37,645	5,088
<b>NET CASH PROVIDED FROM (OR USED IN) OPERATING ACTIVITIES FROM CASH FLOW STATEMENT</b>		<u>10,654</u>	<u>8,679</u>
<b>(c) NON-CASH FINANCING AND INVESTING ACTIVITIES</b>			
Bushfire Grants		183	197
Developer Contributions in kind & Dedicated Assets		37,462	4,891
		<u>37,645</u>	<u>5,088</u>
<b>(d) FINANCING ARRANGEMENTS</b>			
Unrestricted access was available at balance date to the:			
Bank Overdrafts <sup>(1)</sup>		430	430
Corporate Credit Cards		650	650
		<u>1,080</u>	<u>1,080</u>

## Notes:

(1) The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are variable while the rates for loans are fixed for the period of the loan.

## Notes To The Financial Statements - Note 12

### Commitments for Expenditure



	Actual 2009 \$000	Actual 2008 \$000
<b>(a) CAPITAL COMMITMENTS (exclusive of GST)</b>		
Capital Expenditure committed for at the reporting date but not recognised in the Financial Statements as Liabilities :		
- Infrastructural Asset	1,192	885
	<u>1,192</u>	<u>885</u>
These Expenditures are Payable as Follows :		
- Not Later Than One Year	1,192	885
<b>TOTAL</b>	<u><u>1,192</u></u>	<u><u>885</u></u>
<b>(b) SERVICE COMMITMENTS (exclusive of GST)</b>		
Other Non-Capital Expenditure committed for at the reporting date but not recognised in the Financial Statements as Liabilities include:		
- Audit Services	140	175
- Cleaning and Mowing Services	30	358
- Landscape and Tree Maintenance	-	375
- Other	445	145
<b>TOTAL</b>	<u><u>621</u></u>	<u><u>1,053</u></u>
These Expenditures are Payable as follows :		
- Not Later Than One Year	253	899
- Later than one year and not later than 5 years	368	154
<b>TOTAL</b>	<u><u>621</u></u>	<u><u>1,053</u></u>
<b>(c) OPERATING LEASE COMMITMENTS</b>		
Commitments under Non-Cancellable Operating Leases at the reporting date but not recognised in the Financial Statements		
- Motor Vehicle	701	1,049
- Photocopiers	133	175
- Other	128	11
<b>TOTAL</b>	<u><u>942</u></u>	<u><u>1,235</u></u>
These Expenditures are Payable as Follows :		
- Not Later Than One Year	668	848
- Later Than One Year and Not Later than 5 Years	274	387
<b>TOTAL</b>	<u><u>942</u></u>	<u><u>1,235</u></u>
<b>(d) REMUNERATION COMMITMENTS</b>		
Commitment for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
- Within One Year	591	740
- Later Than One Year and Not Later Than 5 Years	1,182	1,772
<b>TOTAL</b>	<u><u>1,773</u></u>	<u><u>2,512</u></u>

## Notes To The Financial Statements - Note 13

## Statement of Performance Measurement

	Amounts	2009 Indicators	2008	2007
<b>UNRESTRICTED CURRENT RATIO</b>				
Current Assets less All External Restrictions <sup>(1)</sup>	\$15,402	2.39:1	1.61:1	1.03:1
Current Liabilities less Specific Purpose Liabilities <sup>(2)(3)</sup>	\$6,436			
<b>DEBT SERVICE RATIO</b>				
Net Debt Service Cost	\$2,465	5.48%	5.42%	5.66%
Revenue from Continuing Operations excluding Capital Items and Specific Purpose Grants/Contributions	\$44,982			
<b>RATE COVERAGE RATIO</b>				
Rate & Annual Charges	\$29,620	33.01%	48.26%	44.52%
Revenue from Continuing Operations	\$89,738			
<b>RATES &amp; ANNUAL CHARGES OUTSTANDING PERCENTAGE</b>				
Rates & Annual Charges Outstanding	\$2,186	6.83%	7.16%	7.11%
Rates & Annual Charges Collectable	\$31,985			
<b>BUILDING &amp; INFRASTRUCTURE RENEWALS &amp; RATIO <sup>(4)</sup></b>				
Asset renewals - Building & Infrastructure	\$2,624	0.49 : 1	0.73:1	New ratio introduced 2008 - no comparatives available.
Depreciation, Amortisation, Impairment - Building & Infrastructure	\$5,376			

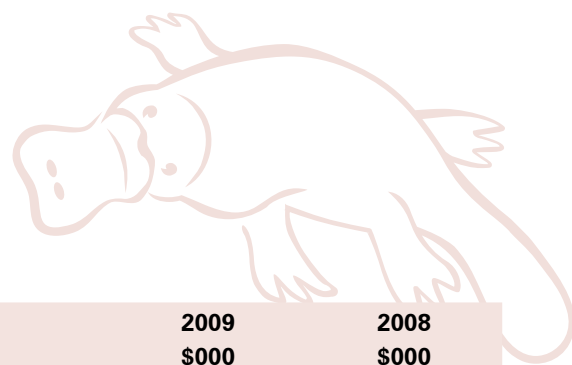
## Notes:

- (1) Refer to Notes 6-8 inclusive.  
(2) Refer to Note 10(a)  
(3) \$4.1m ELE transferred out  
(4) Refer to Note 9(a)



## Notes To The Financial Statements - Note 14

### Investment Property



Council did not have any investment property for the year 2009.

	2009 \$000	2008 \$000
<b>AT FAIR VALUE</b>		
Opening Balance at 1 July	-	-
Acquisitions	-	-
Capitalised subsequent expenditure	-	-
Classified as held for sale	-	-
Net gain (loss) from fair value adjustment	-	-
Transfer (to) from inventories or infrastructure, property, plant & equipment	-	-
Carrying value of disposals	-	-
<b>Closing Balance at 30 June</b>	<b>-</b>	<b>-</b>
<b>AMOUNTS RECOGNISED IN PROFIT AND LOSS</b>		
Rental Income	-	-
Outgoings recouped	-	-
Net gain (loss) from fair value adjustment	-	-
Repairs, maintenance & other operating expenses		
- property generating rental income	-	-
- property not generating rental income	-	-

## Notes To The Financial Statements - Note 15

### Financial Risk Management

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. All financial instruments are denominated in Australian dollars, and hence currency risk does not apply. Camden Council is not exposed to foreign currency risk, as we do not engage in transactions expressed in foreign currency.

Financial risk management is carried out by the Finance Section in accordance with the policies approved by Council and in accordance with statutory requirements, and seeks to maximise revenue while protecting the corpus of the funds invested (refer to Council's *Policy 5.33 Investment of Surplus Liquid Funds*).

Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
<b>FINANCIAL ASSETS</b>				
Cash and Cash Equivalents	1,170	2,716	1,170	2,716
Receivables	3,575	3,701	3,575	3,701
Investments - Held to Maturity	30,050	25,450	30,050	25,450
	<b>34,795</b>	<b>31,867</b>	<b>34,795</b>	<b>31,867</b>
<b>FINANCIAL LIABILITIES</b>				
Payables	7,399	8,941	7,399	8,941
Borrowings and Bank Overdraft	10,256	10,126	10,256	10,126
	<b>17,655</b>	<b>19,067</b>	<b>17,655</b>	<b>19,067</b>

Fair value is estimated as follows:

- Cash & equivalents, receivables & payables - due to the short-term nature, face value (carrying value) approximates fair value.
- Financial assets at fair value through profit & loss are based on quoted market prices (where a liquid market exists).

#### a) Cash and Cash Equivalents

##### Financial assets at fair value through profit & loss

Council's Investment Policy aims to *invest surplus funds in accordance with the requirements of the Local Government Act*. It also aims to *manage prudently and with optimum return, the funds at Council's disposal during periods prior to their requirement for expenditure*, ie. Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

The investment portfolio is managed in accordance with Council's policy (which complies with the *Local Government Act & Regulations*, and the Minister's Order. The investment policy is reviewed regularly, and a report in accordance with section 625 of the Act) is provided to Council on a monthly basis.

The investment portfolio is managed so as to provide adequate liquidity at all times, particularly during the periods between the quarterly receipt of rate instalments and grants. In addition, Council has access to overdraft facilities set out in Note 11.

Council's investment portfolio consists predominantly of Term Deposits at fixed interest rates (generally for 60 or 90 days duration). Whilst these are subject to interest rate risk, this is minimised by the short term of the financial assets held.

A relatively small portion of Council's investment portfolio is held in an "At Call" account, which is required in order to meet our short term financial obligations. This type of investment is also subject to interest rate risk, however, due to the small balance maintained in this type of investment, the risk is minimised.

Council also maintains a small portfolio of Committed Rolling Investments (12 months duration). These CRIs return interest quarterly and interest rates prove to be competitive with those of Council's Term Deposits. Again, there is an interest rate risk associated with this type of investment. However, due to the "rolling" nature of the investments, the interest rate is reassessed in accordance with market variations on a quarterly basis, which equates to approximately every 90 days, similar to Council's term deposits. Therefore, once again due to the short term of the financial assets held, the risk is minimised.

Credit risk is also another risk facing Council's investment portfolio, however, Council manages this risk by diversifying it's portfolio and only purchasing investments from banks with high credit ratings or capital guarantees.

Council's Investment Policy dictates that *the amount invested with any one financial institution (including a fund manager) should not exceed the following percentage of total average funds invested during a year.*

Long Term Rating (S&P)	Short Term Rating (S&P)	Percentage of Total Average Funds
AAA to AA-	A1+	45%
A+ to A	A1	30%
A- to BBB-	A2	25%
BB to D	-	NIL

### Interest Sensitivity Analysis

	2009 \$000	2008 \$000
Impact of a 1% change in interest rates on cash & investments		
- Equity	312	282
- Income Statement	312	282

### (b) Receivables

Credit risk on receivables for rates, annual charges and service charges made under section 502 is minimised as these are secured over the subject land. The security extends to interest levied for late payment.

Other receivables are subject to a range of credit risk minimisation procedures as appropriate, varying from credit checks to specific security pledges. Council is not materially exposed to any individual debtor, and credit risk exposure is concentrated within the Council boundaries in the State of New South Wales. There are no material receivables that have been subject to re-negotiation of repayment terms. Council receives regular summary reports of receivables due, and detailed reports where appropriate.

It is Council policy to review receivables annually. As such, at reporting date, all amounts receivable were reviewed, and only one significant property-associated debt was considered doubtful. The property in question may be sold for unpaid rates in the coming financial year and the debt has been assessed to be recouped during this process. There were no other significant doubtful debts at balance date, however, adequate allowance has been made for smaller amounts considered doubtful.

	2009 \$000	2008 \$000
Percentage of Rates & Annual Charges (excludes previous years arrears of rates)		
- Current	94.94%	95.13%
- Overdue	5.06%	4.87%

### (c) Payables and Borrowings

Payables and borrowings are subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as they fall due. The investment portfolio is managed so as to provide adequate liquidity at all times, particularly during the periods between the quarterly receipt of rates instalments and grants. In addition, Council has access to overdraft facilities set out in Note 11.

**Liquidity Sensitivity Table**

The contractual undiscounted cash flows of Council's payables and borrowings are shown below:

	2009 \$000	≤ 1 year	Due 2 - 5 years	> 5 years	Total Contractual	Carrying Value
Payables		4,971	2,428	-	7,399	7,399
Borrowings and Bank Overdraft		2,162	6,188	1,906	10,256	10,256
		<u>7,133</u>	<u>8,616</u>	<u>1,906</u>	<u>17,655</u>	<u>17,655</u>

	2008 \$000	≤ 1 year	Due 2 - 5 years	> 5 years	Total Contractual Cash Flows	Carrying Value
Payables		6,654	2,287	-	8,941	8,941
Borrowings		1,793	6,450	1,883	10,126	10,126
		<u>8,447</u>	<u>8,737</u>	<u>1,883</u>	<u>19,067</u>	<u>19,067</u>

Borrowings are also subject to interest rate risk - the risk that changes in interest rates could adversely affect funding costs. Council manages this risk by generally borrowing long term, commonly at rates fixed for the duration of the loan. Bank overdraft and less than 5% of borrowings are at variable rates; the associated interest rate risk is not considered material.

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

	2009		2008	
	Wtd ave interest rate	Balance	Wtd ave interest rate	Balance
Overdraft	-	323	-	-
Loans - fixed interest rate	7.73%	9,933	7.64%	10,126
		<u>10,256</u>		<u>10,126</u>

## Notes To The Financial Statements - Note 16

### Material Budget Variations

Council's original budget was incorporated as part of the Management Plan adopted by the Council on 24th June 2008. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grants programs, changing economic activity, the weather and by decisions made by the Council.

Material favourable (F) and unfavourable (U) variances represent amounts of 10% or more of the budgeted amounts are explained below.

#### Revenues

##### 1) Interest & Investment Revenue

During 2007/08 the Reserve Bank of Australia significantly reduced the official cash rate due to the global financial

crisis. This resulted in a decrease in interest income of \$318K (U) (13.6%) compared to the original budget.

##### 2) Other Revenue

Council received a settlement of \$2,400K from a developer for the poor construction of roads in the Narellan Release Area. As a result Other Revenue exceeded the original budget by \$2,428K (F) (158.9%).

##### 3) Grants and Contributions Received for Operating Purposes

Actual amounts for Grants & Contributions received exceeded the budget by \$934K (F) (22.0%) due to Grants & Contributions being received during the financial year that were not known at the time of preparing the original budget.

These include:

- The early payment of the 2009/10 Financial Assistance Grant from Commonwealth Govt \$576K
- Other community grants and RTA Contributions increased by \$358K

#### 4) Grants and Contributions Received for Capital Purposes

Actual amounts for Grants & Contributions received exceeded budget by \$4,227K (F) (11.1%). This was predominately due to an increase in non cash capital contributions, a result of increased development activity in the LGA.

#### 5) Net Gains from Disposal of Assets

The profit on sale of Assets exceeded the budget by \$185K (F) (185.0%) due to better profit margins from sales and an increase in the plant and equipment sold.

## Expenses

### 1) Depreciation

The Depreciation Expense was less than the original budget by \$915K (F) (10.4%). This was predominately due to less major Plant & Equipment being purchased during the year.

In addition to the above mentioned items, minor favourable and unfavourable variations occurred throughout the year in a number of revenue and expense items. All variations have been monitored and reported to the council on a regular basis.

## Notes To The Financial Statements - Note 17

### Statement of Contribution Plans

SUMMARY OF CONTRIBUTIONS											
Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/(Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	2,624	506	219	157	629	17	2,894	153,427	156,303	18	17
Roads	4,341	1,662	-	316	693	(17)	5,609	144,585	150,209	(15)	(17)
Traffic Facilities	711	183	-	47	32	-	909	3,179	4,088	-	-
Parking	(73)	-	-	(4)	-	-	(77)	2,890	2,813	-	-
Open Space	6,916	366	572	392	1,231	-	7,015	238,101	245,117	(1)	-
Community Facilities	(109)	433	-	(30)	904	-	(610)	175,931	175,323	(2)	-
Other	(497)	289	-	(23)	364	-	(595)	3,120	2,525	-	-
<b>Subtotal S94 under plans</b>	<b>13,913</b>	<b>3,439</b>	<b>791</b>	<b>855</b>	<b>3,853</b>	<b>-</b>	<b>15,145</b>	<b>721,233</b>	<b>736,378</b>	<b>-</b>	<b>-</b>
Sec 94 not under plans	83	-	-	5	-	-	88	-	88	-	-
<b>TOTAL CONTRIBUTIONS</b>	<b>13,996</b>	<b>3,439</b>	<b>791</b>	<b>860</b>	<b>3,853</b>	<b>-</b>	<b>15,233</b>	<b>721,233</b>	<b>736,466</b>	<b>-</b>	<b>-</b>

#### Note:

The above summary of contribution plans represents the total of Council's individual contribution plans. Individual plan details are shown below and also refer Note 1(aa) for further explanation on future contributions and works.

**CONTRIBUTION PLAN - MANAGEMENT & PROVISION OF INFRASTRUCTURE IN LGA**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/ (Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
		\$000	\$000								
Drainage	1,126	254	219	69	237	17	1,448	73,840	75,270	18	17
Roads	1,571	360	-	98	118	118	2,029	72,875	74,784	120	118
Traffic Facilities	4	-	-	-	-	-	4	2,480	2,484	-	-
Parking	(73)	-	-	(4)	-	-	(77)	2,890	2,813	-	-
Open Space	962	237	572	52	571	(651)	601	147,471	148,724	(652)	(651)
Community Facilities	(142)	433	-	(32)	904	-	(645)	81,501	80,858	(2)	-
Other	(643)	243	-	(33)	315	-	(748)	2,393	1,645	-	-
<b>TOTAL</b>	<b>2,805</b>	<b>1,527</b>	<b>791</b>	<b>150</b>	<b>2,145</b>	<b>(516)</b>	<b>2,612</b>	<b>383,450</b>	<b>386,578</b>	<b>(516)</b>	<b>(516)</b>

**CONTRIBUTIONS PLAN NO: 3 - UPPER NARELLAN CREEK (TRUNK DRAINAGE & WATER QUALITY FACILITIES)**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/ (Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
		\$000	\$000								
Drainage	1,423	227	-	84	392	-	1,342	9,076	10,418	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,423</b>	<b>227</b>	<b>-</b>	<b>84</b>	<b>392</b>	<b>-</b>	<b>1,342</b>	<b>9,076</b>	<b>10,418</b>	<b>-</b>	<b>-</b>

**CONTRIBUTIONS PLAN NO: 5 - TRUNK DRAINAGE CATHERINE FIELD - PRECINCT 3**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/ (Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
		\$000	\$000								
Drainage	75	-	-	4	-	-	79	264	343	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>264</b>	<b>343</b>	<b>-</b>	<b>-</b>



### CONTRIBUTIONS PLAN NO: 6 - REHABILITATION & MANAGEMENT - ELDESLIE SAND & SOIL DEPOSITS

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/ (Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	2,488	-	-	138	125	-	2,501	-	3,034	(533)	(533)
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	5,339	-	-	300	-	-	5,639	-	5,639	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	(294)	-	-	(16)	-	-	(310)	310	-	-	-
<b>TOTAL</b>	<b>7,533</b>	<b>-</b>	<b>-</b>	<b>422</b>	<b>125</b>	<b>-</b>	<b>7,830</b>	<b>310</b>	<b>8,673</b>	<b>(533)</b>	<b>(533)</b>

### CONTRIBUTIONS PLAN NO: 7 - ROAD MAINTENANCE - EXTRACTIVE INDUSTRIES

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/ (Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	625	10	-	35	20	-	650	-	650	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>625</b>	<b>10</b>	<b>-</b>	<b>35</b>	<b>20</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>-</b>

### CONTRIBUTIONS PLAN NO: 8 - NARELLAN RELEASE AREA: PRIMARY 7 SECONDARY ROUNDABOUTS

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/ (Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	590	70	-	37	-	-	697	-	697	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>590</b>	<b>70</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>697</b>	<b>-</b>	<b>697</b>	<b>-</b>	<b>-</b>

**CONTRIBUTIONS PLAN NO: 11 - SMEATON GRANGE ROADWORKS**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/(Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	(797)	1,261	-	21	430	-	55	7,757	7,279	533	533
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>(797)</b>	<b>1,261</b>	<b>-</b>	<b>21</b>	<b>430</b>	<b>-</b>	<b>55</b>	<b>7,757</b>	<b>7,279</b>	<b>533</b>	<b>533</b>

**CONTRIBUTIONS PLAN NO: 16 - ELLIS LANE/GRASMERE DEVELOPMENT**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/(Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	454	-	-	23	-	(135)	342	-	477	(135)	(135)
Traffic Facilities	103	-	-	5	-	-	108	-	108	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	68	-	-	4	-	-	72	-	72	-	-
Other	(55)	-	-	(3)	-	-	(58)	71	13	-	-
<b>TOTAL</b>	<b>570</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>(135)</b>	<b>464</b>	<b>71</b>	<b>670</b>	<b>(135)</b>	<b>(135)</b>

**CONTRIBUTIONS PLAN NO: 17 - NARELLAN TOWN CENTRE**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/(Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	14	113	-	5	32	-	100	699	799	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	567	129	-	37	-	-	733	1,585	2,318	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	339	39	-	20	29	-	369	-	369	-	-
<b>TOTAL</b>	<b>920</b>	<b>281</b>	<b>-</b>	<b>62</b>	<b>61</b>	<b>-</b>	<b>1,202</b>	<b>2,284</b>	<b>3,486</b>	<b>-</b>	<b>-</b>

**CONTRIBUTIONS PLAN NO: 18 - HARRINGTON PARK RELEASE AREA (COMMUNITY & RECREATION FACILITIES)**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/(Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	48	-	-	3	-	-	51	-	51	-	-
Community Facilities	(35)	-	-	(2)	-	-	(37)	37	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>37</b>	<b>51</b>	<b>-</b>	<b>-</b>

**CONTRIBUTIONS PLAN NO 20 - CAMDEN LGA FIRE & OTHER EMERGENCY SERVICES**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/(Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	156	7	-	9	20	-	152	346	498	-	-
<b>TOTAL</b>	<b>156</b>	<b>7</b>	<b>-</b>	<b>9</b>	<b>20</b>	<b>-</b>	<b>152</b>	<b>346</b>	<b>498</b>	<b>-</b>	<b>-</b>

**CONTRIBUTION PLAN - ORAN PARK AND TURNER ROAD PRECINCTS**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/(Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	-	25	-	0	-	-	25	70,247	70,272	-	-
Roads	-	31	-	1	-	-	32	63,953	63,985	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	660	651	(9)	89,045	88,385	651	651
Community Facilities	-	-	-	-	-	-	-	94,393	94,393	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>1</b>	<b>660</b>	<b>651</b>	<b>48</b>	<b>317,638</b>	<b>317,035</b>	<b>651</b>	<b>651</b>

**CONTRIBUTIONS NOT UNDER PLANS**

Purpose	Opening Balance	Contributions Received During Year		Interest Earned During Year	Expended During Year	Internal Borrowings (To)/from	Held As Restricted Asset	Est. Future Contribs	Est. Works Outstanding	Est. Over/ (Under) Funding	Balance Internal Borrowings
		Cash	Non-Cash								
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Drainage	14	-	-	1	-	-	15	-	15	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	40	-	-	2	-	-	42	-	42	-	-
Community Facilities	29	-	-	2	-	-	31	-	31	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements - Note 18

### Contingencies

The following assets and liabilities do not qualify for recognition in the Balance Sheet but their knowledge and disclosure is considered relevant to the user of the Council's Financial Reports.

#### Defined Benefit Superannuation Contribution Plans

Council contributes to the Local Government Superannuation Scheme which has a closed section where a portion of member entitlements are defined as a multiple of salary. Member councils bear the responsibility of ensuring there are sufficient monies

available to pay out benefits as these members cease employment. The Scheme has a deficit of assets over liabilities totalling \$290 million as at 30 June 2009. The Scheme administrators have advised Council that it will need to make significantly higher contributions from 2009/2010 to help reverse this deficit. However, they may call upon Council to make an immediate payment sufficient to offset this deficit at any time.

The share of this deficit that can be broadly attributed to the employer was estimated to be in the order of \$1.8 million as at 30 June 2009.

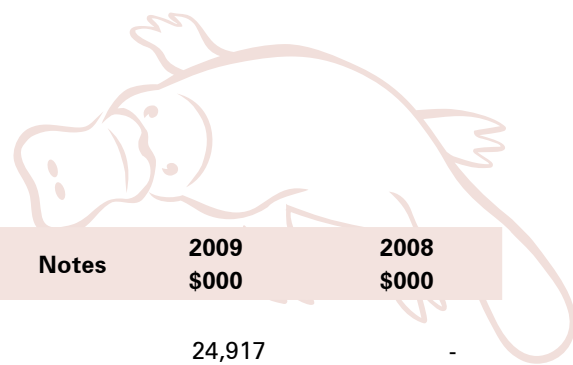
## Notes to the Financial Statements - Note 19

### Interests in Joint Ventures and Associated Entities

Council did not have any involvement in joint venture projects for the year ending 30 June 2009.

## Notes To The Financial Statements - Note 20

### Revaluation Reserves and Retained Earnings



	Notes	2009 \$000	2008 \$000
<b>(a) REVALUATION RESERVES</b>			
Infrastructure, Property, Plant and Equipment Revaluation Reserve		24,917	-
<b>MOVEMENTS:</b>			
<b>Property, Plant &amp; Equipment revaluation</b>	9		
- Land		453	24,555
- Buildings		-	362
<b>BALANCE AT END OF REPORTING PERIOD</b>		<u>25,370</u>	<u>24,917</u>
<b>(b) RETAINED EARNINGS</b>			
Movements in Retained Earnings were as follows:			
At Beginning of Year		344,564	335,774
Adjustments to correct prior period errors		-	(2,244)
Net operating result for the year		41,968	11,034
<b>BALANCE END OF YEAR</b>		<u>386,532</u>	<u>344,564</u>
<b>CORRECTION OF ERRORS IN PREVIOUS YEARS</b>			
(i) This is the recognition of prior year liability for development credits (as per the Section 94 Contributions Plan) which was payable by cash or in-kind. Council's liability has been recognised as a payable to the developer in Note 10 (2008) and is off-set by a settlement (2009) payable to Council by the developer for poorly constructed roads in the Narellan Release Area.		-	(2,400)
(ii) In the course of the revaluations carried out in year 2008, it was found that three buildings had not previously been recognised. An estimate has been made of the depreciation that should have been charged in the previous year had they been correctly recognised at the appropriate time, and the comparative amounts have been adjusted accordingly.		-	156

## Auditors Report - General Purpose



## PITCHER PARTNERS

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**CAMDEN COUNCIL**  
**Independent Audit Report to the Council**  
**General Purpose Financial Report for the Year ended 30 June 2009**

**Report on the Financial Report**

We have audited the general purpose financial report of Camden Council for the financial year ended 30 June 2009 comprising the Statement by Councillors and Management, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statements and accompanying notes.

**Council's Responsibilities for the Financial Report**

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the statutory requirements under Local Government Act, 1993. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibilities**

Our responsibility is to express an opinion on the financial report 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 income and expenditure in note 17, nor the attached Special Schedules.

We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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



## Auditors Report - General Purpose



### Auditor's Opinion

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2; and
- (b) the Council's general purpose financial report:
  - (i) has been prepared in accordance with the requirements of this Division;
  - (ii) is consistent with the Council's accounting records;
  - (iii) presents fairly the Council's financial position and the results of its operations;
  - (iv) is in accordance with Australian accounting standards and other professional reporting requirements.
- (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 reports that we have become aware of in the course of the audit.

A handwritten signature in cursive script, appearing to read "Pitcher Partners".

PITCHER PARTNERS

A handwritten signature in cursive script, appearing to read "C R Millington".

C R MILLINGTON  
Partner

Sydney, 26 October 2009

## Auditors Report - General Purpose



**PITCHER PARTNERS**  
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26 October 2009

The Mayor  
Councillor Chris Patterson  
Camden Council  
PO Box 183  
Camden NSW 2570

Dear Councillor Patterson

**REPORT ON THE CONDUCT OF THE AUDIT – Section 417(3)  
YEAR ENDED 30 JUNE 2009**

In accordance with the requirements of the Department of Local Government, and the provisions of Section 417(3) of the Local Government Act, 1993, we provide the following comments arising from our conduct of the audit of Council's books, records, and financial statements for the 2009 year.

**Audit Scope**

Our audit, which was conducted to provide reasonable assurance of detecting material misstatements in the financial statements, accorded with Australian Auditing Standards and statutory requirements, and we:

- evaluated the accounting policies and significant accounting estimates used by the Council in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Council had failed in its reporting obligations.

Whilst the main objective of our audit is to express an opinion on the financial statements, and to provide comments on the conduct of the audit, our audit opinion is generally *not* intended to provide assurance:

- about the future viability of the Council,
- that it has carried out its activities effectively, efficiently and economically, or about the effectiveness of its internal controls.

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BAKER TILLY  
INTERNATIONAL



### **Audit Conclusion**

Our audit of the financial reports for the year ended 30 June 2009 resulted in unqualified independent audit reports for Council's General Purpose and Special Purpose Financial Reports.

### **Additional Audit Considerations and Comment**

The following comments are provided in accordance with Section 415(3) of the Local Government Act, 1993 and Clause 227 of the Local Government (General) Regulation 2005.

### **Income Statement**

*Operating Result.* Council's operating surplus increased from \$11.034M in 2008 to \$41.968M in 2009. This compared with a budgeted surplus of \$33.594M for the year.

*Operating Result before Capital.* The operating result before Capital grants and contributions was a deficit of \$446K compared with a deficit of \$1.018M in 2008. This compared with the original budget deficit of \$4.593M.

*Depreciation.* Included in the operating result was \$7.861M for the depreciation and amortisation of assets which increased from \$6.563M in the prior year and compared with the original budget of \$8.776M.

*Grants and Contributions.* Operating grants and contributions for the year totalled \$5.185M and represented 5.78% of total income from continuing operations. This compares with \$4.759M and 8.57% in 2008.

Capital grants and contributions amounted to \$42.414M for the 2009 year and represented 47.26% of total income from continuing operations. This compares with \$12.052M and 21.69% for the prior year.

*Rates and Annual Charges.* Revenue from rates and annual charges increased to \$29.620M from \$26.803M in the prior year. This represented a 10.5% increase and was \$1.148M more than the original budget for 2009.

### **Balance sheet - Financial Position**

Council's equity at 30 June 2009 amounted to \$411.902M and was increased by the net operating result for the year (\$41.968M surplus) and the net revaluation of operational land of \$453K.

The movement in non-current assets is due to the acquisition of property, plant and equipment (\$46.251M), revaluation of operational land (\$453K), disposals (\$86K), reclassification of land held for sale (\$1.403M) and depreciation (\$8.366M) of assets during the year.

At balance date Council had utilised \$323K of its bank overdraft facility of \$430K.

## Auditors Report - General Purpose

**Movements in Cash and Cash Equivalents**

Council's cash and cash equivalent balances decreased by \$1.869M during the year, with \$10.654M being provided from operations, \$12.330M utilised in investing activities for the acquisition and sale of non-current assets and \$193K from the net movement in loans.

**Total Investments and Cash Balances**

Council's total cash balance at 30 June 2009 was comprised of the following:

	2009 \$'000	2008 \$'000	Variance \$'000
Externally restricted cash	20,583	18,092	2,491
Internally restricted cash	10,409	9,971	438
Unrestricted cash	228	103	125
<i>Total Cash &amp; Cash Equivalents</i>	<u>31,220</u>	<u>28,166</u>	<u>3,054</u>

Externally restricted cash balances increased as a result of the receipt of developer contributions and the net receipt of other externally restricted funds.

Internally restricted balances increased mainly due to net movements in various reserves for specific Council projects as outlined on Note 6(c) such as plant replacement, working funds reserve, capital works reserve and engineering services.

**Working Capital (Net Current Assets)**

	2009 \$'000	2008 \$'000	Variance \$'000
Current assets	36,694	32,175	4,519
Current liabilities	12,874	13,918	(1,044)
Net current assets	23,820	18,257	5,563
Add: AIFRS adjustment to liabilities	4,107	3,780	327
Adjusted net Current Assets	27,927	22,037	5,890
<i>Less: Commitments against working capital</i>			
Net external restrictions	18,961	16,952	2,009
<i>Unrestricted Working Capital</i>	<u>8,966</u>	<u>5,085</u>	<u>3,881</u>

Council's balance of net current assets has increased from \$18.257M in 2008 to \$23.820M at the end of the 2009 financial year.

Also included in net current assets are other commitments against the working capital balance which should be considered when assessing the adequacy or otherwise of Council's available (or uncommitted) working capital at 30 June 2009. The adjusted working capital after allowing for net external restrictions is \$8.966M (2008 - \$5.085M).

After taking into consideration Council's internal reserves, other liabilities that are anticipated to be funded from the 2008/09 operating budget and anticipated timing of rate revenues, the uncommitted working capital balance appears to provide a reasonable basis for funding the coming year's operations.



# Auditors Report - General Purpose



## Performance Indicators and Trends

Prescribed performance indicators are included in Note 13 to the financial report and provide a comparison of the 2009 year results with prior years.

### Abridged Note 13 – Statement of Performance Measurement

	2009	2008	2007	2006
Unrestricted current ratio	2.39:1	1.61:1	1.03:1	2.15:1
Debt service ratio	5.48%	5.42%	5.66%	5.38%
Rate coverage ratio	33.01%	48.26%	44.52%	53.21%
Rates & annual charges outstanding ratio	6.83%	7.16%	7.11%	7.96%
Asset renewals ratio	0.49:1	0.73:1	N/A	N/A

*Unrestricted Current Ratio.* The ratio is well above the industry benchmark of 1:1.

*Debt Service Ratio.* The debt service ratio increased on prior year but remains below the industry benchmark of 10%

*Rates and Annual Charges Coverage Ratio.* Council's rates and annual charges revenue represented 33.01% of 2009 total revenue. This has declined on prior year as a result of the increase in capital grants and contributions received in 2009.

*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 6.83%. This is an improvement on prior years but remains outside the industry benchmark of 5%.

*Asset Renewals Ratio.* The ratio declined on the prior year and is below the industry guidelines of 1:1.

## Progress with the recognition and valuation of roads and related infrastructure

Council established a formal Asset Revaluation Team on 7<sup>th</sup> September 2009 to address the identification and valuation of infrastructure assets. The Asset Revaluation Team is comprised of Engineers and Finance Officers, with two meetings being held to date.

Council has established a Project Committee Group Charter and a progress plan identifying specific tasks. Each project task has been allocated to a responsible member of staff and a deadline for completion has been established.

## 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.

## Auditors Report - General Purpose



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 17), and other legislatively prescribed standards.

### **Conduct of the audit**

During the conduct of our audit, a number of issues arose that required additional explanation and investigation, however, we are able to report that all such issues have been appropriately attended to and there are no matters of audit significance that require mention in this report.

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

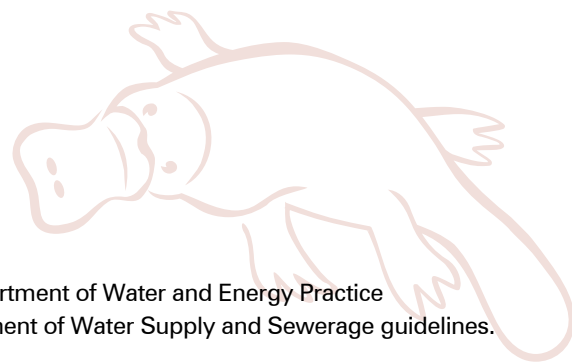
Yours faithfully  
PITCHER PARTNERS

A handwritten signature in black ink, appearing to read "Carl Millington".

CARL MILLINGTON  
Partner

# Special Purpose Financial Report

## For The Year Ended 30 June 2009



### **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 drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting and the:

- 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"*

Cr Chris Patterson  
**Mayor**

Greg Wright  
**General Manager**

- The Department of Water and Energy Practice Management of Water Supply and Sewerage 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 Units 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 13th October, 2009.

Cr Greg Warren  
**Deputy Mayor**

Paul Rofe  
**Responsible Accounting Officer**



## Income Statement of Commercial Waste Business Activity For The Year Ended 30 June 2009

	Business Activity	
	Commercial Waste \$000	
	2009	2008
<b>INCOME FROM CONTINUING OPERATIONS</b>		
User Charges & Fees	473	433
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>473</b>	<b>433</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>		
Employee costs	128	35
Material & contracts	76	91
Depreciation & impairment	1	1
Other operating expenses	128	145
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>333</b>	<b>272</b>
<b>SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS BEFORE CAPITAL AMOUNTS</b>	<b>140</b>	<b>161</b>
Grants and Contributions - Capital	-	-
<b>SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS AFTER CAPITAL AMOUNTS</b>	<b>140</b>	<b>161</b>
Less Corporate Taxation Equivalent ( 30%) [based on result before capital]	42	48
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>98</b>	<b>113</b>
<b>OPENING RETAINED PROFITS</b>	<b>856</b>	<b>695</b>
<b>ADJUSTMENTS FOR AMOUNTS UNPAID</b>		
Corporate taxation equivalent	42	48
<b>CLOSING RETAINED PROFITS</b>	<b>996</b>	<b>856</b>

This Statement is to be read in conjunction with the attached Notes.



## Balance Sheet of Commercial Waste Business Activity For The Year Ended 30 June 2009



	<b>BUSINESS ACTIVITY</b>	
	<b>Commercial Waste \$000</b>	
	2009	2008
<b>Current Assets</b>		
Cash and cash equivalents	989	853
Receivables	-	-
<b>TOTAL CURRENT ASSETS</b>	<u>989</u>	<u>853</u>
<b>Non-Current assets</b>		
Equity accounted investments	7	5
<b>TOTAL NON-CURRENT ASSETS</b>	<u>7</u>	<u>5</u>
<b>TOTAL ASSETS</b>	<u>996</u>	<u>858</u>
<b>Current Liabilities</b>		
Payables	-	2
<b>TOTAL CURRENT LIABILITIES</b>	<u>-</u>	<u>2</u>
<b>NON-CURRENT LIABILITIES</b>		
Payables	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>2</u>
<b>NET ASSETS</b>	<u>996</u>	<u>856</u>
<b>EQUITY</b>		
Retained earnings	996	856
Council equity interest	996	856
<b>TOTAL EQUITY</b>	<u>996</u>	<u>856</u>

This Statement is to be read in conjunction with the attached Notes

## Notes to the Special Purpose Financial Reports

### For The Year Ended 30 June 2008

#### Note 1 Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the SPFR for National Competition Policy reporting purposes follows.

These financial statements are a Special Financial Report (SPFR) prepared for the use by the Council and Department of Local Government. For the purpose of these statements, the council is not a reporting entity.

This Special Purpose Financial Report, unless otherwise stated, has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the Local Government Act and Regulations, the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are on historic costs and do not take into account changing money values or except where specifically stated current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government". The "Pricing & Costing for Council Business A Guide to Competitive Neutrality" issued by the Department of Local Government in July 1997 has also been adopted.

The pricing and 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 Business – A Guide to Competitive Neutrality, council has declared that the following are to be considered as business activities: Camden Commercial Waste Services. They provide a diversified range of waste removal services to business operations in the Camden LGA.

#### Monetary Amounts

The amounts shown in the financial statements are in Australian currency and rounded to the nearest dollar.

#### (i) Taxation Equivalent Charges


Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Report) just like all other costs. However, where council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all council nominated business activities and are reflected in the SPFR. For the purpose of disclosing comparative information relevant to the private sector 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:	\$100 + 1.70% of land value greater than \$352,000
Stamp Duty:	In accordance with relevant NSW conveyance rates
Payroll Tax:	6.0% of payroll costs greater than \$600,000

#### 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 in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-taxed level (Operating Result 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, currently 30%.



Income tax is only applied where a surplus from ordinary activities before capital amounts has been achieved. Since the 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 the GPFR. The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations, which have occurred during the year.

### **Other Taxes**

The taxation equivalents for Land Tax, Stamp Duty and Payroll Tax are not applicable to this business activity.

### **Local Government Rates & Charges**

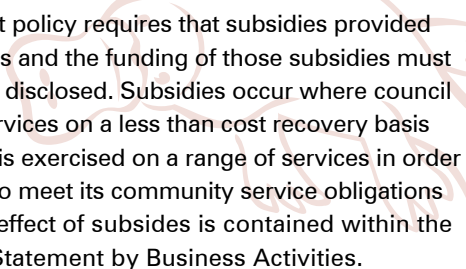
A calculation of the equivalent rates and charges for all businesses have been applied to all assets owned or exclusively used by the business activity.

### **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 2009, 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 this 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. The overall effect of subsidies is contained within the Operating Statement by Business Activities.

### **(iii) Dividends**

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

## Auditors Report - Special Purpose



**PITCHER PARTNERS**  
ACCOUNTANTS AUDITORS & ADVISORS

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C W HOPE  
B W JONES  
D S MAGILL  
C R MURKIN  
Y E RETSCH  
R M SHANLEY  
D W STAPLES  
P G WESTON  
D G YOUNG

CONSULTANTS  
J S YOUNG  
D G BARNSDALE  
P S ROWE

**CAMDEN COUNCIL**  
**Special Purpose Financial Report**  
**Independent Auditors' Report to the Council for the Year ended 30 June 2009**

**Report on the Financial Report**

We have audited the special purpose financial report, of Camden Council for the financial year ended 30 June 2009, comprising the Statement by Councillors and Management, Income Statement of Other Business Activities, Balance Sheet of Other Business Activities, and accompanying notes to the special purpose financial report. The financial statements include the accounts of the declared business activities of the Council.

**Council's Responsibilities for the Financial Report**

Council is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial reports, which form part of the financial report, are appropriate to their needs. Council's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibilities**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The special purpose financial report has been prepared for distribution to Council and the New South Wales Department of Local Government for the purpose of fulfilling the requirements under the National Competition Policy. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Council or the New South Wales Department of Local Government, or for any purpose other than that for which it was prepared.

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

## Auditors Report - Special Purpose



### Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Camden Council as of 30 June 2009 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

*Pitcher Partners*

PITCHER PARTNERS

*Cr Millington*

C R MILLINGTON  
Partner

Sydney, 26 October 2009

## Special Schedule No 1

## Net Cost of Services For The Year Ended 30 June 2009

Function or Activity	Expenses From Continuing Operations		Income From Continuing Operations			Net Cost of Services	
	Expenses \$000	Group Totals \$000	Non Capital Revenues \$000	Capital Revenues \$000	Group Totals \$000	Net Cost \$000	Group Totals \$000
<b>GOVERNANCE</b>	1,173	1,173	63	-	63	(1,110)	(1,110)
<b>ADMINISTRATION</b>							
Corporate Support	9 748	-	765	-	-	(8,983)	
Engineering & Works	2,788	-	312	-	-	(2,476)	
Other Support Services	-	12,536	-	-	1,077	-	(11,459)
<b>PUBLIC ORDER &amp; SAFETY</b>							
Statutory Contributions to Fire Service Levy	296	-	-	-	-	(296)	-
Fire Protection - Other	209	-	156	193	-	140	-
Animal Control	348	-	99	-	-	(249)	-
Enforcement of Local Govt Regulations	-	-	-	-	-	-	-
Emergency Services	11	-	2	-	-	(9)	-
Other	33	897	66	-	516	33	(381)
<b>HEALTH</b>							
Administration & Inspection	767	-	93	-	-	(674)	-
Immunisations	-	-	-	-	-	-	-
Noxious Plants	110	877	24	-	117	(86)	(760)
<b>COMMUNITY SERVICES &amp; EDUCATION</b>							
Administration	188	-	18	-	-	(170)	-
Family Day Care	1,003	-	1,008	-	-	5	-
Child Care	91	-	59	-	-	(32)	-
Youth Services	177	-	3	-	-	(174)	-
Aged & Disabled	5	-	39	-	-	34	-
Education	-	-	-	-	-	-	-
Other Community Services	681	2,145	321	-	1,448	(360)	(697)
<b>HOUSING &amp; COMMUNITY AMENITIES</b>							
Town Planning	2,081	-	325	-	-	(1,756)	
Domestic Waste Management	4,987	-	4,788	-	-	(199)	
Other Waste Management	338	-	473	-	-	135	
Other Sanitation & Garbage	166	-	152	-	-	(14)	
Urban Stormwater Drainage	1,114	-	-	7,262	-	6,148	
Environmental Protection	111	-	6	-	-	(105)	
Public Cemeteries	47	-	76	-	-	29	
Public Conveniences	-	-	-	-	-	-	
Other Community Amenities	-	8,844	-	-	13,082	-	4,238



Function or Activity	Expenses From Continuing Operations		Income From Continuing Operations			Net Cost of Services	
	Expenses \$000	Group Totals \$000	Non Capital Revenues \$000	Capital Revenues \$000	Group Totals \$000	Net Cost \$000	Group Totals \$000
<b>RECREATION &amp; CULTURE</b>							
Public Libraries	1,722	-	218	-	-	(1,504)	-
Community Centres	100	-	1	-	-	(99)	-
Public Halls	749	-	802	-	-	53	-
Other Cultural Services	11	-	1	-	-	(10)	-
Swimming Pools	2,557	-	1,929	-	-	(628)	-
Sporting Grounds	-	-	-	-	-	-	-
Parks & Gardens (Lakes)	4,982	-	288	16,143	-	11,449	-
Other Sport & Recreation	-	10,121	2	-	19,384	2	9,263
<b>MINING, MANUFACTURING &amp; CONSTRUCTION</b>							
Building Control	3,956	-	2,266	-	-	(1,690)	-
Quarries & Pits	-	3,956	-	-	2,266	-	(1,690)
<b>TRANSPORT &amp; COMMUNICATION</b>							
Urban Roads	5,651	-	20	14,899	-	9,268	-
Sealed Rural Roads	-	-	-	-	-	-	-
Regional Roads	-	-	-	-	-	-	-
Bridges on Urban Roads	49	-	-	-	-	(49)	-
Footpaths	224	-	-	-	-	(224)	-
Parking Areas	-	-	-	-	-	-	-
Bus Shelters & Services	67	-	-	-	-	(67)	-
RTA Works	225	-	-	765	-	540	-
Street Lighting	614	-	-	-	-	(614)	-
Other	66	6,896	2,900	3,162	21,746	5,996	14,850
<b>ECONOMIC AFFAIRS</b>							
Tourism & Area Promotion	301	-	14	-	-	(287)	-
Industrial Development Promotion	-	-	-	-	-	-	-
Real Estate Development	-	-	-	-	-	-	-
Other Business Undertakings	24	325	66	-	80	42	(245)
<b>TOTALS - FUNCTIONS</b>	<b>47,770</b>	<b>47,770</b>	<b>17,355</b>	<b>42,424</b>	<b>59,779</b>	<b>12,009</b>	<b>12,009</b>
<b>GENERAL PURPOSE REVENUES<sup>(1)</sup></b>	<b>-</b>	<b>-</b>	<b>29,959</b>	<b>-</b>	<b>29,959</b>	<b>29,959</b>	<b>29,959</b>
<b>NET OPERATING RESULT FOR THE YEAR<sup>(2)</sup></b>	<b>47,770</b>	<b>47,770</b>	<b>47,314</b>	<b>42,424</b>	<b>89,738</b>	<b>41,968</b>	<b>41,968</b>
	-	47,770	-	-	89,738	-	41,968

Notes:

(1) Includes:

- \* Rates and Annual Charges (incl. Ex-Gratia)
- \* Non-Capital General Purpose Grants
- \* Interest on Investments.

(2) As reported on the Income Statement.

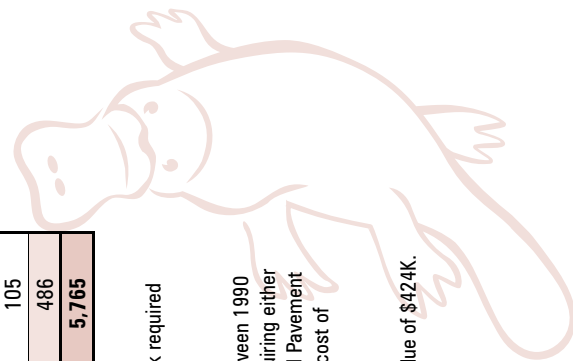
## Special Schedule No 2(a) Statement of Long-Term Debt (All Purpose)

### For The Year Ended 30 June 2009

Classification of Debt	Principle Outstanding at Beginning of Year		New Loans Raised	Debt Redemption		Tfrs to Sinking Funds	Interest Applicable for Year	Principle Outstanding at End of Year		
	Current	Non-Current		From Revenue	Sinking Funds			Current	Non-Current	Total
<b>LOANS (By Source)</b>										
Financial Institutions	1,793	8,333	1,600	1,793	-	-	672	1,839	8,094	9,933
Other	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LOANS</b>	<b>1,793</b>	<b>8,333</b>	<b>1,600</b>	<b>1,793</b>	<b>-</b>	<b>-</b>	<b>672</b>	<b>1,839</b>	<b>8,094</b>	<b>9,933</b>
<b>TOTAL LONG TERM DEBT</b>	<b>1,793</b>	<b>8,333</b>	<b>1,600</b>	<b>1,793</b>	<b>-</b>	<b>-</b>	<b>672</b>	<b>1,839</b>	<b>8,094</b>	<b>9,933</b>

# Special Schedule No 7 Condition of Public Works

## As At 30th June 2009



Asset Class	Asset Category	Dep. Rate (%)	Depreciation Expense \$000	Cost \$000	Valuation \$000	Accumulated Depreciation \$000	Carrying Value \$000	Asset Condition (see Notes attached) \$000	Est. Cost to bring to a Satisfactory Standard \$000	Required Annual Maintenance Expense \$000	Current Annual Maintenance \$000	
	References	Note 9	Note 4			Note 9			Local Govt. Act 1993, Section 428 (2d)			
Public Buildings	Administration Services	2	235	-	6,969	2,097	4,872	3	60	144	90	
	Works Depot	2	34	-	1,809	1,161	648	3	-	28	28	
	Civic Centre Facilities	2	134	-	3,711	1,071	2,640	3	72	41	41	
	Community Facilities	2	788	-	24,813	8,541	16,272	3	244	308	196	
	Swimming Pool	2	226	-	6,543	1,934	4,609	4	838	398	398	
	Bushfire Buildings & SES	2	25	-	1,107	498	609	2	-	14	14	
	Health & Environment Services	2	17	-	975	449	526	2	-	3	3	
	Amenities/Toilets	2	217	-	8,921	4,447	4,474	3	180	54	54	
	Other Structures	-	1,676	-	54,848	20,198	34,650	-	1,394	990	824	
	Subtotal	2	143	5,050	-	-	2,677	2,373	3	-	-	-
Public Works	Subtotal	-	1,819	5,050	54,848	22,875	37,023	-	1,394	990	824	
	Sealed Roads	2	2,386	145,966	-	56,417	89,549	3-4	9,090	4,035	4,014	
	Bridges	1	28	1,717	-	664	1,053	3	174	85	49	
	Footpaths	2	56	3,434	-	1,327	2,107	3-4	598	439	224	
	Kerb & Gutter	2	225	13,738	-	5,310	8,428	3	360	35	35	
	Road Furniture	2	111	6,869	-	2,656	4,213	3	50	176	133	
	Subtotal	-	2,806	171,724	-	-	66,374	105,350	-	10,272	4,770	4,455
	Retarding Basins	1	30	3,338	-	578	2,760	4	800	286	246	
	Conduits	1	608	67,601	-	11,704	55,897	3	492	165	135	
	Inlet & Junction Pits	1	113	12,519	-	2,168	10,351	3	-	104	105	
Subtotal	-	751	83,458	-	-	14,450	69,008	-	1,292	555	486	
<b>Total Classes - All Assets</b>	<b>-</b>	<b>5,376</b>	<b>260,232</b>	<b>54,848</b>	<b>103,699</b>	<b>211,381</b>	<b>-</b>	<b>12,958</b>	<b>6,315</b>	<b>5,765</b>		

### Condition Rating Description :

1 New = Near Perfect      4 Poor = Major work required      2 Good Condition = No work required      5 Unserviceable = Replacement required      3 Satisfactory = Minor work required

### Notes:

#### Road Pavements

Of the \$9,090K, \$3,567K is the estimated costs to restore road pavements to an acceptable standard in the Narellan Vale, Currans Hill and Mt Annan areas. These roads were constructed between 1990 and 1995. The construction works carried by the developer are considered to be substandard, mainly due to poor pavement design. Hence the roads have deteriorated much more rapidly, requiring either full reconstruction or major maintenance to be carried out. Additionally, in preparing the 2009/10 Budget, Council undertook an assessment of all of its infrastructure and identified a total Road Pavement Renewal works program of \$4,175K. This amount is the deemed cost to bring these infrastructure back to the satisfactory condition. The cost does not include any upgrades, it represents the cost of returning the asset to its original condition. These works formed part of the Special Rate Variation Council applied for in 2009/10, which was unsuccessful.

#### Buildings - Swimming Pool

A review of the Mt Annan Leisure Centre has revealed a number of defects that require rectification works. Council has undertaken improvement works during 2007/08 and 2008/09 to the value of \$424K. However, an additional \$838K is required to complete all defect works.

#### Drainage Works - Detention Basins

Lake Annan requires major rectification works to ensure water quality and environmental controls are not affected. The value of this works is estimated at \$750K.

## Special Schedule No 8 Financial Projections For The Year Ended 30 June 2009

	2009 <sup>(1)</sup>	2010	2011	2012	2013
	\$000	\$000	\$000	\$000	\$000
<b>RECURRENT BUDGET</b>					
<b>Income from Continuing Operations</b>					
Rates & Annual Charges	29,620	31,211	32,822	34,597	36,433
User Charges & Fees	6,265	6,400	6,706	7,064	7,385
Interest Income	2,013	1,016	1,197	1,421	1,421
Other Revenues from Ordinary Activities	3,956	1,251	1,161	1,308	1,338
Grants & Contributions - Operating	5,185	4,454	4,336	4,461	4,639
Grants & Contributions - Capital	42,414	25,262	45,302	34,559	34,731
Profit from Sale of Assets	285	110	100	110	90
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>89,738</b>	<b>69,704</b>	<b>91,624</b>	<b>83,520</b>	<b>86,037</b>
<b>Expenses from Continuing Operations:</b>					
Employee Costs	21,236	22,028	23,038	23,952	24,822
Materials & Contracts	14,415	13,486	13,812	14,378	14,842
Borrowing Costs	672	670	627	586	628
Depreciation	7,861	9,168	9,833	10,556	11,585
Other Expenses	3,586	3,840	3,763	4,163	4,881
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>	<b>47,770</b>	<b>49,192</b>	<b>51,073</b>	<b>53,635</b>	<b>56,758</b>
<b>OPERATING RESULT FROM CONTINUING OPERATIONS</b>	<b>41,968</b>	<b>20,512</b>	<b>40,551</b>	<b>29,885</b>	<b>29,279</b>
<b>CAPITAL BUDGET (CASH)</b>					
<b>New Works</b>					
Major Road Improvements/Construction	2,808	4,616	7,953	2,721	2,790
Carparking Construction	20	-	-	-	-
Water Quality Improvements	486	77	80	82	84
Building Construction/Improvements Works	856	564	301	5,275	2,240
Outdoor Recreational Facility Provision	609	522	1,008	4,500	5,342
Camden Town Centre Improvements	358	-	-	-	-
Camden Swimming Pool Redevelopment	300	2,300	2,400	-	-
Replacement of existing assets	-	-	-	-	-
	<b>5,437</b>	<b>8,079</b>	<b>11,742</b>	<b>12,578</b>	<b>10,456</b>
<b>Funded by:</b>					
Loans	1,343	1,600	1,600	1,600	1,600
Internal Cash Restrictions	1,370	21	-	-	-
Developer Contributions Restrictions	1,043	2,745	6,569	9,735	7,542
Grants and Contributions	1,275	3,081	2,849	449	449
Recurrent Revenue	90	632	724	794	865
Other	316	-	-	-	-
	<b>5,437</b>	<b>8,079</b>	<b>11,742</b>	<b>12,578</b>	<b>10,456</b>

The Financial Projections for New Capital Works balance to the 2009/10 Management Plan Capital Works Schedule excluding the following items:

- Dedicated Assets - Works-In-Kind Delivered Capital Works - Items deemed as recurrent Capital Works