



Financial Reports



summary report : bringing camden together



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The Financial Report is a 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:

Camden Council
37 John Street
Camden, NSW 2570.

The Financial Report was authorised for issue by the Council on 25th September 2007. 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.

General Purpose Financial Report For the Year Ended 30 June 2007

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.



Cr Chris Patterson
Mayor



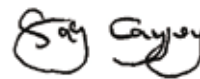
Greg Wright
General Manager

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

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

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

Signed in accordance with a resolution of Council made on 25th September 2007.



Cr Cindy Cagney
Deputy Mayor



Paul Rofe
Responsible Accounting Officer

Executive Summary



Camden Council remains in a good financial position with all financial health indicators being equal to or above market indicators as at 30 June 2007.

The most appropriate financial indicators for determining the financial health of a Council are the unrestricted current ratio and Council's working funds position. Taking into account all externally restricted cash, Council's unrestricted current ratio has increased from 2.15:1 in 2005/06 to 2.24:1 in 2006/07, this ratio indicates that for every \$1 of current liability Council has \$2.24 in current assets to fund that liability.

Council's working funds position remains strong at \$1,687,419, this result was reduced to \$1,172,117 after further budget commitments were made by Council at its meeting 25 September 2007.

Although the above indicators present a "current" stable financial position, Council's operating deficit before capital continues to grow, this indicates that at this point in time Council is not generating enough income to fund its operational activities. This is a direct result of rising costs and the rapid growth currently being experienced by Council.

Council will be reviewing its revenue raising policy as part of the 2008/09 and 2009/10 annual budget. In the immediate future this deficit will be reduced through supplementary rate income as a result of the large areas of land being released in the Camden LGA.

The following table highlights the 'financial performance' comparison between 2005/06 and 2006/07:

	2005/06 \$'000	2006/07 \$'000
Operating Expenses	\$38,039	\$44,135
Operating Revenues	\$36,271	\$38,079
Operating Result (Before Capital Revenue)	(\$1,768)	(\$6,056)
Capital Revenue	\$8,821	\$20,437
Operating Result (After Capital Revenue)	\$7,053	\$14,381

The financial result, after accounting for capital grants and contributions, was

a \$14.38m surplus. This result is primarily due to non-cash contributions such as road and open space dedications from developers to Council. Council received a total of \$15.86m in dedicated assets in 2006/07. The increase in dedications is a direct result of growth. Council can expect its operating result after capital revenue to continue to grow as a result of future dedications.

It is important to note that the operating surplus after capital revenue of \$14.38m is not necessarily cash. This surplus is a result of accrual accounting and non-cash items such as dedicated assets. The accounting standards require the dedication of assets to be brought to account as income which can distort the surplus reported. As indicated above Council's available working funds and the "Financial Health Check Indicators" below is a better indicator of Council's financial health as at 30 June 2007.

The net value of assets owned by our community is \$341m (2006=\$327m). The majority of this wealth relates to our ownership of land and infrastructure assets such as roads, bridges, footpaths, and stormwater drainage. Community wealth (represented as 'Total Equity') is disclosed in the 'Balance Sheet'.

Financial Health Check Indicators

To assist readers interpret the 2006/07 Annual Financial Statement of Accounts, a number of key financial indicators are graphically presented to provide a 'snapshot' of Council's financial health.

These financial indicators have been developed by a number of professional bodies including CPA Australia, the Department of Local Government and the Local Government Managers of Australia.

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

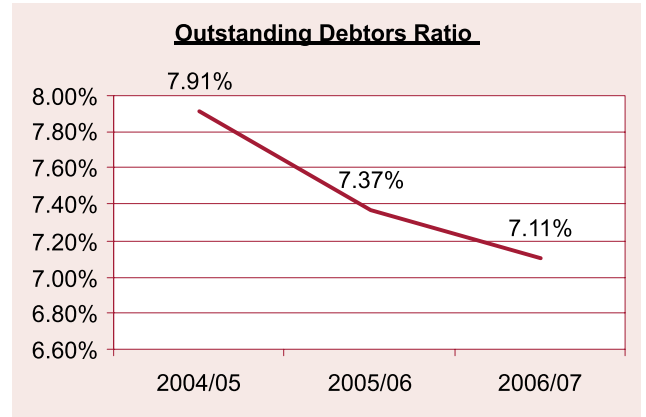
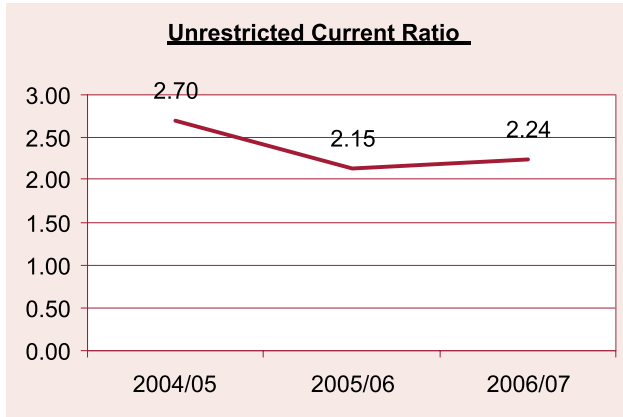
- 1. Ratio GREATER than 2:1
- 2. Ratio BETWEEN 1:1 and 2:1
- 3. Ratio LESS than 1:1

- GREEN**
- AMBER**
- RED**

Local Government Benchmark

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

- GREEN**
- AMBER**
- RED**



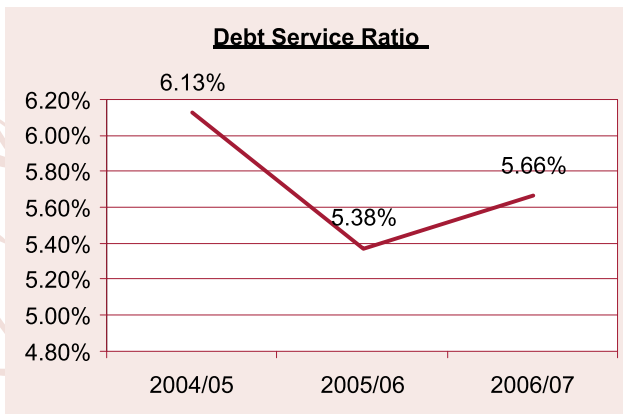
2. Debt Service Ratio

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.

Local Government Benchmark

- 1. Ratio is LESS than 10%
- 2. Ratio is BETWEEN 10% and 15%
- 3. Ratio is GREATER than 15%

- GREEN**
- AMBER**
- RED**



2007/08 & Beyond

The 2007/08 Management Plan and Budget adopted by Council in June 2007 puts in place a series of programs and activities that will assist in the delivery of our strategic outcomes.

Council is aware of the restraints being placed on future budgets due to the growth being experienced in Camden. Council's operating result before capital income supports this, and the amount of discretionary funds available to Council will continue to decline until supplementary rate income is realised or Council's revenue raising policy is reviewed. This policy is to be reviewed as part of the 2008/09 and 2009/10 annual budget.

The long-term financial viability of Council will be secured through good long-term financial and asset management planning, tight budgetary control and the continued capitalisation of emergent technology.

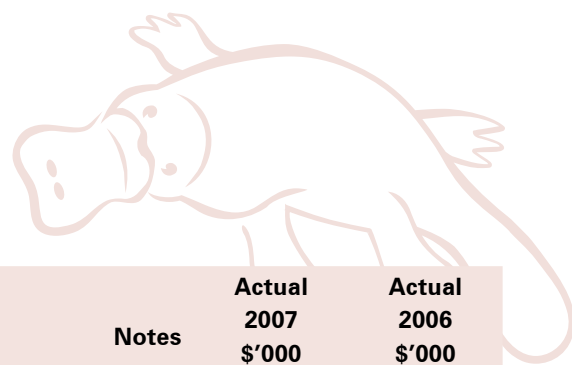
**Manager Corporate Services
Responsible Accounting Officer**

3. Outstanding Debtors Ratio

Council's debtor management deals with the manner in which we recover monies owed to us by various parties including ratepayers, businesses, community groups and government departments. (Note: Council does not legally pursue Pensioners for outstanding rates owed to Council. The figure excluding Pensioners for 2006/07 is 5.96%)

Income Statement

For The Year Ended 30 June 2007



Original Budget(1) 2007 \$'000		Notes	Actual 2007 \$'000	Actual 2006 \$'000
INCOME FROM CONTINUING OPERATIONS REVENUES :				
25,702	Rates and Annual Charges	3(a)	25,092	23,992
3,182	User Charges and Fees	3(b)	3,878	3,465
1,743	Interest and Investment Revenue	3(c)	2,341	2,305
871	Other Revenues	3(d)	1,478	1,111
3,878	Grants and Contributions Provided for Operating Purposes	3(e&f)	5,130	5,189
16,191	Grants & Contributions provided for Capital Purposes	3(e&f)	20,437	8,821
OTHER REVENUES:				
65	Net Gains from the Disposal of Assets	5	160	209
51,632	TOTAL INCOME FROM CONTINUING OPERATIONS		58,516	45,092
EXPENSES FROM CONTINUING OPERATIONS				
17,810	Employee Benefits and On-Costs	4(a)	18,578	17,043
622	Borrowing Costs	4(b)	622	607
9,264	Materials and Contracts	4(c)	11,792	11,180
7,167	Depreciation and Amortisation	4(d)	6,547	6,160
3,608	Other Expenses from Ordinary Activities	4(e)	6,596	3,049
38,471	TOTAL EXPENSES FROM CONTINUING OPERATIONS		44,135	38,039
13,161	NET OPERATING RESULT FOR THE YEAR		14,381	7,053
Attributable to :				
13,161	- Council		14,381	7,053
(3,030)	NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES		(6,056)	(1,768)

Note:

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

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

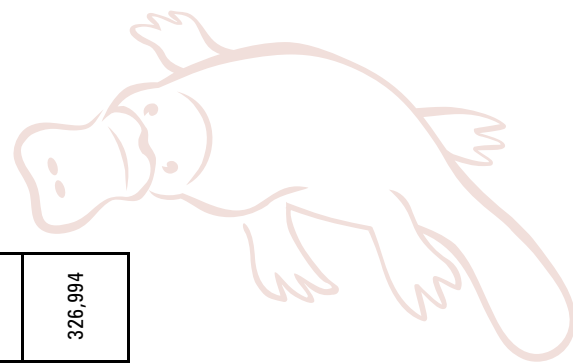
Balance Sheet as at 30 June 2007

	Notes	Actual 2007 \$'000	Actual 2006 \$'000
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6(a)	1,673	2,239
Investments	6(b)	28,100	32,423
Receivables	7	3,245	2,828
Inventories	8	372	323
Other	8	387	547
TOTAL CURRENT ASSETS		33,777	38,360
NON-CURRENT ASSETS			
Receivables	7	398	480
Infrastructure, Property, Plant and Equipment	9	327,173	307,289
Other	8	-	-
TOTAL NON-CURRENT ASSETS		327,571	307,769
TOTAL ASSETS		361,348	346,129
LIABILITIES			
CURRENT LIABILITIES			
Payables	10(a)	2,951	3,875
Interest Bearing Liabilities	10(a)	1,791	1,553
Provisions	10(a)	4,972	4,246
TOTAL CURRENT LIABILITIES		9,714	9,674
NON-CURRENT LIABILITIES			
Payables	10(a)	1,771	953
Interest Bearing Liabilities	10(a)	8,314	8,321
Provisions	10(a)	174	187
TOTAL NON-CURRENT LIABILITIES		10,259	9,461
TOTAL LIABILITIES		19,973	19,135
NET ASSETS		341,375	326,994
EQUITY			
Retained Earnings	20	341,375	326,994
Council Equity Interest		341,375	326,994
TOTAL EQUITY		341,375	326,994

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

Statement Of Changes In Equity

For The Year Ended 30 June 2007



	Notes	Actual 2007						Actual 2006					
		Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserve \$'000	Council Equity Interest \$'000	Minority Interest \$'000	Total Equity \$'000	Retained Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserve \$'000	Council Equity Interest \$'000	Minority Interest \$'000	Total Equity \$'000
Balance at Beginning of the Reporting Period		326,994	-	-	326,994	-	326,994	319,941	-	-	319,941	-	319,941
Net Operating Result for the Year Balance at End of the Reporting Period	20	14,381	-	-	14,381	-	14,381	7,053	-	7,053	-	7,053	
		341,375	-	-	341,375	-	341,375	326,994	-	326,994	-	326,994	

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 2007

Original Budget 2007 \$'000		Notes	Actual 2007 \$'000	Actual 2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts:				
25,886	Rates and Annual Charges		25,085	24,024
3,173	User Charges and Fees		4,123	3,745
1,776	Investment Revenue and Interest		2,320	2,173
11,905	Grants and Contributions		9,741	8,678
-	Goods and Services Tax Refund from ATO		2,395	1,860
646	Other		1,599	911
Payments:				
(17,513)	Employee Benefits and On-Costs		(18,130)	(16,877)
(8,628)	Materials and Contracts		(14,060)	(12,128)
(607)	Borrowing Costs		(625)	(610)
(3,139)	Other		(7,167)	(2,626)
13,499	Net Cash Provided by (or used in) Operating Activities	11(b)	5,281	9,150
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts:				
25,000	Sale of Investments		24,585	25,712
392	Sale of Infrastructure, Property, Plant & Equipment		280	863
-	Other (Proceeds from Deferred Debtors)		-	10
Payments:				
(25,000)	Purchase of Investments		(20,262)	(25,912)
(14,537)	Purchase of Property, Plant & Equipment		(10,681)	(9,729)
(14,145)	Net Cash Provided by (or used in) Investing Activities		(6,078)	(9,056)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts:				
2,645	Borrowings and Advances		1,600	1,500
Payments:				
(1,359)	Borrowings and Advances		(1,369)	(1,183)
1,286	Net Cash Provided by (or used in) Financing Activities		231	317
640	Net Increase/(Decrease) in Cash and Cash Equivalents		(566)	411
1,598	Cash and Cash Equivalents at beginning of Reporting Period	11(a)	2,239	1,828
2,238	Cash and Cash Equivalents at end of Reporting Period	11(a)	1,673	2,239

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



Notes to the Financial Statements

For The Year Ended 30 June 2007



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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

NSW Council is required to comply with AAS 27 Financial Reporting by Local Government, and where AAS 27 conflicts with AIFRS, the requirements of AAS 27 have been applied. Where AAS 27 makes reference to another Australian accounting standard, the new Australian IFRS equivalent standards will apply. The specific 'not for profit' reporting requirements also apply.

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 31 March 2007 are as follows:

Total income from continuing operations	\$312,183
Total expenditure from continuing operations	\$251,921
Total operating surplus	\$ 60,262
Total net assets (Equity) held	\$146,747

(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. However Camden Council does not have any involvement in joint venture projects for the year ending 30 June 2007.

(d) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from

the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

Council does not have any finance leases as at 30 June 2007.

(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

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of the Council such as roads, drains, public buildings and the like value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

(g) Cash and cash equivalents

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

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

(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. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(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 are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The exception to this is plant which is turned over on a regular basis and retained in property, plant and equipment.

An impairment loss is recognised for any initial or subsequent write down of the asset 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, 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 is recognised at the date of derecognition.

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

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

(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 re-evaluates this designation at each reporting date.

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Council provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables 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 balance sheet date.

Recognition and depreciation

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 other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially

the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

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.

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

All IPPE under Council's control (except for investment properties, water and sewerage networks which are carried at fair value) is stated at cost (or deemed cost) less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Council assets will be progressively revalued to fair value in accordance with a staged implementation advised by the Department of Local Government.

Water and Sewerage	2006/07
Property, plant and equipment, land	2007/08
Buildings and other Roads, bridges, footpaths and drainage	2008/09

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.

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
Office furniture	7 years
Vehicles and road making equipment	5-7 years
Other plant and equipment	5-7 years
Buildings: Masonry	50-100 years
Other	20-40 years
Playground equipment	10 years
Benches, seats etc	10 years
Library Books	10 years
Bulk earthworks	Infinite

Drains	100 years
Culverts	70 years
Flood control structures	80-10 years
Sealed roads: Surface	20 years
Structure	50 years
Footpath	50 years
Bridge: Concrete	100 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.

(n) Investment property

Council does not have any investment property as at 30 June 2007.

(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.

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.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Council's outstanding borrowings during the year.

(r) Provisions

Provisions for legal claims and service warranties are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

(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. Liabilities for non-vesting sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(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. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

The Local Government Superannuation Scheme - Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB 119. Sufficient information is not available to account for the Scheme as a defined

benefit plan, because the assets to the Scheme are pooled together for all Councils. The amount of employer contributions recognised as an expense for the year ending 30 June 2007 was \$233K. The last valuation of the Scheme was performed by Martin Stevenson BSc, FIA, FIAA on 19 June 2007 and covers the period ended 30 June 2006. This valuation found that the Scheme's assets were \$3,291.1million and its past service liabilities \$2,980.3million, giving it a surplus of \$310.8million. The existence of this surplus has resulted in Councils contributing in 2006/2007 at half the normal level of contributions. The financial position is monitored annually.

(t) Rounding of amounts

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

(u) Land under roads

Council has elected not to recognise land under roads in accordance with the deferral arrangements available in the transitional provisions of AASB 1045. These provisions allow deferral of recognition until 30 June 2008.

(v) Allocation between current and non-current

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 next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.



(w) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendment to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 1, AASB 4, AASB 1023 & AASB 1038]

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. Council has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Council's financial instruments.

(x) Land

Land is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This is disclosed in Note9(a).

(y) Section 94 Credit Refund

Council was required to obtain almost 4 hectares of Open Space as part of a development. This was paid for through the off-setting of Section 94 payments due as part of the Developer Consent. Upon completion of the development not all Section 94 credits had been utilised by the developer. Council's Contribution Plan states the following:

"If no further land is to be developed and all contributions due by the developer have been paid, the agreed value will be reimbursed by Council"

Under this clause the developer was refunded the remaining credit of \$3.3 million from Section 94.

(aa) 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.

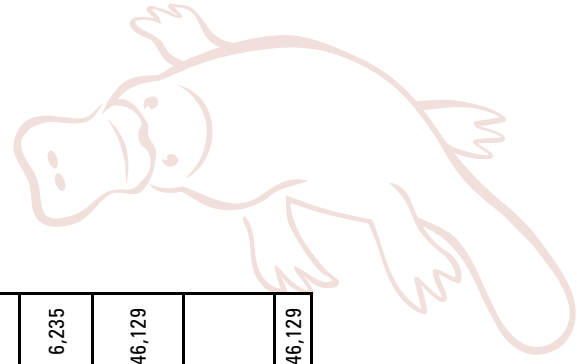
A working party of interested representatives from both State and Local Government is being formed to consider the accounting issues related to the Crown Reserves, with the intention of developing a consistent approach to their recognition and future accounting treatment across both tiers of government.

(bb) 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, councils will continue to account for these assets as they have been doing in previous years.



Notes To The Financial Statements - Note 2(a)



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 2007 \$'000	ACTUAL 2007 \$'000	ACTUAL 2006 \$'000	ORIGINAL BUDGET 2007 \$'000	ACTUAL 2007 \$'000	ACTUAL 2006 \$'000	ORIGINAL BUDGET 2007 \$'000	ACTUAL 2007 \$'000	ACTUAL 2006 \$'000	ACTUAL 2007 \$'000	ACTUAL 2006 \$'000	ACTUAL 2007 \$'000	ACTUAL 2006 \$'000
PRINCIPAL ACTIVITIES													
Sustainable Urban Growth	7,806	3,242	3,012	3,341	4,831	5,088	4,465	(1,589)	(2,076)	47	73	2,267	1,794
Accessibility	4,600	6,519	6,151	8,043	5,485	5,421	(3,443)	1,034	730	318	716	95,808	92,164
Environmental Systems	7,418	7,474	6,625	6,873	6,155	5,730	545	1,319	895	112	121	66,540	65,198
Economic & Community Development	5,849	4,541	4,229	10,585	9,775	8,637	(4,736)	(5,234)	(4,408)	1,825	1,912	190,039	180,738
Governance	592	12,253	1,680	9,629	17,889	13,163	(9,037)	(5,636)	(11,483)	-	-	6,694	6,235
TOTAL PRINCIPAL ACTIVITIES	26,265	34,029	21,697	38,471	44,135	38,039	(12,206)	(10,106)	(16,342)	2,302	2,822	361,348	346,129
GENERAL PURPOSE INCOME	25,367	24,487	23,395				25,367	24,487	23,395	2,211	2,210		
TOTALS	51,632	58,516	45,092	38,471	44,135	38,039	13,161	14,381	7,053	4,513	5,032	361,348	346,129

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: extractive industries, dog & 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, recreational & leisure, and entrepreneurial services.

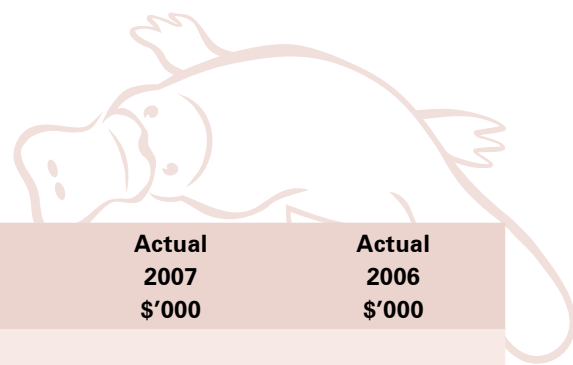
Governance

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, untied income, legal & statutory, public relations, information systems, risk & management, property management, human resources, training, and outcomes.

Notes To The Financial Statements - Note 3

Revenues From Continuing Operations



	Actual 2007 \$'000	Actual 2006 \$'000
(a) RATES AND ANNUAL CHARGES		
ORDINARY RATES		
Residential	16,964	16,239
Farmland	473	453
Business	3,633	3,475
TOTAL ORDINARY RATES	21,070	20,167
ANNUAL CHARGES (pursuant to s.496 & s.501)		
Domestic Waste Management Services	4,022	3,825
TOTAL ANNUAL CHARGES	4,022	3,825
TOTAL RATES & ANNUAL CHARGES	25,092	23,992
<small>(Council has used 2005 valuations provided by the NSW Valuer General in calculating its rates. Valuations are updated every three years)</small>		
(b) USER CHARGES & FEES		
USER CHARGES (pursuant to s.502)		
Domestic Waste Management Services	4	10
Commercial Waste Management Services	416	381
Sullage and Septic	114	105
Public Halls	686	478
Recreational Services	327	262
Cemetary Services	41	73
	1,588	1,309
FEES		
Regulatory/Statutory Fees	1,044	986
Private Works	78	221
Building & Development Fees	951	711
Children Services	127	104
Library Services	44	46
Sec 611	18	47
Other	28	41
TOTAL FEES	2,290	2,156
TOTAL USER CHARGES & FEES	3,878	3,465
(c) INTEREST & INVESTMENT REVENUE		
Interest on Overdue Rates & Charges	266	272
Development Contributions:		
- Section 94	1,150	1,301
- Non Section 94	4	4
Interest on Investments	921	728
TOTAL INTEREST REVENUE	2,341	2,305

	Actual 2007 \$'000	Actual 2006 \$'000
(d) OTHER REVENUES		
Other Fines	94	34
Commission & Rebates	127	127
Lease Rental	-	5
Legal Fees Recovery	12	2
State Road Grass Cutting & Rubbish Collection	156	153
Vehicle Use Contribution	556	435
Employee Relations	130	53
Domestic Waste Management	16	78
Tourism Income	10	15
Development Service Income	34	26
Civic Centre Income	19	17
Miscellaneous Sales	86	68
Other	238	98
TOTAL OTHER REVENUE FROM ORDINARY ACTIVITIES	1,478	1,111

	OPERATING		CAPITAL	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(e) GRANTS				
General Purpose (Untied)				
- Financial Assistance- Equalisation	1,400	1,432	-	-
- Financial Assistance- Local Roads	574	547	-	-
- Pensioners' Rates Subsidy	237	231	-	-
Specific Purpose				
- Planning & Development	47	73	-	-
- Community Services	1,119	1,130	188	346
- Transport	-	-	318	716
- Recreational Services	260	54	131	153
- Bushfire & SES Services	121	219	6	10
- Health Services	112	121	-	-
TOTAL GRANTS	3,870	3,807	643	1,225
Comprising				
- Commonwealth Funding	3,184	3,577	637	1,215
- State Funding	686	230	6	10
	3,870	3,807	643	1,225

(f) CONTRIBUTIONS				
Developers Contributions (S94)*				
- Roadworks	-	-	2,544	201
- Drainage	-	-	1,488	192
- Traffic Facilities	-	-	15	10
- Parking	-	-	83	-
- Open Space	-	-	8,230	249
- Community Facilities	-	-	1,315	486
- Other	155	138	21	38

	OPERATING		CAPITAL	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
RTA Contributions	78	72	379	298
Roadworks	-	43	46	521
Drainage	-	-	1,545	1,425
Open Space	-	-	195	108
Dedicated Subdivision Roads	-	-	3,928	4,058
Community Facility	1,010	557	5	-
Consultancy - Central Hills	7	572	-	-
Other	10	-	-	10
TOTAL CONTRIBUTIONS	1,260	1,382	19,794	7,596
TOTAL GRANTS & CONTRIBUTIONS	5,130	5,189	20,437	8,821

* It should be noted that the reconcilable item between note 17 (Contributions Received) and Developer Contributions as disclosed in note 3 is the Sec 94 restricted receivables (debtors) as disclosed in note 7.

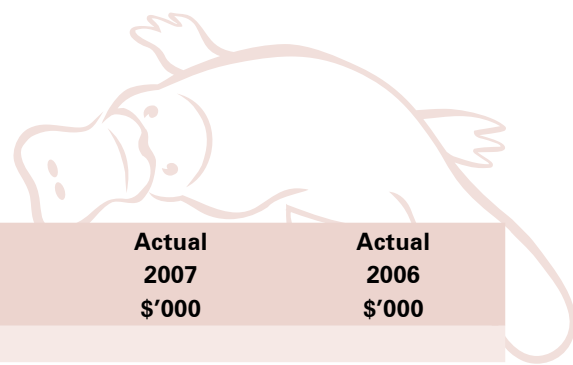
	Actual 2007 \$'000	Actual 2006 \$'000
(g) RESTRICTIONS RELATING TO GRANTS & CONTRIBUTIONS		
Certain Grants and Contributions are obtained by Council on the condition they be spent in a specified manner.		
Grants and Contributions recognised in current period which have not been spent:		
Grants:		
- Roadworks	323	329
- Day Care Centre	58	75
- Noxious Weeds	30	37
- Library	7	200
- Tourism	-	20
- Water Grants	57	134
- Other	293	146
Contributions:		
- Drainage	889	480
- Roads	1,303	473
- Traffic Facilities	89	73
- Parking	-	-
- Open Space	910	804
- Community Facilities	542	611
- Other	27	4
	4,528	3,386

	Actual 2007 \$'000	Actual 2006 \$'000
(g) RESTRICTIONS RELATING TO GRANTS & CONTRIBUTIONS		
LESS		
Grants and Contributions recognised in previous reporting period which have been spent in the current reporting period		
Grants:		
- Roadworks	79	-
- Day Care Centre	76	28
- Noxious Weeds	38	34
- Library	200	-
- Tourism	95	155
- Water Grants	134	-
- Other	188	385
Contributions:		
- Drainage	2,256	2,729
- Roads	1,484	375
- Traffic Facilities	150	-
- Parking	43	84
- Open Space	3,300	-
- Community Facilities	1,609	1,427
- Other	140	287
	9,792	5,504
NET INCREASE/(DECREASE) IN RESTRICTED GRANTS AND CONTRIBUTIONS		
Grants:		
- Roadworks	244	329
- Day Care Centre	(18)	47
- Noxious Weeds	(8)	3
- Library	(193)	200
- Tourism	(95)	(135)
- Water Grants	(77)	134
- Other	105	(239)
Contributions:		
- Drainage	(1,367)	(2,249)
- Roads	(181)	98
- Traffic Facilities	(61)	73
- Parking	(43)	(84)
- Open Space	(2,390)	804
- Community Facilities	(1,067)	(816)
- Other	(113)	(283)
	(5,264)	(2,118)

Reconciles with note 6(c) plus the movements in the restricted receivable in note 7 for Special Purpose Grants, RTA Contributions and Sec 94 Developer Contribution.

Notes To The Financial Statements- Note 4(a)

Expenses From Ordinary Activities

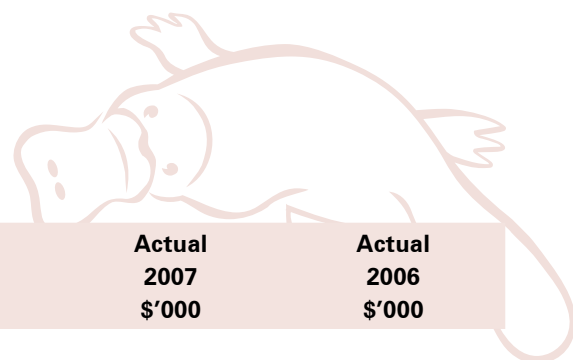


	Actual 2007 \$'000	Actual 2006 \$'000
(a) EMPLOYEE COSTS		
Salaries & Wages	13,182	12,787
Travelling	1,128	1,109
Employee Leave Entitlements	2,007	1,692
Superannuation	1,270	1,139
Workers Compensation Insurance	852	411
Fringe Benefits Tax	77	80
Training Costs (Excluding Salaries)	212	219
Other	375	181
Less Capitalised Costs	(525)	(575)
TOTAL OPERATING EMPLOYEE COSTS	18,578	17,043
Number of FTE Employees	255	249
(b) BORROWING COST		
Interest on Loans	622	607
(c) MATERIALS AND CONTRACTS		
Consultants, Subscriptions and Planning Projects	1,336	1,510
Agency Agreements	431	398
Advertising, Promotions and Tourism	129	187
Audit Fees:		
- Audit Services	32	34
Legal Fees:		
- Planning & Development	98	127
- Other Services	239	201
Operating Leases - Motor Vehicles	235	240
Office Administration	262	189
Building Maintenance	426	422
Information Technology	153	179
Function Centre Administration	170	142
Community Support Programs	1,248	992
Pollution Control	22	27
Waste Management Disposal Cost	1,625	1,448
Emergency Services	98	112
Infrastructure Maintenance and Repairs	1,353	1,401
Companion Animal Control	93	75
Parks and Gardens Maintenance	1,662	1,386
Tree Maintenance	264	280
Noxious Weeds Control	236	106
Private Works	17	41
Plant Management	1,507	1,488
Health Services	3	10
Other	171	185
TOTAL MATERIAL & CONTRACTS	11,792	11,180

	Actual 2007 \$'000	Actual 2006 \$'000
(d) DEPRECIATION		
Plant & Equipment	1,193	1,085
Office Equipment	393	267
Furniture & Fittings	106	103
Land Improvements	1,078	1,066
Buildings	739	733
Other Structures	129	101
Infrastructure		
- Roads, Bridges & Footpaths	2,531	2,439
- Storm Water Drainage	654	635
Other Assests		
- Library Books	132	142
- Other	148	143
Less Capitalised Costs	(556)	(554)
TOTAL DEPRECIATION & AMORTISATION	6,547	6,160
(e) OTHER EXPENSES		
Other Expenses for the Year Include the Following:		
Provision for Doubtful Debts	-	16
Mayoral Fee	28	28
Councillor's Fees	121	116
Councillor's (Incl. Mayor) Expenses	45	41
Insurance	591	564
Street Lighting	507	467
Electricity & Heating	262	248
Telephone & Mobiles	264	249
Contributions & Donations	86	263
Water Charges	140	154
Bushfire Services	234	188
Development Operating Expenses	185	131
Information Technology Expenses	212	219
Rates Collection Charges	82	83
Risk Management	-	14
Refund of Developer Sec 94 Credit (refer note 1, page 108)	3,300	-
Other	539	268
TOTAL OTHER EXPENSES FROM ORDINARY ACTIVITIES	6,596	3,049

Notes To The Financial Statements - Note 5

Gain (Or Loss) On Disposal Of Assets



	Actual 2007 \$'000	Actual 2006 \$'000
GAIN (OR LOSS) ON DISPOSAL OF PROPERTY		
Proceeds from Disposal	40	-
Less : Carrying Amount of Assets Sold	-	-
GAIN (OR LOSS) ON DISPOSAL	40	-
GAIN (OR LOSS) ON DISPOSAL OF INFRASTRUCTURE, PLANT AND EQUIPMENT		
Proceeds from Disposal	240	313
Less : Carrying Amount of Assets Sold	120	104
GAIN (OR LOSS) ON DISPOSAL	120	209
GAIN (OR LOSS) ON DISPOSAL OF REAL ESTATE ASSETS HELD FOR SALE		
Proceeds from Sale	-	-
Less : Cost of Sales	-	-
GAIN (OR LOSS) ON DISPOSAL	-	-
NET GAIN (OR LOSS) ON DISPOSAL OF ASSETS	160	209

Notes To The Financial Statements - Note 6(a)

Cash And Cash Equivalents

	Actual 2007 \$'000	Actual 2006 \$'000
CASH AND CASH EQUIVALENTS		
Cash at Bank and on Hand	333	1,628
Deposits at Call	1,340	611
TOTAL CASH AND CASH EQUIVALENTS	1,673	2,239

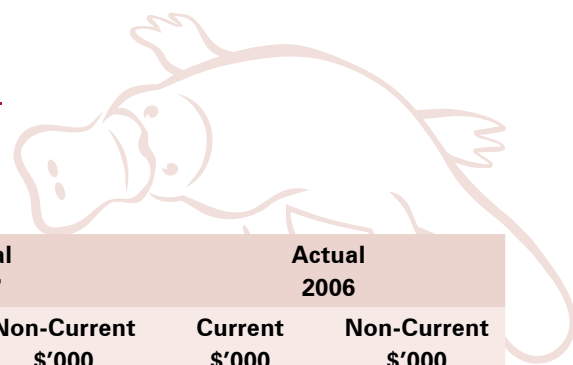
Notes To The Financial Statements- Note 6(b)

Investments

	Actual 2007		Actual 2006	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS				
Held to Maturity Investments	28,100	-	27,520	-
Managed Funds	-	-	4,903	-
TOTAL CASH ASSETS	28,100	-	32,423	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS				
At Beginning of year	32,423	-	32,223	-
Adjustment on adoption of AASB 132 & 139	-	-	-	-
Revaluation to Income Statement	-	-	-	-
Additions	20,262	-	25,912	-
Disposals (Sale/Redemption)	24,585	-	25,712	-
AT END OF YEAR	28,100	-	32,423	-
HELD FOR TRADING				
Managed funds	-	-	4,903	-
Term Deposits	28,100	-	27,520	-
Bills of Exchange	-	-	-	-
CDO's	-	-	-	-
FRNs	-	-	-	-
	28,100	-	32,423	-

Notes To The Financial Statements - Note 6(c)

Restricted Cash, Cash Equivalents And Investments



	Notes	Actual 2007		Actual 2006	
		Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS		29,773	-	34,662	-
External Restrictions		20,096	-	24,484	-
Internal Restrictions		9,034	-	8,784	-
Unrestricted		643	-	1,394	-
		29,773	-	34,662	-
		Opening Balance \$'000	Transfer to Restrictions \$'000	Transfer from Restrictions \$'000	Closing Balance \$'000
EXTERNAL RESTRICTIONS					
Developer Contributions (A)	17	21,196	4,815	10,032	15,979
Specific Purpose Unexpended Grants (B)		857	918	1,234	541
RTA Contributions		21	44	21	44
Domestic Waste Management (C)		2,410	1,509	483	3,436
Other - Restricted Contributions		-	96	-	96
TOTAL EXTERNAL RESTRICTIONS		24,484	7,382	11,770	20,096
INTERNAL RESTRICTIONS					
Employee Leave Entitlements		743	369	266	846
Refundable Bonds/Deposits		1,551	614	212	1,953
Loan Repayment Reserve		71	8	-	79
Capital Works Reserve		3,453	772	957	3,268
Cemetery Improvements		93	22	6	109
Workers Compensation Reserve		-	40	-	40
Swimming Pool Reserve		575	-	-	575
Camden Parking Reserve		121	-	-	121
EDP Equipment Reserve		66	-	19	47
Community Facility		-	8	-	8
Engineering Services		490	50	82	458
Public Appeals Reserve		40	-	-	40
Development Contribution Reserve		635	129	129	635
Community Services		107	-	22	85
Revote Reserve		753	468	597	624
Sec 355 Committee Reserve		86	60	-	146
TOTAL INTERNAL RESTRICTIONS		8,784	2,540	2,290	9,034
TOTAL RESTRICTIONS		33,268	9,922	14,060	29,130

A. Development Contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans.

B. RTA contributions which are not yet expended for the purposes for which the grants were obtained (see Note 1).

C. Domestic Waste Management funds are externally restricted assets which must be applied for the purposes for which they were raised.

Notes To The Financial Statements- Note 7

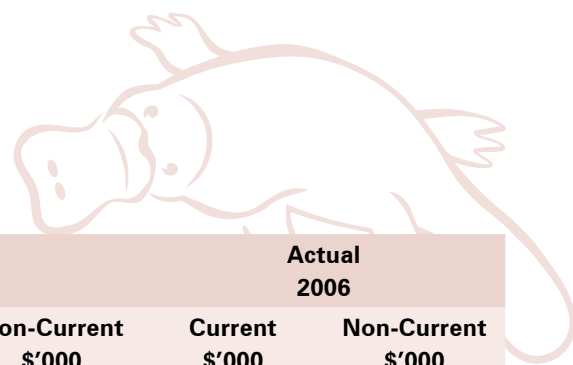
Receivables & Restricted Receivables

Purpose	Actual 2007		Actual 2006	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Rates and Annual charges	1,376	321	1,193	374
Interest and Extra Charges	165	77	259	106
Accrued Interest on Investments	262	-	241	-
Government Grants and Subsidies	188	-	19	-
Bushfire Grants	120	-	105	-
Health & Environment Inspections	14	-	6	-
Tourism	-	-	5	-
RTA	148	-	81	-
Water/Electricity	9	-	13	-
Employee Accounts	20	-	13	-
Waste Management	1	-	1	-
Reimbursement of Lease Rentals	5	-	3	-
Private Works/Road Restorations	32	-	89	-
Community Facilities Income	120	-	92	-
Consultancy-Land Development	-	-	205	-
Contribution-Kirkham Pumping Station	-	-	39	-
Workers Compensation	6	-	18	-
Goods and Services Tax	419	-	285	-
Other	398	-	202	-
TOTAL	3,283	398	2,869	480
Less : Provision for Doubtful Debts:				
-Other	38	-	41	-
TOTAL RECEIVABLES	3,245	398	2,828	480

Externally Restricted Receivables	Actual 2007		Actual 2006	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Specific Purpose Grants	296	-	113	-
RTA Contributions	148	-	80	-
Sec 94 Developer Contributions	8	-	13	-
Domestic Waste Management	299	55	296	94
TOTAL EXTERNALLY RESTRICTED RECEIVABLES	751	55	502	94
UNRESTRICTED RECEIVABLES	2,494	343	2,326	386
TOTAL RECEIVABLES	3,245	398	2,828	480

Notes To The Financial Statements - Note 8

Inventories & Other Assets



	Actual 2007		Actual 2006	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
INVENTORIES				
Stores and Materials	345	-	308	-
Trading Stock	27	-	15	-
TOTAL INVENTORIES	372	-	323	-
OTHER ASSETS				
Surplus Land	-	-	-	-
Prepayments	387	-	547	-
TOTAL OTHER	387	-	547	-

Restricted Inventories & Other Assets

	Actual 2007		Actual 2006	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
Externally Restricted Inventories & Other Assets				
DWM				
Stores and Materials	12	-	13	-
Trading Stock	-	-	-	-
Prepayments	-	-	-	-
TOTAL DWM	12	-	13	-
OTHER ASSETS				
Stores & Materials	-	-	-	-
Trading Stock	-	-	-	-
Prepayments	-	-	-	-
Surplus Land	-	-	-	-
TOTAL OTHER ASSETS	-	-	-	-
TOTAL EXTERNALLY RESTRICTED INVENTORIES & OTHER ASSETS	12	-	13	-
UNRESTRICTED INVENTORIES & OTHER ASSETS	747	-	857	-
TOTAL INVENTORIES & OTHER ASSETS	759	-	870	-

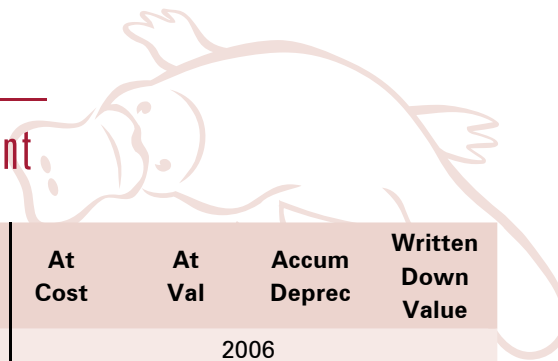
Notes To The Financial Statements- Note 9(a)

Infrastructure, Property, Plant & Equipment

	At 30/6/2006					Movements During The Year					At 30/6/2007				
	Cost/ Deemed Cost \$'000	Fair Value \$'000	Accum Depn & Impairment \$'000	WDV \$'000	Additions \$'000	WDV of Disposals \$'000	Depn & Impairment \$'000	Transfer/ Adjustments \$'000	Revaluation Increments/ (Decrements) \$'000	Cost/ Deemed Cost \$'000	Fair Value \$'000	Accum Depn & Impairment \$'000	WDV \$'000		
BY ASSET TYPE															
Plant & Equipment	8,789	-	5,794	2,995	479	120	632	-	-	8,798	-	6,076	2,722		
Office Equipment	1,968	-	922	1,046	219	-	393	-	-	2,187	-	1,315	872		
Furniture & Fittings	1,218	-	881	337	36	-	106	-	-	1,254	-	987	267		
Land															
- Operational Land	11,117	-	-	11,117	-	-	-	-	-	11,117	-	-	11,117		
- Community Land	96,655	-	-	96,655	8,121	-	-	-	-	104,776	-	-	104,776		
Land Improvements	33,101	-	12,924	20,177	1,333	-	1,078	-	-	34,434	-	14,002	20,432		
Buildings	37,102	-	13,386	23,716	2,499	-	718	-	-	39,601	-	14,104	25,497		
Other Structures	13,000	-	2,583	10,417	666	-	129	-	-	13,666	-	2,712	10,954		
Infrastructure															
- Roads, Bridges, Footpaths	139,468	-	58,373	81,095	8,668	-	2,531	-	-	148,137	-	60,905	87,232		
- Stormwater Drainage	67,867	-	23,221	55,646	4,501	-	654	-	-	72,367	-	12,874	59,493		
Other Assets															
- Library Books	2,030	-	1,485	545	157	-	132	-	-	2,053	-	1,483	570		
- Robotics Systems	45	-	45	-	-	-	-	-	-	45	-	45	-		
- Radio Network	238	-	238	-	-	-	-	-	-	238	-	238	-		
- Other	533	-	533	-	231	-	148	-	-	763	-	680	83		
Domestic Waste Management															
- Plant & Equipment	5,446	-	3,396	2,050	197	-	561	-	-	5,630	-	3,944	1,686		
- Operational Land	644	-	-	644	-	-	-	-	-	644	-	-	644		
- Land Improvement (depreciable)	100	-	78	22	-	-	-	-	-	100	-	78	22		
- Buildings	1,061	-	234	827	-	-	21	-	-	1,061	-	255	806		
TOTALS	420,382	-	113,093	307,289	27,107	120	7,103	-	-	446,871	-	119,698	327,173		

Notes To The Financial Statements - Note 9(b)

Restricted Infrastructure, Property, Plant & Equipment



Class of Asset	2007				2006			
	At Cost	Fair Value	Accum Deprec	Written Down Value	At Cost	At Val	Accum Deprec	Written Down Value
	\$'000				\$'000			
Domestic Waste Management								
- Plant & Equipment	5,630	-	3,944	1,686	5,446	-	3,396	2,050
- Land Council Owned	644	-	-	644	644	-	-	644
- Land Improvement (depreciable)	100	-	78	22	100	-	78	22
- Buildings	1,061	-	255	806	1,061	-	234	827
TOTAL RESTRICTIONS	7,435	-	4,277	3,158	7,251	-	3,708	3,543

Notes To The Financial Statements - Note 10(a)

Payables, Interest Bearing Liabilities And Provisions

	Actual 2007		Actual 2006	
	Current \$'000	Non-Current \$'000	Current \$'000	Non-Current \$'000
PAYABLES				
Goods & Services	2,710	-	2,767	-
Accrued Expenses - Loan Interest	17	-	20	-
Accrued Expenses	42	-	491	-
Refundable Bonds/Deposits	182	1,771	597	953
TOTAL PAYABLES	2,951	1,771	3,875	953
INTEREST BEARING LIABILITIES				
Bank Overdraft	-	-	-	-
Loans ⁽¹⁾	1,791	8,314	1,553	8,231
TOTAL INTEREST BEARING LIABILITIES	1,791	8,314	1,553	8,231
PROVISIONS				
Annual Leave	1,525	-	1,408	-
Long Service Leave	3,447	174	2,838	187
TOTAL PROVISIONS	4,972	174		187
LIABILITIES RELATING TO RESTRICTED ASSETS				
Domestic Waste Management	415	-	327	-
	415	-	327	-

Notes:

- (1) Loans are secured over the rating income of Council.
(2) Vested ELE is all carried as a current provision.

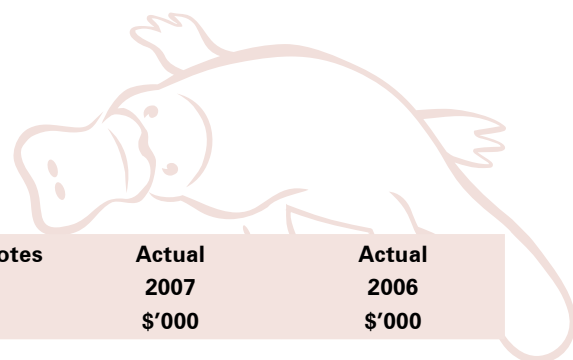
Notes To The Financial Statements - Note 10(b)

Description Of And Movements In Provisions

CLASS OF PROVISION	Opening Balance \$'000	Increase in Provision \$'000	Reduction in Provision		Closing Balance \$'000
			Payments \$'000	Re- Measurement \$'000	
Annual Leave	1,408	1,129	1,012	-	1,525
Long Service Leave	3,024	831	234	-	3,621
TOTAL	4,432	1,960	1,246	-	5,146

Notes To The Financial Statements - Note 11

Reconciliation Of Cash Flow Movements



	Notes	Actual 2007 \$'000	Actual 2006 \$'000
(a) RECONCILIATION OF CASH ASSETS			
Total Cash Assets	6(a)	1,673	2,239
Less Bank Overdraft	10	-	-
BALANCE AS PER CASH FLOWS STATEMENT		1,673	2,239
(b) RECONCILIATION OF NET OPERATING RESULT TO CASH PROVIDED FROM OPERATING ACTIVITIES			
Net Operating result from Income Statement		14,381	7,053
ADD :			
Depreciation and Impairment		6,547	6,160
Increase in Employee Leave Entitlements		713	370
Decrease in Interest Receivables		-	-
Decrease in Receivables (Rates & Annual Charges)		-	32
Decrease in Inventories		-	103
Decrease in Other Receivables		-	429
Decrease in Prepayments		160	-
Increase in Payables		-	315
Increase in Other Current Liabilities		-	861
		21,801	15,323
LESS :			
Increase in Prepayments		-	154
Increase in Receivables (Rates & Annual Charges)		7	-
Increase in Interest Receivables		21	132
Increase in Other Receivables		304	-
Increase in Inventories		49	-
Decrease in Payable		57	-
Decrease in Provision for Doubtful Debts		3	34
Decrease in Accrued Interest Payable		3	3
Decrease in Other Current Liabilities		46	-
Non Cash Capital Grants and Contributions		15,870	5,641
Gain on Sale of Assets		160	209
NET CASH PROVIDED FROM (OR USED IN) OPERATING ACTIVITIES FROM CASH FLOW STATEMENT		5,281	9,150
(c) NON-CASH FINANCING AND INVESTING ACTIVITIES			
Bushfire Grants		8	50
Dedicated Subdivision Roads/Drains/Open Space		15,862	5,591
		15,870	5,641
(d) FINANCING ARRANGEMENTS			
Unrestricted access was available at balance date to the following :			
Bank Overdrafts ⁽¹⁾		430	430
Business Cards & Purchase Cards		650	650
		1,080	1,080

Notes:

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

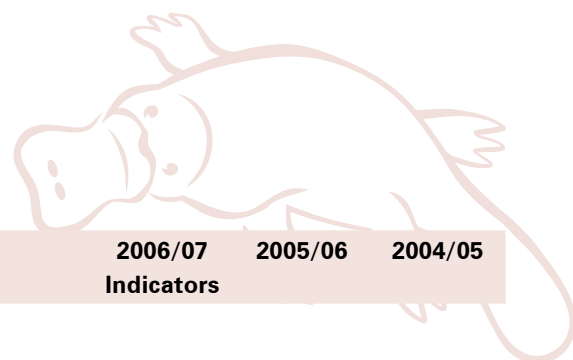
Notes To The Financial Statements - Note 12

Commitments For Expenditure

	Actual 2007 \$'000	Actual 2006 \$'000
(a) CAPITAL COMMITMENTS (exclusive of GST)		
Capital Expenditure committed for at the reporting date but not recognised in the Financial Statements as Liabilities :		
- Buildings	-	1,527
- Infrastructural Asset	442	829
- Plant and Equipment	-	-
	442	2,356
These Expenditures are Payable as Follows :		
- Not Later Than One Year	442	2,356
TOTAL	442	2,356
(b) SERVICE COMMITMENTS (exclusive of GST)		
Other Non-Capital Expenditure committed for at the reporting date but not recognised in the Financial Statements as Liabilities include:		
- Audit Services	-	29
- Cleaning and Mowing Services	358	399
- Landscape and Tree Maintenance	388	450
- Other	135	34
	881	912
These Expenditures are Payable as follows :		
- Not Later Than One Year 8 81 8 58	881	858
- Later than one year and not later than 5 years	-	54
TOTAL	881	912
(c) OPERATING LEASE COMMITMENTS		
Commitments under Non-Cancellable Operating Leases at the reporting date but not recognised in the Financial Statements		
- Motor Vehicle	500	1,035
- Computer Leasing	-	1
- Photocopiers	134	177
- Other	26	42
	660	1,255
These Expenditures are Payable as Follows :		
- Not Later Than One Year	509	787
- Later Than One Year and Not Later than 5 Years	152	468
- Later Than Five (5) Years	-	-
TOTAL	661	1,255
(d) REMUNERATION COMMITMENTS		
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	855	681
- Later Than One Year and Not Later Than 5 Years	1,206	1,430
TOTAL	2,061	2,111

Notes To The Financial Statements - Note 13

Statement Of Performance Measurement



	Amounts \$'000		2006/07 Indicators	2005/06	2004/05
1. UNRESTRICTED CURRENT RATIO					
Factors					
Current Assets less All External Restrictions ⁽¹⁾	12,198	Ratio	2.24:1	2.15:1	2.70:1
Current Liabilities less Specific Purpose Liabilities ⁽²⁾⁽³⁾	5,759				
2. DEBT SERVICE RATIO					
Factors					
Debt Service Cost	1,991		5.66%	5.38%	6.13%
Revenue from Continuing Operations excluding Capital Items and Specific Purpose Grants/ Contributions	35,160				
3. RATE COVERAGE RATIO					
Factors					
Rate & Annual Charges	25,092		42.88%	53.21%	48.08%
Revenue from Continuing Operations	58,516				
4. RATES & ANNUAL CHARGES OUTSTANDING PERCENTAGE					
Factors					
Rates & Annual Charges Outstanding	1,939		7.11%	7.37%	7.91%
Rates & Annual Charges Collectable	27,290				

Notes:

(1) Refer to Notes 6-8 inclusive.

(2) Refer to Note 10(a)

(3) \$3.54m ELE transferred out

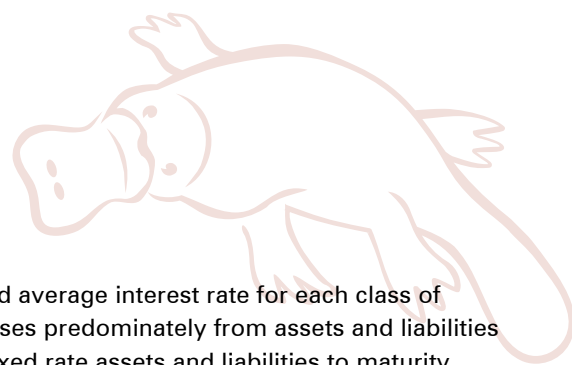
Notes To The Financial Statements - Note 14

Investment Properties

	Actual 2007 \$'000	Actual 2006 \$'000
AT FAIR VALUE		
Opening Balance at 1 July	-	-
Acquisitions	-	-
Capitalised subsequent Expenditure	-	-
Classified as held for Sale or Disposals	-	-
Net Gain (Loss) from fair value adjustment	-	-
Transfer (to) from Inventories and Owner Occupied Property	-	-
Closing Balance at 30 June	-	-
(a) AMOUNTS RECOGNISED IN PROFIT AND LOSS FOR INVESTMENT PROPERTY		
Rental Income	-	-
Net Gain (Loss) from fair value adjustment	-	-
Direct Operating Expenses from Property that generated Rental Income	-	-
Direct Operating Expenses from Property that did not generate Rental Income	-	-
(b) VALUATION BASIS		
<p>The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for the similar properties in the same location and condition and subject to similar leases. The 2007 revaluations were based on independent assessments made by a member of the Australian Property Institute.</p>		
(c) CONTRACTUAL OBLIGATIONS		
Refer to note 12 for disclosure of any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.	-	-

Notes To The Financial Statements - Note 15

Financial Instruments



(a) Interest Rate Risk Exposures

The council's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below. Exposures arises predominately from assets and liabilities bearing variable interest rates, which the council intends to hold as fixed rate assets and liabilities to maturity.

	Notes	Fixed Interest Maturing in:				Non-interest bearing \$'000	Total \$'000
		Floating Interest Rate \$'000	≤ 1 year \$'000	≥ 1 year ≤ 5 years \$'000	≥ 5 years \$'000		
2007							
FINANCIAL ASSETS							
Cash & Cash Equivalents	6	1,673	-	-	-	-	1,673
Investments	6	-	28,100	-	-	-	28,100
Receivables	7	-	-	-	-	3,643	3,643
TOTAL		1,673	28,100	-	-	3,643	33,416
Weighted Average Interest Rate		5.68%	6.37%	-	-	-	6.33%
FINANCIAL LIABILITIES							
Payables	10	-	-	-	-	4,722	4,722
Interest Bearing Liabilities	10	-	1,791	5,609	2,705	-	10,105
TOTAL		-	1,791	5,609	2,705	4,722	14,827
Weighted Average Interest Rate		-	7.75%	7.75%	7.75%	-	7.75%
Net Financial Assets/ (Liabilities)		1,673	26,309	(5,609)	(2,705)	(1,079)	18,589
2006							
FINANCIAL ASSETS							
Cash & Cash Equivalents	6	2,239	-	-	-	-	2,239
Investments	6	-	32,423	-	-	-	32,423
Receivables	7	-	-	-	-	3,308	3,308
TOTAL		2,239	32,423	-	-	3,308	37,970
Weighted Average Interest Rate		3.21%	5.69%	-	-	-	4.68%
FINANCIAL LIABILITIES							
Payables		-	-	-	-	4,828	4,828
Interest Bearing Liabilities	10(a)	-	1,553	5,582	2,739	-	9,874
TOTAL		-	1,553	5,582	2,739	4,828	14,702
Weighted Average Interest Rate		-	7.58%	7.58%	7.58%	-	7.58%
Net Financial Assets/ (Liabilities)		2,239	30,870	(5,582)	(2,739)	(1,520)	23,268

(b) Net Fair Value

The aggregate net fair values of all Council's assets and financial liabilities are detailed as follows:

	Notes	Actual 2007		Actual 2006	
		Carrying Amount \$'000	Aggregate net Fair Value \$'000	Carrying Amount \$'000	Aggregate net Fair Value \$'000
FINANCIAL ASSETS					
Cash & Cash Equivalents	6	1,673	1,673	2,239	2,239
Investments	6	28,100	28,100	32,423	32,423
Receivables	7	3,643	3,643	3,308	3,308
TOTAL		33,416	33,416	37,970	37,970
FINANCIAL LIABILITIES					
Payables	10	4,722	4,722	4,828	4,828
Interest Bearing Liabilities	10	10,105	10,105	9,874	9,874
TOTAL		14,827	14,827	14,702	14,702

(c) Credit Risk

The credit risk of financial assets, excluding investments, is the carrying amount net of any provision for doubtful debts.

Council has an investment policy which seeks to minimise the risk of capital loss. Investments are placed in accordance with the Local Government Investment Order which restricts investments to securities carrying a credit rating of 'A' or better.

Debtors for rates and annual charges are secured by a charge over the land to which it relates.

There are no significant concentrations of credit risk to any single debtor or group of debtors.

(d) Policies

Accounting policies in respect to financial assets and financial liabilities are described in Note 1.



Notes To The Financial Statements - Note 16

Budget Variations



Council's original budget was incorporated as part of the Management Plan adopted by the Council on 26 June 2006.

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.

Where necessary, the budgeted revenues and expenses have been reclassified to be consistent with the Local Government Code of Accounting Practice and Financial Reporting (Update No. 15).

This note sets out the details of material variations between the original budget and actual results for the Income Statement Material favourable (F) and unfavourable (U) variances represent amounts of 10% or more of the budgeted amounts.

Revenues

1) User Charges and Fees

The increase of \$696K (F) (22%) from budget was due to an increase in Building Development and Subdivision Activity as a result of rapid growth in the region.

- Development Services Fees and Charges \$411K
- Community Facilities and Services \$285K

2) Interest Received

The actual amount of interest received exceeded the budget by \$598K (F) (34%) predominately due to:

- Larger than expected funds available for investment throughout the financial year
- Higher than anticipated interest rates

3) Grants and Contributions Received for Operating Purposes

Actual amounts for Grants & Contributions received exceeded the budget by \$1,252K (F) (32%) due to Grants & Contributions being received during the financial year that were not known at the time of preparing the original budget.

These include:

- Family Day Care Grant increased by \$230K
- Library Grant increased by \$73K
- Noxious Weeds Grants by \$101K
- Sustainability - Education Grant increased by \$131K
- Community Water Grants by \$235K
- Community Facilities Grants increased by \$355K
- Other Community Projects Grants increased by \$127K

4) Other Revenues

The actual amount of other revenues received exceeded the budget by \$607K (F) (70%) mainly due to better than expected economic conditions which resulted in increased revenue in the following activities:

- Domestic Waste Services \$88K
- Development Services \$96K
- Community Services \$126K
- Parks and Gardens \$129K
- Motor Vehicle Use Contributions \$37K
- Health and Animal Control \$82K
- Miscellaneous Income \$49K

5) Grants and Contributions Received for Capital Purposes

Actual amounts for Grants & Contributions received exceeded budget by \$4,246K (F) (26%). This was predominately due to an increase in non cash capital contributions, a result of increased development activity in the LGA.

6) Net Gains from Disposal of Assets

The profit on sale of Assets exceeded the budget by \$95K (F) (146%) due to better profit margins from sales and an increase in the plant and equipment sold.

Expenses

1) Material and Contracts

Material and Contracts exceeded the budget by \$2,528K (U) (27%) mainly due to the number of community and special projects not known at the time of preparing the original budget.

Other factors contributing to the variations include higher than expected price rises and rising fuel cost.

Special projects and an increase in operational activities include:

- Parks and Gardens \$488K
- Domestic Waste Management \$194K
- Health services and Animal Control \$83K
- Community Services \$655K
- Family Day Care Services \$257K
- Library Services \$54K
- Community Relations \$183K
- Infrastructure Maintenance \$580K
- Other \$34K

2) Other Expenses from Ordinary Activities

The variance between budget and other expenses by \$2,988K (U) (83%) is predominately due to a refund of Section 94 Credits as detailed in Note 1, page 108 to the General Purpose Financial Reports.

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 Developer Contributions

SUMMARY OF DEVELOPER CONTRIBUTIONS

Purpose	Opening Balance \$'000	Contributions Received During Year (1)		Interest Earned During Year \$'000	Expended During Year \$'000	Internal Borrowings (To)(From) \$'000	Held As Restricted Asset (2) \$'000
		Cash \$'000	Non-Cash \$'000				
Drainage	3,536	735	753	154	3,009	-	2,169
Roads	4,802	1,012	1,537	297	3,024	-	4,624
Traffic Facilities	1,156	15	-	73	150	-	1,094
Parking	(25)	83	-	2	128	-	(68)
Open Space	10,311	325	7,905	586	11,204	-	7,923
Community Facilities	1,609	1,315	-	22	2,403	-	543
Other - Capital	12	21	-	1	10	-	24
Other - Operating	(278)	155	-	15	299	-	(407)
Total S94 under plans	21,123	3,661	10,195	1,150	20,227	-	15,979
Total S94 not under plans	73	-	-	4	-	-	77
Section 64 Contributions	-	-	-	-	-	-	-
TOTAL CONTRIBUTIONS	21,196	3,661	10,195	1,154	20,227	-	15,979

CAMDEN CONTRIBUTIONS PLAN - MANAGEMENT & PROVISION OF INFRASTRUCTURE IN LGA

Purpose	Opening Balance \$'000	Contributions Received During Year		Interest Earned During Year \$'000	Expended During Year \$'000	Internal Borrowings (To)(From) \$'000	Held As Restricted Asset (2) \$'000
		Cash \$'000	Non-Cash \$'000				
Drainage	-	645	753	4	753	-	649
Roads	19	913	1,537	7	1,581	-	895
Traffic Facilities	3	-	-	-	-	-	3
Parking	(25)	83	-	2	128	-	(68)
Open Space	5,125	297	7,905	252	11,204	-	2,375
Community Facilities	1,581	1,315	-	20	2,403	-	513
Other - Capital	(4)	13	-	-	-	-	9
Other - Operating	(358)	119	-	10	289	-	(518)
TOTALS	6,341	3,385	10,195	295	16,358	-	3,858

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

Drainage	3,478	90	-	146	2,256	-	1,458
Roads	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-
Other - Capital	-	-	-	-	-	-	-
Other - Operating	-	-	-	-	-	-	-
TOTALS	3,478	90	-	146	2,256	-	1,458

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

Drainage	58	-	-	4	-	-	62
Roads	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-
Other - Capital	-	-	-	-	-	-	-
Other - Operating	-	-	-	-	-	-	-
TOTALS	58	-	-	4	-	-	62

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

Purpose	Opening Balance \$'000	Contributions Received During Year		Interest Earned During Year \$'000	Expended During Year \$'000	Internal Borrowings (To)(From) \$'000	Held As Restricted Asset \$'000
		Cash \$'000	Non-Cash \$'000				
Drainage	-	-	-	-	-	-	-
Roads	2,969	-	-	162	157	(533)	2,441
Traffic Facilities	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-
Open Space	4,675	-	-	300	-	-	4,975
Community Facilities	-	-	-	-	-	-	-
Other - Capital	(248)	-	-	(16)	10	-	(274)
Other - Operating	-	-	-	-	-	-	-
TOTALS	7,396	-	-	446	167	(533)	7,142

CONTRIBUTIONS PLAN NO:7 - ROAD MAINTENANCE - EXTRACTIVE INDUSTRIES

Drainage	-	-	-	-	-	-	-
Roads	639	43	-	42	132	-	592
Traffic Facilities	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-
Other - Capital	-	-	-	-	-	-	-
Other - Operating	-	-	-	-	-	-	-
TOTALS	639	43	-	42	132	-	592

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

Drainage	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-
Traffic Facilities	716	5	-	46	145	-	622
Parking	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-
Other - Capital	-	-	-	-	-	-	-
Other - Operating	-	-	-	-	-	-	-
TOTALS	716	5	-	46	145	-	622

CONTRIBUTIONS PLAN NO: 11 - SMEATON GRANGE ROADWORKS

Purpose	Opening Balance \$'000	Contributions Received During Year		Interest Earned During Year \$'000	Expended During Year \$'000	Internal Borrowings (To)(From) \$'000	Held As Restricted Asset \$'000
		Cash \$'000	Non-Cash \$'000				
Drainage	-	-	-	-	-	-	-
Roads	122	56	-	33	561	533	183
Traffic Facilities	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-
Other - Capital	-	-	-	-	-	-	-
Other - Operating	-	-	-	-	-	-	-
TOTALS	122	56	-	33	561	533	183

CONTRIBUTIONS PLAN NO:16 - ELLIS LANE/GRASMERE DEVELOPMENT

Drainage	-	-	-	-	-	-	-
Roads	1,053	-	-	53	593	-	513
Traffic Facilities	91	-	-	5	-	-	96
Parking	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-
Community Facilities	59	-	-	4	-	-	63
Other - Capital	(43)	1	-	(3)	-	-	(45)
Other - Operating	-	-	-	-	-	-	-
TOTALS	1,160	1	-	59	593	-	627

CONTRIBUTIONS PLAN NO:17 - NARELLAN TOWN CENTRE

Drainage	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-
Traffic Facilities	346	10	-	22	5	-	373
Parking	-	-	-	-	-	-	-
Open Space	469	28	-	31	-	-	528
Community Facilities	-	-	-	-	-	-	-
Other - Capital	182	-	-	12	-	-	194
Other - Operating	80	36	-	5	10	-	111
TOTALS	1,077	74	-	70	15	-	1,206

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

Purpose	Opening Balance \$'000	Contributions Received During Year		Interest Earned During Year \$'000	Expended During Year \$'000	Internal Borrowings (To)(From) \$'000	Held As Restricted Asset \$'000
		Cash \$'000	Non-Cash \$'000				
Drainage	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-
Open Space	42	-	-	3	-	-	45
Community Facilities	(31)	-	-	(2)	-	-	(33)
Other - Capital	-	-	-	-	-	-	-
Other - Operating	-	-	-	-	-	-	-
TOTALS	11	-	-	1	-	-	12

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

Drainage	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-
Other - Capital	125	7	-	8	-	-	140
Other - Operating	-	-	-	-	-	-	-
TOTALS	125	7	-	8	-	-	140

CONTRIBUTIONS NOT UNDER PLANS

Drainage	13	-	-	1	-	-	14
Roads	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-
Open Space	35	-	-	2	-	-	37
Community Facilities	25	-	-	1	-	-	26
Other - Capital	-	-	-	-	-	-	-
Other - Operating	-	-	-	-	-	-	-
TOTALS	73	-	-	4	-	-	77

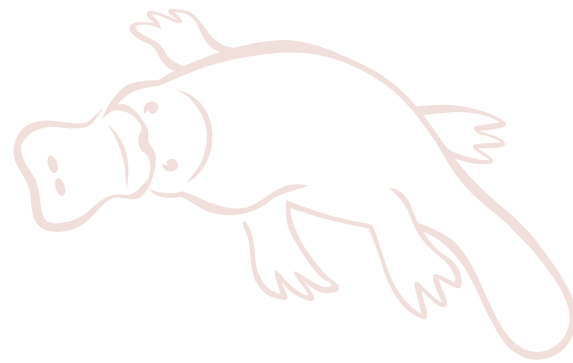


Notes To The Financial Statements - Note 18

Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources:

Council did not have any contingent liabilities or assets as at 30 June 2007.



Notes To The Financial Statements - Note 19

Interests In Joint Ventures

Joint Venture Partnership

Council did not have any involvement in joint venture projects for the year ending 30 June 2007.

	Actual 2007 \$'000	Actual 2006 \$'000
CARRYING AMOUNT OF INVESTMENT IN PARTNERSHIP		
SHARE OF PARTNERSHIP'S ASSETS AND LIABILITIES		
Current Assets	-	-
Non-Current Assets	-	-
Total Assets	<u>-</u>	<u>-</u>
Current Liabilities	-	-
Non-Current Liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
NET ASSETS	<u>-</u>	<u>-</u>
	-	-
SHARE OF PARTNERSHIP'S REVENUE, EXPENSES AND RESULTS		
Revenue	-	-
Expenses	-	-
OPERATING RESULT	<u>-</u>	<u>-</u>
SHARE OF PARTNERSHIP'S COMMITMENTS	-	-
CONTINGENT LIABILITIES RELATING TO JOINT VENTURE	-	-

Notes To The Financial Statements - Note 20

Revaluation Reserves And Retained Earnings

	Notes	Actual 2007 \$'000	Actual 2006 \$'000
(a) REVALUATION RESERVES			
Infrastructure, Property, Plant and Equipment Revaluation Reserve		-	-
Available-for-sale Investments Revaluation Reserve		-	-
		<u>-</u>	<u>-</u>
MOVEMENTS:			
<i>Property, Plant and Equipment Revaluation Reserve</i>			
At Beginning of Year		-	-
Revaluation - Gross		-	-
Depreciation Transfer - Gross		-	-
AT END OF YEAR		<u>-</u>	<u>-</u>
<i>Available-for-sale Investments Revaluation Reserve</i>			
At Beginning of Year		-	-
Adjustment on Adoption of AASB 132 and AASB 139		-	-
Revaluation - Gross		-	-
Transfer to Net Profit - Gross		-	-
AT END OF YEAR		<u>-</u>	<u>-</u>
(b) RETAINED EARNINGS			
Movements in Retained Earnings were as follows:			
At Beginning of Year		326,994	319,941
Adjustment on Adoption of AASB 132 and AASB 139		-	-
Net Result for the Year		14,381	7,053
AT END OF YEAR		<u>341,375</u>	<u>326,994</u>
(c) NATURE AND PURPOSE OF RESERVES			
<i>(i) Infrastructure, Property, Plant and Equipment Revaluation Reserve</i>			
The Infrastructure, Property, Plant and Equipment Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets			
<i>(ii) Available-for-sale Investments Revaluation Reserve</i>			
Changes in fair value are taken to the available-for-sale Investments Revaluation Reserve, as described in Note 1(k). Amounts are recognised in Profit And Loss when the associate assets are sold or impaired.			
(d) CORRECTION OF ERROR IN PREVIOUS YEARS			
		<u>-</u>	<u>-</u>

Auditors Report - General Purpose



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D S MCGILL
C R MILLINGTON
Y E PIETSCH
R M SHANLEY
D W STAPLES
D G YOUNG

CONSULTANTS:
J S YOUNG
D G BARNSDALL
P S ROWE

CAMDEN COUNCIL
Independent Audit Report to the Council
General Purpose Financial Report for the Year ended 30 June 2007

Scope

We have audited the general purpose financial report of Camden Council for the financial year ended 30 June 2007 comprising the Statement by Councillors and Management, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes. Our audit responsibility does not extend to the Original Budget figures disclosed in the Income Statement, Cash Flow Statement, Notes 2(a) and 16 to the financial statements nor the attached Special Schedules. The Council is responsible for the preparation and presentation of the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the Council.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements under the Local Government Act, 1993 so as to present a view which is consistent with our understanding of the Council's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit 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.

Pitcher Partners

Pitcher Partners
Chartered Accountants

C R Millington
C R Millington
Partner

Sydney, 15 October 2007

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Auditors Report - General Purpose


PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

15 October 2007

The Mayor
Councillor Chris Patterson
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Dear Councillor Patterson

**REPORT ON THE CONDUCT OF THE AUDIT – Section 417(3)
YEAR ENDED 30 JUNE 2007**

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 2007 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.



Audit Conclusion

Our audit of the financial reports for the year ended 30 June 2007 resulted in unqualified independent audit report for Council's General Purpose Financial Report.

Australian International Financial Reporting Standards (AIFRS)

Australian equivalents to International Financial Reporting Standards were applied for the first time in the preparation of Council's 2006 financial report. There has been no further impact on the 2007 financial report from the introduction of these standards that requires disclosure or comment in this report.

Financial Performance

The consolidated result for the year ended 30 June 2007 was comprised of the following:

2006 \$'000		2007 \$'000	Budget \$'000
4,392	Operating result before capital amounts and depreciation	491	4,137
<u>8,821</u>	Revenue provided for capital purposes	<u>20,437</u>	<u>16,191</u>
13,213	Operating Surplus before depreciation	20,928	20,328
<u>6,160</u>	Depreciation charge for year	<u>6,547</u>	<u>7,167</u>
<u>7,053</u>	Net operating result for year	<u>14,381</u>	<u>13,161</u>

Council's continuing operations for the 2007 year resulted in a net operating surplus of \$14.381M (2006 – surplus of \$7.053M). This result was achieved after allowing \$6.547M for depreciation of non-current assets, receiving capital revenues by way of grants and contributions amounting to \$20.437M, and experiencing an increase of 4.58% in revenue from rates and charges.

Council's original budget for the 2007 year provided for a surplus of \$13.161M. Significant variations from the original budget are disclosed in detail in Note 16 to the financial report:

- Favourable budget variations were achieved in user charges and fees, interest and investment income, operating and capital grants and contributions received, profit on disposal of assets and other revenue.
- Unfavourable budget variations were experienced in materials and contracts and other expenses.

Auditors Report - General Purpose

**Financial Position**

Abridged balance sheet as at 30 June 2007

	2007 \$'000	2006 \$'000	Variance \$'000
Current assets	33,777	38,360	(4,583)
Non-current assets	<u>327,571</u>	<u>307,769</u>	<u>19,802</u>
Total assets	<u>361,348</u>	<u>346,129</u>	<u>15,219</u>
Current liabilities	9,714	9,674	40
Non-current liabilities	<u>10,259</u>	<u>9,461</u>	<u>798</u>
Total liabilities	<u>19,973</u>	<u>19,135</u>	<u>838</u>
Net Assets	<u>341,375</u>	<u>326,994</u>	<u>14,381</u>

Current assets variance resulted mainly from the redemption of investments to help fund the acquisition of property, plant and equipment. The net movement in non-current assets primarily resulted from the net result of the acquisitions (\$10.681M), disposals (\$280K) and depreciation (\$6.547M) of assets during the year.

Council's equity at 30 June 2007 increased by the net operating result for the year (\$14.381M surplus).

Movements in Cash and Cash Equivalents

Abridged cash flow statement for the year ended 30 June 2007

	2007 \$'000	2006 \$'000	Variance \$'000
Operating activities			
- receipts	45,263	41,391	3,872
- payments	<u>39,982</u>	<u>32,241</u>	<u>7,741</u>
Net cash provided from operations	<u>5,281</u>	<u>9,150</u>	<u>(3,869)</u>
Investing activities			
- receipts	24,865	26,585	(1,720)
- payments	<u>30,943</u>	<u>35,641</u>	<u>(4,698)</u>
Net cash used in investing activities	<u>(6,078)</u>	<u>(9,056)</u>	<u>(2,977)</u>
Financing activities			
- receipts	1,600	1,500	100
- payments	<u>1,369</u>	<u>1,183</u>	<u>186</u>
Net cash provided from financing	<u>231</u>	<u>317</u>	<u>(86)</u>
Net increase/(decrease) in cash balances	<u>(566)</u>	<u>411</u>	<u>(977)</u>
Cash balances at end of year	<u>1,673</u>	<u>2,239</u>	<u>(566)</u>

Council's cash and cash equivalent balances decreased by \$566K during the year, with \$5.281M being provided from operations, \$6.078M utilised in investing activities such as acquisition of non-current assets and investments, and \$231K provided from net financing activities.



Cash and Investments Position

Council's total cash balance at 30 June 2007 was comprised of the following:

	2007 \$'000	2006 \$'000	Variance \$'000
Externally restricted cash	20,096	24,484	(4,388)
Internally restricted cash	9,034	8,784	250
Unrestricted cash	643	1,394	(751)
<i>Total Cash & Cash Equivalents</i>	<u>29,773</u>	<u>34,662</u>	<u>(4,889)</u>

Externally restricted cash balances decreased mainly as a result of the utilisation of developer contributions during the year. Overall, Council's operating activities and capital works program reduced cash and investments by \$4.889M

Performance Indicators and Trends

Prescribed performance indicators are included in Note 13 to the financial report and provide a comparison of the 2007 year results with prior years.

Abridged Note 13 – Statement of Performance Measurement

	2007	2006	2005
Unrestricted current ratio	2.24:1	2.15:1	2.70:1
Debt service ratio	5.66%	5.38%	6.13%
Rate coverage ratio	42.88%	53.21%	48.08%
Rates & annual charges outstanding ratio	7.11%	7.37%	7.91%

Unrestricted Current Ratio

The Unrestricted Current Ratio (UCR) measures the degree to which current obligations are covered by uncommitted current assets, and is a close approximation of the unencumbered working capital of a council.

The 2007 result is an improvement on the previous year and is above industry guidelines for this ratio.

Debt Service Ratio

The cost of servicing Council's debt has continued at the low levels experienced in prior years and remains well within industry guidelines. Continued maintenance of a low debt service ratio provides Council with additional capacity for future projects and requirements, particularly maintenance and replacement of infrastructure assets.

Auditors Report - General Purpose



Rates and Annual Charges Coverage Ratio

Council's rates and annual charges revenue represented 42.88% of 2007 total revenue, which is lower than the previous year due to the impact of larger than anticipated capital grants and contributions revenue.

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 7.11%. This is a slight improvement on the prior year and remains above the industry benchmark of 5% but within industry guidelines for the ratio.

Legislative Compliance

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

Council has complied with all statutory reporting requirements relating to Division 2 of Chapter 12 of the Local Government Act, 1993, the Code of Accounting Practice and Financial Reporting (Update 15), 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 have 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 2007



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

The attached Special Purpose Financial Report has been prepared in accordance with:

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

Cr Chris Patterson
Mayor

Greg Wright
General Manager

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

- presents fairly the operating result and financial position for each of Council's declared Business Activities for the year, and
- accords with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 25th September 2007.

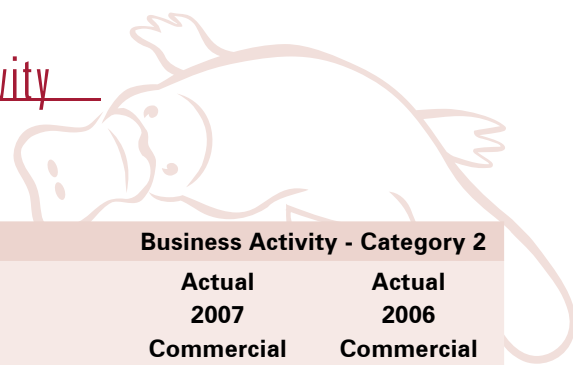
Cr Cindy Cagney
Deputy Mayor

Paul Rofe
Responsible Accounting Officer

Income Statement Of Commercial Waste Business Activity For The Year Ended 30 June 2007

	Business Activity - Category 2	
	Actual 2007 Commercial Waste \$'000	Actual 2006 Commercial Waste \$'000
REVENUE FROM CONTINUING OPERATIONS		
Rates & annual charges	416	381
User charges & fees	-	-
Interest	-	-
Grants & contributions provided for non capital purposes	-	-
Profit from the sales of assets	-	-
Other revenues	-	-
TOTAL REVENUE FROM CONTINUING OPERATIONS	416	381
EXPENSES FROM CONTINUING OPERATIONS		
Employee costs	94	129
Borrowing costs	-	-
Material & contracts	64	83
Depreciation and impairment	1	1
Other operating expenses	91	70
Loss on sale of assets	-	-
Calculated Taxation Equivalents	-	-
Debt guarantee fee (if applicable)	-	-
TOTAL EXPENSES FROM CONTINUING OPERATIONS	250	283
SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS BEFORE CAPITAL AMOUNTS	166	98
Grants and Contributions provided for Capital Purposes	-	-
SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS AFTER CAPITAL AMOUNTS	166	98
SURPLUS (DEFICIT) FROM ALL OPERATIONS BEFORE TAX	166	98
Less Corporate Taxation Equivalent (30%) [based on result before capital]	50	29
SURPLUS (DEFICIT) AFTER TAX	116	69
OPENING RETAINED PROFITS	530	432
Council Contribution	-	-
ADJUSTMENTS AOR AMOUNTS UNPAID		
Taxation equivalent payments	-	-
Debt guarantee fees	-	-
Corporate taxation equivalent	50	29
Less: dividend paid	-	-
CLOSING RETAINED PROFITS	696	530
Return on Capital (..%)	N/A	N/A
Subsidy from Council	-	-
Required return on Capital	-	-

Balance Sheet Of Commercial Waste Business Activity As At 30 June 2007



	Business Activity - Category 2	
	Actual 2007 Commercial Waste \$'000	Actual 2006 Commercial Waste \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	-	-
Investments	692	521
Receivables	1	9
Inventories	-	-
Other	-	-
TOTAL CURRENT ASSETS	693	530
Non-Current assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant & equipment	6	3
Investments accounted for using equity method	-	-
Other	-	-
TOTAL NON-CURRENT ASSETS	6	3
TOTAL ASSETS	699	533
LIABILITIES		
Current Liabilities		
Payables	3	3
Interest bearing liabilities	-	-
Provisions	-	-
TOTAL CURRENT LIABILITIES	3	3
NON-CURRENT LIABILITIES		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
TOTAL NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	-	-
NET ASSETS	696	530
EQUITY		
Retained earnings	696	530
Reserves	-	-
Council equity interest	-	-
Minority equity interest	-	-
TOTAL EQUITY	696	530

Notes To The Special Purpose Financial Reports For The Year Ended 30 June 2007

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 and historic costs basis. They 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 the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in 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:

Category 2

Name of Business Activity:

Camden Commercial Waste Services

Brief Description of Business Activity:

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 equivalent where applicable the following taxation equivalents are to be applied to all council nominated business activities (This does not include council 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
Other taxes or charges:	As applicable

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 when 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 positive gain 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.

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 2007, Camden Commercial Waste Services had no outstanding loans, nor did it borrow any funds during the financial year. As such, loans and debt guarantee fees have not been applied to this business activity.

(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 the owner of a range of businesses or to any external entities.



Auditors Report - Special Purpose


PITCHER PARTNERS

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D M HODGKINSON
C W HOPE
D S MCGILL
C R MILLINGTON
Y E PIETSCH
R M SHANLEY
D W STAPLES
D G YOUNG

CONSULTANTS:
J S YOUNG
D G BARNSDALL
P S ROWE

CAMDEN COUNCIL
Special Purpose Financial Report
Independent Auditors' Report to the Council for the Year ended 30 June 2007

Scope

We have audited the special purpose financial report, of Camden Council for the financial year ended 30 June 2007, 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 statements. The financial statements include the accounts of the declared business activities of the Council. The Council is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial reports are appropriate to their needs. We have conducted an independent audit of the financial report in order to express an opinion on it to Council. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the Council.

The special purpose financial report has been prepared for distribution to the Council and the New South Wales Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial 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.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 to the financial statements. These policies do not require the application of all Accounting Standards and UIG Consensus Views.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the special purpose financial report of Camden Council for the year ended 30 June 2007 presents fairly in accordance with the requirements of Australian accounting standards described in Note 1 to the special purpose financial report and the Local Government Code of Accounting Practice and Financial Reporting.

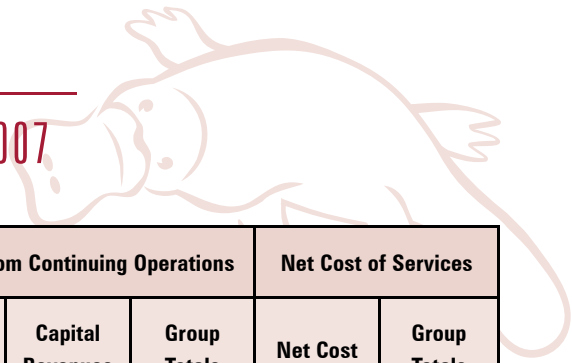
Pitcher Partners
Chartered Accountants

C R Millington
Partner

Sydney, 15 October 2007

Special Schedule No 1

Net Cost Of Services For The Year Ended 30 June 2007



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
GOVERNANCE	855	855	52	-	52	803	803
ADMINISTRATION							
Corporate Support	15,048		759	-		14,289	
Engineering & Works	1,911		147	-		1,764	
Other Support Services	-	16,959	119	11,171	12,196	(11,290)	4,763
PUBLIC ORDER & SAFETY							
Statutory Contributions to Fire Service Levy	214		-	-		214	
Fire Protection - Other	176		169	7		-	
Animal Control	262		67	-		195	
Enforcement of Local Govt Regulations	46		-	-		46	
Emergency Services	42		-	-		42	
Other	-	740	-	-	243	-	497
HEALTH							
Administration & Inspection	580		63	-		517	
Immunisations	-		-	-		-	
Noxious Plants	245	825	185	-	248	60	577
COMMUNITY SERVICES & EDUCATION							
Administration	75		6	-		69	
Family Day Care	865		928	-		(63)	
Child Care	56		56	-		-	
Youth Services	60		6	-		54	
Aged & Disabled	8		16	-		(8)	
Education	-		-	-		-	
Other Community Services	486	1,550	130	-	1,142	356	408
HOUSING & COMMUNITY AMENITIES							
Town Planning	2,186		1,098	-		1,088	
Domestic Waste Management	3,679		4,419	-		(740)	
Other Waste Management	237		72	-		165	
Street Cleaning	-		-	-		-	
Other Sanitation & Garbage	124		118	-		6	
Urban Stormwater Drainage	838		154	2,388		(1,704)	
Environmental Protection	103		8	-		95	
Public Cemeteries	19		41	-		(22)	
Public Conveniences	-		-	-		-	
Other Community Amenities	-	7,186	-	-	8,298	-	(1,112)

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
RECREATION & CULTURE							
Public Libraries	1,561		190	-		1,371	
Community Centres	278		93	1		184	
Public Halls	690		998	-		(308)	
Other Cultural Services	1		1	-		-	
Swimming Pools	501		29	-		472	
Sporting Grounds	-		-	-		-	
Parks & Gardens (Lakes)	4,546		1,235	519		2,792	
Other Sport & Recreation	-	7,577	-	49	3,115	(49)	4,462
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	2,645		2,144	-		501	
Quarries & Pits	-	2,645	-	-	2,144	-	501
TRANSPORT & COMMUNICATION							
Urban Roads	4,613		142	5,469		(998)	
Sealed Rural Roads	-		-	-		-	
Regional Roads	-		10	-		(10)	
Bridges on Urban Roads	-		-	-			
Footpaths	106	-	-			106	
Parking Areas	2		2	-		-	
Bus Shelters & Services	46		-	-		46	
RTA Works	145		-	697		(552)	
Street Lighting	516		-	-		516	
Other	56	5,484	48	150	6,518	(142)	(1,034)
ECONOMIC AFFAIRS							
Tourism & Area Promotion	282		10	-		272	
Industrial Development Promotion	-		-	-		-	
Real Estate Development	-		-	-		-	
Other Business Undertakings	32	314	63	-	73	(31)	241
TOTALS - FUNCTIONS	44,135	44,135	13,578	20,451	34,029	10,106	10,106
GENERAL PURPOSE REVENUES⁽¹⁾			24,487	-	24,487	24,487	24,487
	44,135	44,135	38,065	20,451	58,516	14,381	14,381
NET OPERATING RESULT FOR THE YEAR⁽²⁾		44,135			58,516		14,381

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 2007



Classification of Debt	Principle Outstanding at Beginning of Year		New Loans Raised During the Year \$'000	Debt Redemption During the Year		Interest Applicable for Year \$'000	Principle Outstanding at End of Year			
	Current \$'000	Non-Current \$'000		Total \$'000	From Revenue \$'000		Sinking Funds \$'000	Current \$'000	Non-Current \$'000	Total \$'000
LOANS (By Source)										
Financial Institutions	1,553	8,231	1,600	1,369	-	622	1,791	8,314	10,105	
TOTAL LOANS	1,553	8,321	1,600	1,369	-	622	1,791	8,314	10,105	
OTHER LONG TERM DEBT										
Government Advances	-	-	-	-	-	-	-	-	-	-
TOTAL LONG TERM DEBT	1,553	8,321	1,600	1,369	-	622	1,791	8,314	10,105	

Excluded : Internal Loans and refinancing of Loans Except for any Additional Borrowings

Special Schedule No 7 Condition Of Public Works

As At 30 June 2007

Asset Class	Asset Category (as determined by Council)	Depreciation Expense (specific rate or range of rates) \$'000	Depreciation Expense \$'000	Cost \$'000	Valuation \$'000	Accum Depreciation and Impairment \$'000	WDV \$'000	Asset Condition (Refer Details Attached) \$'000	Estimated cost to bring to a Satisfactory Standard \$'000	Required Annual Maintenance \$'000	Current Annual Maintenance \$'000	
												Per Section 428(2d)
		Per Note 4		Per Note 9								
Buildings	Administration Services	2.00%	214	11,816	-	5,030	6,786	3	-	125	83	
	Toilet Blocks, Amenities, & Others	2.00%	37	2,222	-	1,350	872	3	50	60	60	
	Civic Centre Facilities	2.00%	118	6,517	-	2,430	4,087	2-3	66	27	27	
	Community Facilities	2.00%	222	12,091	-	4,016	8,075	3	79	179	139	
	Swimming Pool	2.00%	89	4,961	-	616	4,345	4	874	375	175	
	Bushfire Buildings	2.00%	4	191	-	53	138	2	-	10	10	
	State Emergency Service	2.00%	7	382	-	54	328	3	-	4	4	
	Health & Environment Services	2.00%	22	1,146	-	152	994	2	-	8	7	
	Council Works Depot	2.00%	26	1,336	-	658	678	3	-	19	19	
	Other Structures	2.00%	129	13,666	-	2,712	10,954	2	-	-	-	
Total			868	54,328	-	17,071	37,257		1,069	807	524	
Public Roads	Bridges	2.00%	25	1,481	-	1,313	168	2	50	-	-	
	Street Furniture	2.00%	101	5,925	-	2,031	3,894	3	30	49	49	
	Drainage Structures	2.00%	127	7,407	-	5,014	2,393	3	-	122	122	
	Pavements (Sealed)	2.00%	1,898	111,103	-	42,212	68,891	3-4	6,496	3,955	3,655	
	Kerb and Gutter	2.00%	202	11,851	-	6,211	5,640	3	150	47	47	
	Footpath (Constructed)	2.00%	51	2,963	-	1,326	1,637	3	175	413	126	
	Shoulders	2.00%	127	7,407	-	2,798	4,609	2-3	-	612	612	
	Total			2,531	148,137	-	60,905	87,232		6,901	5,198	4,611
	Drainage Works	Conduits	1.00%	530	58,617	-	10,460	48,157	3	-	30	-
		Detention Basins	1.00%	26	2,895	-	504	2,391	3	120	40	-
Nodes (pits), inlets and outlets		1.00%	98	10,855	-	1,910	8,945	3	254	225	-	
Total				654	72,367	-	12,874	59,493		374	295	-
Total - All Assets				4,053	274,832	-	90,850	183,982		8,344	6,300	5,135

Additional Information Supporting Special Schedule 7

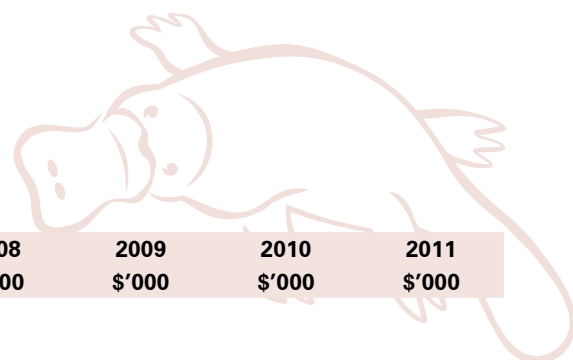
Road Pavements - Of the \$6,496K, \$5,740K is the estimated costs to restore road pavements to an acceptable standard, in the Narellan Vale, Currans Hill and Mount Amman areas. These roads were constructed between 1990 and 1995. The construction works carried out by the developer are considered to be 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.

Buildings – Swimming Pool - A review of the Mount Amman Leisure Centre has revealed a number of defects that require rectification works.

Condition Rating Description :

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

Special Schedule No 8 Financial Projections



	2007 ⁽¹⁾	2008	2009	2010	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
RECURRENT BUDGET					
Income from Continuing Operations					
Rates & Annual Charges	25,092	27,088	28,980	31,450	35,243
User Charges & Fees	3,879	3,683	3,711	3,893	4,050
Interest Income	2,341	1,888	1,944	1,965	1,986
Other Revenues from Ordinary Activities	1,478	1,389	1,151	962	1,002
Operating Grants	3,870	3,856	3,931	4,017	4,050
Operating Contributions	1,260	309	384	459	514
Profit from Sale of Assets	159	100	50	-	-
Grants for Capital Purposes	643	546	532	536	542
*Contributions for Capital Purposes	19,794	10,875	15,701	49,536	46,311
TOTAL INCOME FROM CONTINUING OPERATIONS	58,516	49,734	56,374	92,818	93,698
Expenses from Continuing Operations:					
Employee Costs	18,578	18,876	19,950	20,830	21,788
Interest Charges	622	638	713	698	691
Materials & Contracts	11,792	10,983	10,620	10,960	11,663
Depreciation	6,547	7,755	8,362	8,624	8,660
Other Expenses	6,596	3,713	3,831	3,915	4,052
TOTAL EXPENSES FROM CONTINUING OPERATIONS	44,135	41,965	43,476	45,027	46,854
OPERATING RESULT FROM CONTINUING OPERATIONS	14,381	7,769	12,898	47,791	46,844
Note (1) From Income Statement.					
*Increases in "Contributions for Capital Purposes" over the next 4 years relate primarily to Works-in-Kind and Dedications in line with increased development activity.					
NEW CAPITAL WORKS					
Capital Budget					
- Major Road Improvements/Construction	3,575	5,269	5,316	2,038	2,221
- Carparking Construction	132	3,422	300	-	-
- Water Quality Improvements	2,202	1,530	460	60	60
- Building Construction/ Improvements Works	2,471	1,054	250	259	3,566
- Outdoor Recreational Facility Provision	1,327	330	805	471	235
	9,707	11,605	7,131	2,828	6,082
Funded by:					
- Loans	1,547	2,573	1,574	1,600	1,600
- Asset Sales	-	-	-	-	-
- Internal Cash Restrictions	966	1,657	-	-	-
- Developer Contributions Restrictions	5,793	6,360	5,047	696	3,901
- Grants and Contributions	939	667	417	417	417
- Recurrent Revenue	421	288	33	55	104
- Other	41	60	60	60	60
	9,707	11,605	7,131	2,828	6,082

The Financial Projections for New Capital Works balance to the 2007/08 Management Plan Capital Works Schedule excluding the following items:

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