



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:

37 John Street
Camden, NSW 2570.

The Financial Report was authorised for issue by the Council on 25th November 2008. 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 2008

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

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

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



Cr Chris Patterson
Mayor



Greg Wright
General Manager

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

- 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 14th October 2008.



Cr David Funnell
Deputy Mayor



Paul Rofe
Responsible Accounting Officer

Executive Summary



Camden Council remains in a “current” stable financial position with most financial indicators equal to or above industry standards as at 30 June 2008.

Although Council’s financial position is stable, it is clear that the funding of future budgets is going to be more difficult for Council. Council is still reporting an operating deficit before capital which indicates that Council is not generating enough income to fund its operational activities. As a result, discretionary funds continue to decrease, the infrastructure backlog continues to grow and the maintenance budget is not keeping up with growth and rising costs.

Further, to fund the 2008/09 budget Council was required to use part of the 2007/08 budget surplus and additional reserve funds. This is unsustainable.

Council is reviewing its revenue raising policy as part of the 2009/10 annual budget. It is expected that after consultation with the community that Council will apply to the Department of Local Government for a Special Rate Variation. In the immediate future this budget shortfall could be addressed through supplementary rate income as a result of the large areas of land being released in the Camden LGA, but with the slowing of growth due to the world economy this is an unreliable source of income.

The following table highlights the ‘financial performance’ comparison between 2006/07 and 2007/08:

	2006/07 \$'000	2007/08 \$'000
Operating Expenses	\$40,835	\$44,509
Operating Revenues	\$38,079	\$43,492
Operating Result (Before Capital Revenue)	(\$2,756)	(\$1,017)
Capital Revenue	\$18,277	\$12,052
Operating Result (After Capital Revenue)	\$15,521	\$11,035

The financial result, after accounting for capital grants and contributions, was an \$11mil surplus. This result is due to noncash contributions such as road and open space dedications from developers to Council. Council received a total of \$5mil in dedicated assets in 2007/08. The remaining balance of the operating surplus primarily relates to Section 94 cash payments which are restricted for the purpose for which they are collected.

It is important to note that the operating surplus after capital revenue of \$11mil 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.

The net value of assets owned by our community is \$372mil (2007=\$336mil). The majority of this wealth relates to our ownership of land and infrastructure assets such as roads, bridges, footpaths, and stormwater drainage. Council was required to adopt “fair value” (market value) accounting for operational land and buildings for 2007/08 this added \$25mil to Council’s total equity as at 30 June 2008.

Financial Health Check Indicators

To assist readers interpret the 2007/08 Annual Financial Reports, a number of key financial indicators are graphically presented to provide a ‘snapshot’ of Council’s financial health.

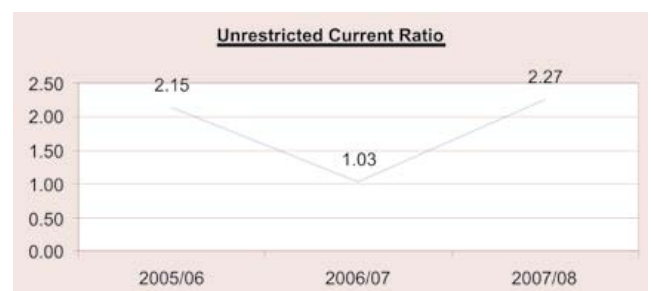
It is important for readers to focus on the trend of results rather than the result of an individual year.

1. Unrestricted Current Ratio

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

Local Government Benchmark

- 1. Ratio GREATER than 2:1 **GREEN**
- 2. Ratio BETWEEN 1:1 and 2:1 **AMBER**
- 3. Ratio LESS than 1:1 **RED**



Council's unrestricted current ratio has increased from 1.03:1 in 2006/07 to 2.27:1 in 2007/08, this ratio indicates that for every \$1 of current liability, Council has \$2.27 in current assets to fund that liability. The large increase in this ratio is a result of a reduction in Section 94 credits (liabilities) owed to developers. This liability has been off-set against contributions owed to Council for future development.

2. Debt Service Ratio

The debt service ratio measures Council's ability to service its outstanding debt. The ratio reflects the annual revenue necessary to service our annual debt obligations.

Council borrowed \$1.600mil in 2007/08 and repaid \$1.579mil resulting in a small decrease in this ratio. A decrease from 5.66%(2007) to 5.42% means that Council has marginally decreased its reliance on revenue for the repayment of loan borrowings.

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**



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 2007/08 is 5.89%).

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**



4. Buildings & Infrastructure Renewals Ratio

The Buildings and Infrastructure Renewals ratio measures how quickly Council is replacing assets compared to their consumption. The ratio was introduced for the first time in 2007/08.

The ratio for 2007/08 is 0.63:1; this means for every \$1 of asset we consume Council is spending 63 cents to replace it.

This not a result of poor management but due to a shortfall is discretionary funding. This ratio can be improved by spending more on capital upgrades or increasing infrastructure maintenance funding to extend the life of assets. This shortfall further supports a Special Rate Variation in 2009/10.

2007/08 & Beyond

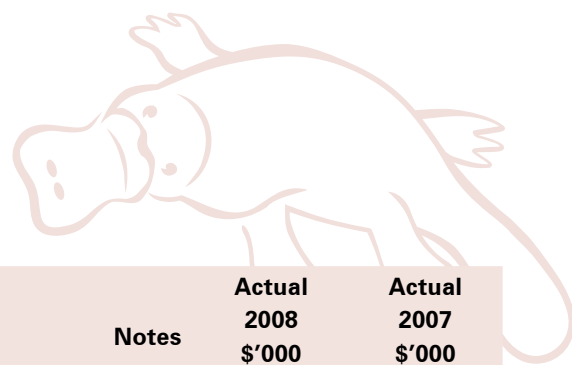
TCouncil is aware of the restraints being placed on future budgets due to growth and rising costs. Unless more income is generated Council may have to assess the current services and/or service levels provided to the community. As explained in this report the need for a Special Rate Variation is being investigated as part of the 2009/10 Management Plan and Annual Budget. Any proposed increase will go through a formal consultation process with the community.

The long-term financial viability of Camden 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**

Income Statement

For The Year Ended 30 June 2008



Original Budget(1) 2008 \$'000		Notes	Actual 2008 \$'000	Actual 2007 \$'000
INCOME FROM CONTINUING OPERATIONS REVENUES :				
27,088	Rates and Annual Charges	3(a)	26,804	25,092
3,683	User Charges and Fees	3(b)	5,902	3,898
1,887	Interest and Investment Revenue	3(c)	2,461	2,341
1,389	Other Revenues	3(d)	3,067	1,475
4,165	Grants and Contributions Provided for Operating Purposes	3(e&f)	4,759	5,113
11,422	Grants & Contributions provided for Capital Purposes	3(e&f)	12,052	18,277
OTHER REVENUES:				
100	Net Gains from the Disposal of Assets	5	499	160
49,734	TOTAL INCOME FROM CONTINUING OPERATIONS		55,544	56,356
EXPENSES FROM CONTINUING OPERATIONS				
18,876	Employee Benefits and On-Costs	4(a)	20,043	18,578
638	Borrowing Costs	4(b)	642	622
10,984	Materials and Contracts	4(c)	13,744	11,625
7,755	Depreciation and Amortisation	4(d)	6,563	6,547
3,713	Other Expenses	4(e)	3,517	3,463
41,966	TOTAL EXPENSES FROM CONTINUING OPERATIONS		44,509	40,835
7,768	OPERATIONS RESULT FROM CONTINUING OPERATIONS		11,035	15,521
7,768	NET OPERATING RESULT FOR THE YEAR		11,035	15,521
Attributable to :				
7,768	Camden Council		11,035	15,521
7,768			11,035	15,521
(3,654)	NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES		(1,017)	(2,756)

Note:

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

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

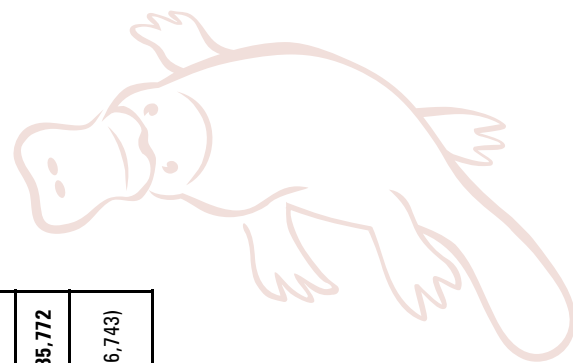
Balance Sheet as at 30 June 2008

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6(a)	2,716	1,673
Investments	6(b)	25,450	28,100
Receivables	7	3,281	4,385
Inventories	8	359	372
Other	8	369	387
TOTAL CURRENT ASSETS		32,175	34,917
NON-CURRENT ASSETS			
Receivables	7	420	398
Infrastructure, Property, Plant and Equipment	9	361,577	327,173
TOTAL NON-CURRENT ASSETS		361,997	327,571
TOTAL ASSETS		394,172	362,488
LIABILITIES			
CURRENT LIABILITIES			
Payables	10(a)	4,255	9,694
Borrowings	10(a)	1,793	1,791
Provisions	10(a)	5,471	4,972
TOTAL CURRENT LIABILITIES		11,519	16,457
NON-CURRENT LIABILITIES			
Payables	10(a)	2,287	1,771
Borrowings	10(a)	8,333	8,314
Provisions	10(a)	153	174
TOTAL NON-CURRENT LIABILITIES		10,773	10,259
TOTAL LIABILITIES		22,292	26,716
NET ASSETS		371,880	335,772
EQUITY			
Retained Earnings	20	346,963	335,772
Revaluation Reserves	20	24,917	-
Council Equity Interest		371,880	335,772
TOTAL EQUITY		371,880	335,772

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

Statement Of Changes In Equity

For The Year Ended 30 June 2008



	Notes	2008 \$000					2007 \$000			
		Retained Earnings	Asset Revaluation Reserve	Council Equity Interest	Minority Interest	Total	Retained Earnings	Asset Revaluation Reserve	Council Equity Interest	Total
Balance at beginning of the reporting period	20	335,772	-	335,772	-	335,772	326,994	-	326,994	326,994
Transfers to/(from) Asset Revaluation Reserve		-	24,917	24,917	-	24,917	-	-	-	-
Other adjustments		156	-	156	-	156	(6,743)	-	(6,743)	(6,743)
Net movements recognised directly in equity		156	24,917	25,073	-	25,073	(6,743)	-	(6,743)	(6,743)
Net Operating Result for the year		11,035	-	11,035	-	11,035	15,521	-	15,521	15,521
Total recognised income and expense for the year		11,191	24,917	36,108	-	36,108	8,778	-	8,778	8,778
Balance at end of the reporting period		346,963	24,917	371,880	-	371,880	335,772	-	335,772	335,772
Effect of correction of errors in previous years on retained earnings		-	-	-	-	-	(6,743)	-	(6,743)	(6,743)

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 2008

Original Budget 2008 \$'000		Notes	Actual 2008 \$'000	Actual 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts:				
26,972	Rates and Annual Charges		26,857	25,085
3,678	User Charges and Fees		6,183	4,123
1,977	Investment Income		2,292	2,320
7,365	Grants and Contributions		12,043	9,741
1,165	Other operating receipts		6,297	3,994
Payments:				
(18,881)	Employee Costs		(19,565)	(18,130)
(10,223)	Materials and Contracts		(20,047)	(14,060)
(623)	Borrowing Costs		(615)	(625)
(3,224)	Other operating payments		(4,766)	(5,009)
<u>8,206</u>	Net Cash Provided by (or used in) Operating Activities	11	<u>8,679</u>	<u>7,439</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts:				
410	Proceeds from sale of Infrastructure, Property, Plant & Equipment		783	280
9,400	Proceeds from sale of Investment Securities		24,250	22,038
Payments:				
(11,904)	Purchase of Infrastructure, Property, Plant & Equipment		(11,090)	(12,839)
(6,800)	Purchase of Investment Securities		(21,600)	(17,715)
<u>(8,894)</u>	Net Cash provided by (or used in) Investing Activities		<u>(7,657)</u>	<u>(8,236)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts:				
2,645	Proceeds from Borrowings and Advances		1,600	1,600
Payments:				
(1,577)	Repayments from Borrowings and Advances		(1,579)	(1,369)
<u>1,068</u>	Net Cash Provided by (or used in) Financing Activities		<u>21</u>	<u>231</u>
<u>380</u>	Net Increase/(Decrease) in cash held		<u>1,043</u>	<u>(566)</u>
<u>1,900</u>	Cash Assets at beginning of Reporting Period	11	<u>1,673</u>	<u>2,239</u>
<u>2,280</u>	Cash Assets at end of Reporting Period	11	<u>2,716</u>	<u>1,673</u>

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



Notes to the Financial Statements

For The Year Ended 30 June 2008



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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 2008 are as follows:

Total income from continuing operations	\$142,537
Total expenditure from continuing operations	\$91,082
Total operating surplus	\$51,455
Total net assets (Equity) held	\$198,202

(ii) The Trust Fund

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

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these reports. A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

(iii) Joint venture entities

The interest in a joint venture partnership is accounted for using the equity method and is carried at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet. Camden Council does not have any joint venture projects for the year ending 30 June 2008.

(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 2008.

(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 (IPPE)

Council's assets are being progressively revalued to fair value in accordance with a staged implementation advised by the Department of Local Government. At balance date the following classes of IPPE were stated at their fair value:

- Operational land (External Valuation).
- Buildings – Specialised/Non Specialised (External Valuation).
- Plant and Equipment (as approximated by depreciated historical cost).

Increase in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reserves a decreases previously recognising profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

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

Office equipment	5 years
Office furniture	7 years
Vehicles and road making equipment	5-7 years
Other plant and equipment	5-7 years
Building :	
- Structure	40 years
- Roof membrane & Air Conditioning	20 years
- Lifts & escalators	25 years
- Lifts & escalators	25 years
- Fire services	30 years
- Floor coverings	10 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	80-100 years
Sealed roads	– Surface 50 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 2008.

(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 2008 was \$276K. 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 pasts service liabilities \$2,980.3million, giving it a surplus of \$310.8million. The existence of this surplus has resulted in Councils contributing in 2007/2008 at half the normal level of contributions. The financial position is monitored annually and as a result of subsequent investment market conditions councils will be required to contribute at the full 'notional' contribution rate from 1 July 2008.

(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 the new Standard for Land Under Roads (AASB 1051) becomes applicable (July 2008).

(v) 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).

(w) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown. Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

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

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 intension of developing a consistent approach to their recognition and future accounting treatment across both tiers of government.

(x) Rural Fire Service assets

Under section 119 of the Rural Fire Services Act 1997, "all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed". Until such time as discussions on this matter have concluded and the legislation changed, councils will continue to account for these assets as they have been doing in previous years.

(y) 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.

(z) Comparative Figures for the year 2007

Where necessary the comparative figures for the year ending 2007 have been re-categorised.

(aa) Section 94 Projections – Note 17

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

- projected future contributions;
- projected future costs of works still outstanding; and
- projected over/(under) funding.

Camden Local Government Area has experienced significant growth in recent years. There are currently eleven (11) Contributions Plans that apply within the LGA to ensure that the infrastructure, services and facilities required to meet the demand generated by this growth is provided in a timely manner. These plans are between 4-15 years old and some are quite dated and in need of review. As a result, it is difficult to determine with accuracy the projected future contributions, cost of works to be completed and funding difference as development projections have changed, and the scope and cost of works may be different as new approaches to infrastructure delivery have been adopted.

To achieve the reporting requirements of Note 17 – Statement of Contributions, the following methodology has been applied for all contributions plans:

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

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

Camden LGA is again on the verge of significant growth with the recent release of the first precincts in the South West Growth Corridor. This corridor is expected to be home to an additional 150,000 residents and provide local employment opportunities. The population of Camden LGA is expected to grow from 51,000 (current) to 230,000 people. To deal with the expected increases, Council has commenced a program of reviewing its Contributions Plans.

Camden Contributions Plan 2004 is the main contribution plan for the LGA (excluding the Growth Corridor) and is the first plan to be reviewed. Council has engaged Newplan Pty Ltd to undertake this task. As a result of the review, Council will be able to more accurately provide information about projected future contributions and cost of works to be completed.

Following completion of the review of this plan, Council will review all remaining contributions plans. This process must be complete by 2010, ahead of the date when plans will be automatically repealed in accordance with recent legislative changes.

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

In addition to the establishing a committee and commencing a review of all contributions plans, Council will prepare a Policy & Procedure Manual relating to all aspects of development contributions management (including Works In Kind and Voluntary Planning Agreements). As a result of these actions, Council will be able to provide a more accurate projection of income, costs and funding differences in future reports.

(ab) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

Title and topic	Issued	Applicable ⁽¹⁾	Impact
(a) AASB-I 12 Service Concession Arrangements, AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements: Disclosures	February 2007	1 January 2008	Nil – Council is not party to any Service Concession Arrangements.
(b) AASB 8 Operating Segments and AASB 2007- 3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(c) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the Council already capitalises borrowing costs relating to qualifying assets.
(d) AASB-I 13 Customer Loyalty Programmes	August 2007	1 July 2008	Nil – Council has no customer Loyalty Programmes.
(e) AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	August 2007	1 January 2008	Nil – The Interpretation provides guidance on the maximum amount that may be recognised as an asset in relation to a defined benefit plan and the impact of minimum funding requirements on such an asset. Council does not recognise any assets in respect of its contributions to defined benefit plans as they cannot be reliably measured. As a result, there is not expected to be any impact on the financial statements.

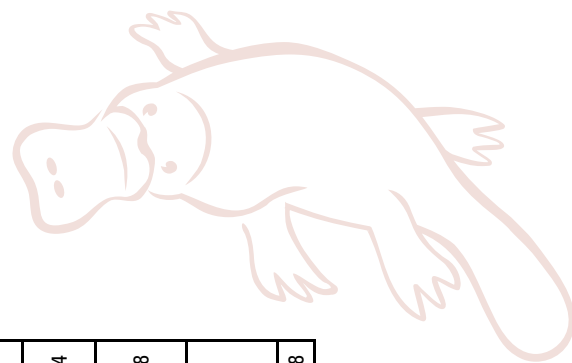
Title and topic	Issued	Applicable ⁽¹⁾	Impact
Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007- 10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (Statement of financial position), this one being as at the beginning of the comparative period.
AASB 1049 Whole of Government and General Government Sector Financial Reporting	October 2007	1 July 2008 ⁽²⁾	Nil – The Standard is not applicable to Local Governments.
AASB 1050 Administered Items; AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	December 2007	1 July 2008 ⁽²⁾	<ul style="list-style-type: none"> • AASB 1050 is only applicable to Government departments and will have no impact on Council. • AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised. This Standard will have a significant impact on the Council's financial statements. • AASB 1052 requires disclosure of financial information by function or activity. Council already provides this information in Note 2(a) so there will be no additional impact on the financial statements. • AASB 1004 requires contributions made to Council to be recognised at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.

Notes:

- (1) Applicable to reporting periods commencing on or after the given date.
(2) Applicable only to not-for-profit and/or public sector entities.

Notes To The Financial Statements - Note 2(a)

For The Year Ended 30 June 2008



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 2008 \$'000	ACTUAL 2008 \$'000	ACTUAL 2007 \$'000	ORIGINAL BUDGET 2008 \$'000	ACTUAL 2008 \$'000	ACTUAL 2007 \$'000	ORIGINAL BUDGET 2008 \$'000	ACTUAL 2008 \$'000	ACTUAL 2007 \$'000	ACTUAL 2008 \$'000	ACTUAL 2007 \$'000	ACTUAL 2008 \$'000	ACTUAL 2007 \$'000
PRINCIPAL ACTIVITIES													
Sustainable Urban Growth	4,468	3,259	3,242	3,776	5,864	4,831	692	(2,605)	(1,589)	27	47	2,235	2,267
Accessibility	5,197	11,651	6,519	8,841	6,588	5,485	(3,644)	5,063	1,034	302	318	103,694	95,807
Environmental Systems	9,920	6,939	7,474	7,794	7,017	6,155	2,126	(78)	1,319	38	112	66,996	66,540
Economic & Community Development	2,757	4,899	4,540	12,481	12,675	9,775	(9,724)	(7,776)	(5,235)	1,954	1,825	214,160	190,040
Governance	1,105	1,570	10,094	9,074	12,365	14,589	(7,969)	(10,795)	(4,495)	-	-	7,187	7,834
TOTAL PRINCIPAL ACTIVITIES	23,447	28,318	31,869	41,966	44,509	40,835	(18,519)	(16,191)	(8,966)	2,321	2,302	394,172	362,488
GENERAL PURPOSE INCOME	26,287	27,226	24,487	26,287				27,226	24,487	2,243	2,211		
TOTALS	49,734	55,544	56,356	41,966	44,509	40,835	7,768	11,035	15,521	4,564	4,513	394,172	362,488

Notes To The Financial Statements- Note 2(b)

Components of Principal Activities

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

Sustainable Urban Growth

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

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

Accessibility

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

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

Environmental Systems

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

Costs relating to the delivery of this strategic outcome include : animal control, regulatory compliance, storm water drainage, pollution control, health services, sewerage systems, and waste management.

Economic & Community Development

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

Costs relating to the delivery of this strategic outcome include: civic centre, family day care, library services, tourism, community development, emergency services, business & economic development, recreation & leisure, and entrepreneurial services.

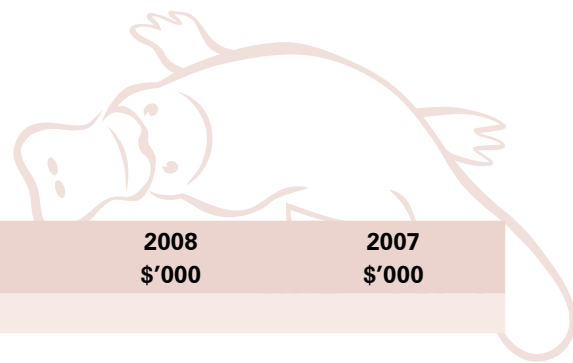
Governance

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

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

Notes To The Financial Statements - Note 3

Revenues From Continuing Operations



	2008 \$'000	2007 \$'000
(a) RATES AND ANNUAL CHARGES		
ORDINARY RATES		
Residential	18,178	16,964
Farmland	392	473
Business	3,953	3,633
	22,523	21,070
ANNUAL CHARGES		
Domestic Waste Management Services	4,281	4,022
	4,281	4,022
TOTAL RATES & ANNUAL CHARGES	26,804	25,092
(b) USER CHARGES & FEES		
USER CHARGES		
Domestic Waste Management	24	5
Commercial Waste Management	433	416
Sullage and Septic	136	114
Public Halls	923	705
Recreational Services	1,484	327
	3,000	1,567
FEES		
Private Works	164	78
Sec 611 Charges	19	18
Child Care	147	127
Town Planning	1,221	1,044
Building Services	1,191	951
Library Services	65	44
Cemeteries	60	41
Other	35	28
	2,902	2,331
TOTAL USER CHARGES & FEES	5,902	3,898
(c) INTEREST & INVESTMENT REVENUE		
Interest on Overdue Rates & Charges	279	266
Development Contributions:		
- Section 94 (under plans)	1,163	1,150
- Non Section 94 (not under plans)	5	4
Interest on Investments	1,014	921
GROSS INVESTMENT REVENUES	2,461	2,341
TOTAL INVESTMENT REVENUES	2,461	2,341

	2008 \$'000	2007 \$'000
(d) OTHER REVENUES		
Other Fines	92	94
Bushfire Services	51	-
Legal Fees Recovery	-	12
State Road Grass Cutting & Rubbish Collection	140	156
Vehicle Use Contribution	564	556
Employee Relations	151	130
Domestic Waste Management	23	16
Tourism Income	10	9
Development Service Income	30	34
Comission and Agency Fees	175	127
Settlement - Roadwroks	1,500	-
Miscellaneous Sales	17	86
Other	314	255
TOTAL OTHER REVENUE	3,067	1,475

	Notes	OPERATING		CAPITAL	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(e) GRANTS					
General Purpose (Untied)					
- Financial Assistance		1,372	1,401	-	-
- Financial Assistance- Local Roads		602	574	-	-
- Pensioners' Rates Subsidy (General)		269	237	-	-
Specific Purpose					
- Roads & Bridges		-	-	324	318
- Planning & Development		27	47	-	-
- Recreational Services		21	260	210	130
- Health Services		38	111	-	-
- Community Care Services		1,372	1,119	27	188
- Bushfire & Emergency Services		105	121	197	7
TOTAL GRANTS & SUBSIDIES		3,806	3,870	758	643
Comprising					
- Commonwealth Funding		3,245	3,184	561	636
- State Funding		561	686	197	7
		3,806	3,870	758	643

(f) CONTRIBUTIONS					
Developers Contributions					
- Roadworks		-	-	1,993	1,007
- Roadworks-In Kind		-	-	-	1,538
- Drainage		-	-	2,215	735
- Drainage-In Kind		-	-	-	753
- Traffic Facilities		-	-	79	14
- Parking		-	-	-	83
- Open Space		-	-	918	325
- Open Space-In Kind		-	-	-	5,746
- Community Facilities		-	-	800	1,315
- Other		215	155	14	21

	OPERATING		CAPITAL	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
RTA Contributions	83	78	384	379
Roadworks	-	-	-	46
Dedicated Drainage	-	-	1,628	1,545
Dedicated Open Space	-	-	-	195
Dedicated Subdivision Roads	-	-	3,263	3,927
Community Facilities	655	1,010	-	5
TOTAL CONTRIBUTIONS & DONATIONS	953	1,243	11,294	17,634
TOTAL GRANTS & CONTRIBUTIONS	4,759	5,113	12,052	18,277

It should be noted that the reconcilable item between Note 17(Contributions Received) and Developer Contributions as disclosed in Note 3 is the payment of the 2007 Section 94 debtor.

	2008 \$'000	2007 \$'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	49	323
- Day Care Centre	32	58
- Noxious Weeds	4	30
- Library	2	7
- Tourism	3	-
- Water Grants	41	57
- Other	340	293
Contributions:		
- Drainage	3,157	889
- Roads	2,483	1,303
- Traffic Facilities	136	89
- Parking	(5)	-
- Open Space	4,008	910
- Community Facilities	(108)	542
- Other	206	27
	10,348	4,528

LESS

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

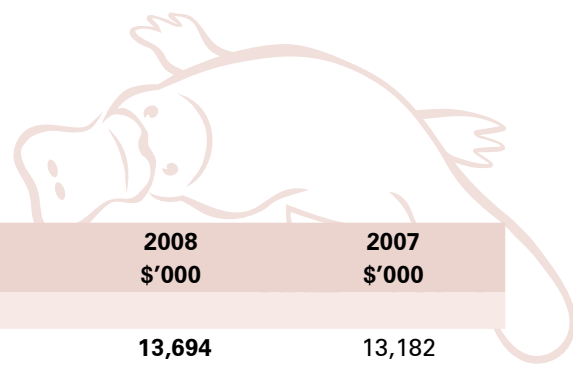
Grants:

- Roadworks	466	79
- Day Care Centre	58	76
- Noxious Weeds	28	38
- Library	7	200
- Tourism	6	95
- Water Grants	32	134
- Other	232	188

	2008 \$'000	2007 \$'000
(g) RESTRICTIONS RELATING TO GRANTS & CONTRIBUTIONS		
Contributions:		
- Drainage	2,702	2,256
- Roads	2,770	1,484
- Traffic Facilities	521	150
- Parking	-	43
- Open Space	5,009	3,300
- Community Facilities	543	1,609
- Other	314	140
	12,688	9,792
NET INCREASE/(DECREASE) IN RESTRICTED GRANTS AND CONTRIBUTIONS		
Grants:		
- Roadworks	(417)	244
- Day Care Centre	(26)	(18)
- Noxious Weeds	(24)	(8)
- Library	(5)	(193)
- Tourism	(3)	(95)
- Water Grants	9	(77)
- Other	108	105
Contributions:		
- Drainage	455	(1,367)
- Roads	(287)	(181)
- Traffic Facilities	(385)	(61)
- Parking	(5)	(43)
- Open Space	(1,001)	(2,390)
- Community Facilities	(651)	(1,067)
- Other	(108)	(113)
	(2,340)	(5,264)

Notes To The Financial Statements- Note 4

Expenses



	2008 \$'000	2007 \$'000
(a) EMPLOYEE COSTS		
Salaries & Wages	13,694	13,182
Travelling	1,370	1,127
Employee Leave Entitlements	2,296	2,007
Superannuation	1,437	1,271
Workers Compensation Insurance	1,047	852
Fringe Benefits Tax	88	77
Training Costs (Excluding Salaries)	280	212
Other	248	375
Less: Capitalised Costs	(417)	(525)
TOTAL OPERATING EMPLOYEE COSTS	20,043	18,578
Number of Employees (Full time equivalent at end of reporting period)	278	255
(b) BORROWING COST		
Interest on Loans	642	622
TOTAL INTEREST CHARGES	642	622
(c) MATERIALS AND CONTRACTS		
Contractor and consultancy costs	1,170	1,304
Agency Agreements	418	431
Auditor's Remuneration		
- Audit Services	35	32
Legal Expenses		
- Planning & Development	176	98
- Other Legal Expenses	208	239
Office Administration	418	497
Building Maintenance	504	426
Information Technology	213	153
Function Centre Administration	226	170
Community Support Programs	1,125	1,267
Pollution Control	19	21
Waste Management Disposal Cost	1,880	1,626
Emergency Services	75	98
Infrastructure Maintenance and Repairs	1,729	1,373
Companion Animal Control	92	93
Parks and Gardens Maintenance	1,692	1,662
Tree Maintenance	218	246
Noxious Weeds Control	69	192
Private Works	19	17
Plant Management	1,704	1,507
Recreational Services	1,678	-
Other	76	173
TOTAL MATERIAL & CONTRACTS	13,744	11,625

	2008 \$'000	2007 \$'000
(d) DEPRECIATION		
Plant & Equipment	1,258	1,193
Office Equipment	318	393
Furniture & Fittings	65	106
Land Improvements	1,080	1,078
Buildings - non specialised	5	-
Buildings - specialised	739	739
Other Structures	155	129
Infrastructure		
- Roads, Bridges & Footpaths	2,663	2,531
- Storm Water Drainage	692	654
Other Assests		
- Library Books	115	132
- Other	155	148
Less: Capitalised and distributed costs	(682)	(556)
TOTAL DEPRECIATION, AMORTISATION & IMPAIRMENT	6,563	6,547
(e) OTHER EXPENSES		
Mayoral Fee	32	28
Councillor's Fees & Allowances	131	121
Councillor's (Incl. Mayor) Expenses	63	45
Insurances	620	591
Street Lighting	570	507
Light, Power & Heating	272	262
Telephone & Communications	221	264
Donations & Contributions to Local & Regional Bodies	114	86
Advertising General	190	172
Water Charges	130	140
Bushfire Services	269	234
Development Operating Expenses	97	185
Information Technology Expenses	143	212
Rates Collection Charges	138	83
Land Assets - Write-Off	47	-
Demolished Buildings - Write-Off	76	-
Other	404	533
TOTAL OTHER EXPENSES	3,517	3,463

Notes To The Financial Statements - Note 5

Gain or Loss on Disposal of Assets

	2008 \$'000	2007 \$'000
DISPOSAL OF PROPERTY		
Proceeds from Disposal	-	40
Less : Carrying Amount of Assets Sold	-	-
GAIN (LOSS) ON DISPOSAL	-	40
DISPOSAL OF INFRASTRUCTURE, PLANT AND EQUIPMENT		
Proceeds from Disposal	660	240
Less : Carrying Amount of Assets Sold	161	120
GAIN (LOSS) ON DISPOSAL	499	120
TOTAL GAIN (LOSS) ON DISPOSAL OF ASSETS	499	160

Notes To The Financial Statements- Note 6

Cash Assets and Investments

	2008 \$000		2007 \$000	
	Current	Non-Current	Current	Non-Current
(a) CASH AND CASH EQUIVALENTS				
Cash on Hand and at Bank	1,416	-	333	-
Deposits at Call	1,300	-	1,340	-
TOTAL CASH AND CASH EQUIVALENTS	2,716	-	1,673	-
(b) INVESTMENTS				
Summary				
Financial assets at fair value through profit and loss	25,450	-	28,100	-
TOTAL	25,450	-	28,100	-
Financial assets at fair value through profit and loss				
At beginning of year	28,100	-	32,422	-
Additions	21,600	-	17,715	-
Disposals	(24,250)	-	(22,037)	-
At end of year	25,450	-	28,100	-
Held for trading:				
Term Deposits (Short Term)	25,450	-	28,100	-
	25,450	-	28,100	-

Notes To The Financial Statements - Note 6(c)

Restricted Cash, Cash Equivalents and Investments

	Notes	2008 \$000		2007 \$000	
		Current	Non-Current	Current	Non-Current
Cash & Cash Equivalent Assets		2,716	-	1,673	-
Investment Securities		25,450	-	28,100	-
TOTAL CASH & INVESTMENT SECURITIES		28,166	-	29,773	-
External Restrictions		18,092	-	20,096	-
Internal Restrictions		9,971	-	9,034	-
Unrestricted		103	-	643	-
		28,166	-	29,773	-

DETAILS OF MOVEMENTS OF RESTRICTED CASH ASSETS & INVESTMENT SECURITIES		Opening Balance 30 June 2007	Movements		Closing Balance 30 June 2008
		\$000	Transfer to Restrictions \$000	Transfer from Restrictions \$000	\$000
EXTERNAL RESTRICTIONS					
Included in liabilities					
Retention Bonds - Developer Contribution	17	-	1,760	-	1,760
		-	1,760	-	1,760
Other					
Developer Contributions	17	15,979	5,650	9,393	12,236
RTA Contributions		43	12	43	12
Unexpended Grants		541	872	1,089	324
Roads to Recovery - Interest		-	32	-	32
Domestic Waste Management		3,436	1,374	1,353	3,457
Stormwater Management		-	319	112	207
Other		96	64	96	64
		20,095	8,323	12,086	16,332
TOTAL EXTERNAL RESTRICTIONS		20,095	10,083	12,086	18,092

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

	Opening Balance 30 June 2007	Movements		Closing Balance 30 June 2008
	\$000	Transfer to Restrictions \$000	Transfer from Restrictions \$000	\$000
INTERNAL RESTRICTIONS				
Employee Leave Entitlements	845	248	508	585
Refundable Bonds/Deposits	1,954	871	267	2,558
Other:				
Plant Replacement	-	237	-	237
Working Funds Reserve	-	300	-	300
Carry-over works	625	729	508	846
Loan Repayment Reserve	79	9	-	88
Capital Works Reserve	4,478	-	309	4,169
Cemetery Improvements	109	38	-	147
Workers Compensation Reserve	40	198	41	197
Camden Parking Reserve	121	-	-	121
EDP Equipment Reserve	46	-	46	-
Community Facility	8	-	-	8
Engineering Services	459	-	56	403
Public Appeals Reserve	40	-	-	40
Family Day Care Trust	70	33	-	103
Community Bus Restricted Income	14	-	-	14
On Site Sewage Management	-	10	-	10
Sec 355 Committee Reserve	147	-	2	145
TOTAL INTERNAL RESTRICTIONS	9,035	2,673	1,737	9,971

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

Notes To The Financial Statements- Note 7

Receivables and Restricted Receivables

	2008		2007	
	\$000		\$000	
	Current	Non-Current	Current	Non-Current
Rates and Annual charges	1,283	361	1,376	231
Interest and Extra Charges	352	59	165	77
Government Grants and Subsidies	89	-	177	-
Bushfire Grants	105	-	120	-
RTA Government Grants	163	-	148	-
Health & Environment Inspections	5	-	14	-
Government Subsidy - Dept of Planning	15	-	-	-
Water/Electricity	11	-	9	-
Employee Accounts	12	-	20	-
Waste Management(Commercial)	-	-	1	-
Stormwater Management Levy	22	-	-	-
Reimbursement of Lease Rentals	5	-	5	-
Private Works/Road Restorations	33	-	32	-
Community Facilities Income	87	-	120	-
Goods and Services Tax	395	-	419	-
Section 94 Payment	-	-	1,140	-
Accrued Interest on Investment	297	-	262	-
Other	423	-	415	-
TOTAL	3,297	420	4,423	398
Less : Allowance for Doubtful Debts:				
-Other	16	-	38	-
	3,281	420	4,385	398

Rates, Annual Charges, Interest & Extra Charges

Overdue rates and annual charges (being amounts not paid on or before the due date determined in accordance with the Local Government Act) are secured over the relevant land and are subject to simple interest at a rate of 10.00% (2007): 10.00%. Although Council is not materially exposed to any individual ratepayer, credit risk exposure is concentrated within the Council boundaries in the State of New South Wales.

Other levels of Government

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

Other Receivables

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

RESTRICTED RECEIVABLES	2008		2007	
	\$000	\$000	\$000	\$000
External Restrictions:				
Specific Purpose Grants	172	-	296	-
RTA Contributions	163	-	148	-
Sec 94 Developer Contributions	-	-	8	-
Sec 94 Land Dedication	-	-	1,140	-
Domestic Waste Management	336	59	299	55
Stormwater Management Levy	22	-	-	-
TOTAL EXTERNAL RESTRICTIONS	693	59	1,891	55
Capital Works Reserve	692	-	-	-
TOTAL INTERNAL RESTRICTIONS	692	-	-	-
Unrestricted Receivables	1,896	361	2,494	343
TOTAL RECEIVABLES	3,281	420	4,385	398

Notes To The Financial Statements - Note 8

Inventories Other Assets

	2008		2007	
	\$000		\$000	
	Current	Non-Current	Current	Non-Current
INVENTORIES				
Stores and Materials	346	-	345	-
Trading Stock	13	-	27	-
TOTAL INVENTORIES	359	-	372	-
OTHER ASSETS				
Prepayments	369	-	387	-
TOTAL OTHER ASSETS	369	-	387	-
<i>RESTRICTIONS EXIST IN RESPECT OF THE FOLLOWING:</i>				
Inventories				
Domestic Waste Management	11	-	13	-
	11	-	13	-

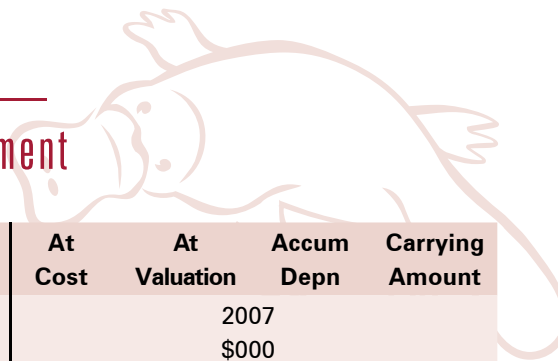
Notes To The Financial Statements- Note 9(a)

Infrastructure, Property, Plant and Equipment

	2007 \$'000					Carrying Amount Movements During The Year \$'000					2008 \$'000				
	At Cost	Fair Value	Accum Depn	Carrying Amount		Asset Purchases	Asset Disposals	Depreciation	Net Revaluation	At Cost	At Fair Value	Accum Depn	Carrying Amount		
BY ASSET TYPE															
Plant & Equipment	10,146	-	(6,490)	3,656		2,037	(160)	(1,258)	-	-	10,776	(6,501)	4,275		
Office Equipment	2,549	-	(1,523)	1,026	194		-	(318)	-	2,578	-	(1,676)	902		
Furniture & Fittings	1,227	-	(937)	290	8		-	(65)	-	1,235	-	(1,002)	233		
Land															
- Operational Land	8,458	-	(11)	8,447	-	-	-	-	24,555	-	33,002	-	33,002		
- Community Land	102,261	-	-	102,261	2,490	(47)	-	-	-	104,704	-	-	104,704		
Land Improvements - depreciable	38,973	-	(12,582)	26,391	675	-	-	(1,080)	-	39,647	-	(13,661)	25,986		
Buildings - non specialised	318	-	(103)	215	157	(76)	(5)	173	-	-	928	(464)	464		
Buildings - specialised	49,829	-	(15,142)	34,687	840	-	(739)	189	-	-	53,033	(18,056)	34,977		
Other Structures	4,644	-	(2,380)	2,264	74	-	(155)	-	-	4,719	-	(2,536)	2,183		
Infrastructure															
- Roads, Bridges, Footpaths	148,137	-	(60,905)	87,232	6,081	-	(2,663)	-	-	154,218	-	(63,568)	90,650		
- Stormwater Drainage	72,498	-	(13,006)	59,492	3,942	-	(692)	-	-	76,441	-	(13,699)	62,742		
Other Assets															
- Library Books	2,057	-	(1,484)	573	152	(1)	(115)	-	-	2,203	-	(1,594)	609		
- Other	2,943	-	(2,304)	639	366	-	(155)	-	-	3,478	-	(2,628)	850		
TOTALS	444,040	-	(116,867)	327,173	17,016	(284)	(7,245)	24,917	389,223	97,739	(125,385)	361,577			

Notes To The Financial Statements - Note 9(b)

Restricted Infrastructure, Property, Plant and Equipment



Class of Asset	At	At	Accum	Carrying	At	At	Accum	Carrying
	Cost	Valuation	Depn	Amount	Cost	Valuation	Depn	Amount
		2008				2007		
		\$000				\$000		
Domestic Waste Management								
- Plant & Equipment		5,958	4,155	1,803	5,630	-	3,944	1,686
- Land (Operational)		644	-	644	644	-	-	644
- Land Improvements (depreciable)	100		78	22	100	-	78	22
- Buildings		1,061	255	806	1,061	-	255	806
Total Domestic Waste	100	7,663	4,488	3,275	7,435	-	4,277	3,158
TOTAL RESTRICTIONS	100	7,663	4,488	3,275	7,435	-	4,277	3,158

Notes To The Financial Statements - Note 10(a)

Payables, Borrowings and Provisions

	2008 \$000		2007 \$000	
	Current	Non-Current	Current	Non-Current
PAYABLES				
Goods & Services	2,138	-	8,092	-
Payments received in advance	87	-	95	-
Accrued Expenses	86	-	59	-
Deposits, Retentions & Bonds	1,944	2,287	1,448	1,771
TOTAL PAYABLES	4,255	2,287	9,694	1,771
INTEREST BEARING LIABILITIES				
Loans				
-Secured	1,793	8,333	1,791	8,314
TOTAL BORROWINGS	1,793	8,333	1,791	8,314
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>				
PROVISIONS				
Annual Leave	1,687	-	1,525	-
Long Service Leave	3,784	153	3,447	174
TOTAL PROVISIONS	5,471	153	4,972	174
<i>Current payables not expected to be settled within the next 12 months.</i>	<i>3,780</i>	<i>-</i>	<i>3,541</i>	<i>-</i>
LIABILITIES RELATING TO RESTRICTED ASSETS				
Domestic Waste Management				
- Payables	84	-	415	-
Subtotal	84	-	415	-
Section 94				
- Retention Bonds	1,760	-	-	-
Subtotal	1,760	-	-	-
TOTAL	1,844	-	415	-

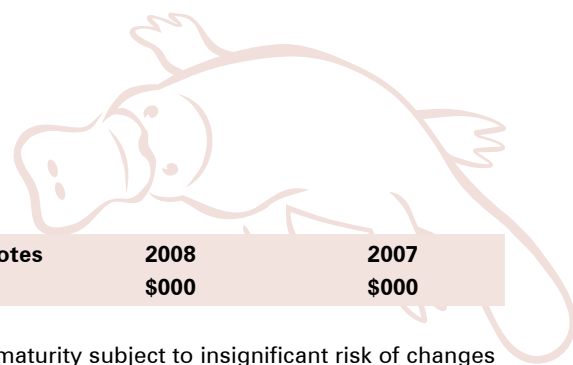
Notes To The Financial Statements - Note 10(b)

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	1,525	1,248	1,086	-	1,687
Long Service Leave	3,621	752	436	-	3,937
TOTAL	5,146	2,000	1,522	-	5,624

Notes To The Financial Statements - Note 11

Reconciliation of Cash Flow Movements



	Notes	2008 \$000	2007 \$000
(a) RECONCILIATION OF CASH ASSETS			
Cash Assets comprise of highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash and Cash Equivalents	6(a)	2,716	1,673
BALANCE AS PER CASH FLOWS STATEMENT		2,716	1,673
(b) RECONCILIATION OF NET OPERATING RESULT TO CASH PROVIDED FROM OPERATING ACTIVITIES			
Net Operating result from Income Statement		11,035	15,521
ADD :			
Depreciation, Amortisation & Impairment		6,563	6,547
Increase in Employee Benefits Provisions		478	713
Decrease in inventories		13	-
Decrease in other assets		18	-
Increase in trade creditors		-	160
Increase in accrued expenses payable		27	-
Increase in other payables		1,012	-
		20,250	22,941
LESS :			
Decrease in provision for doubtful debts		22	3
Increase in receivables		-	1,472
Increase in inventories		-	49
Decrease in trade creditors		5,962	57
Decrease in accrued expenses payable		-	49
Gain on Sale of Assets		499	160
Non-cash Capital Grants and Contributions		5,088	13,712
NET CASH PROVIDED FROM (OR USED IN) OPERATING ACTIVITIES FROM CASH FLOW STATEMENT		8,679	7,439
(c) NON-CASH FINANCING AND INVESTING ACTIVITIES			
Bushfire Grants		197	8
Developer Contributions in kind & Dedicated Assets		4,891	13,704
		5,088	13,712
(d) FINANCING ARRANGEMENTS			
Unrestricted access was available at balance date to the following :			
Bank Overdrafts ⁽¹⁾		430	430
Corporate Credit 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. Interest rates on overdrafts are variable while the rates for loans are fixed for the period of the loan.

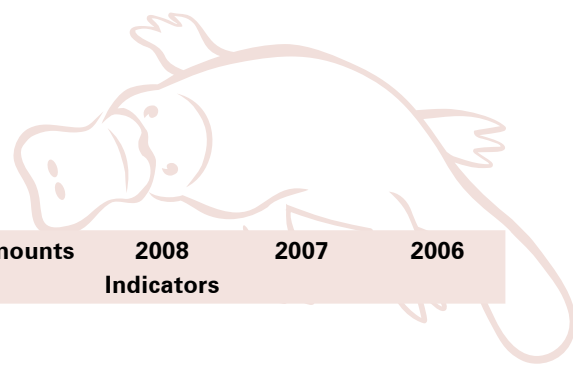
Notes To The Financial Statements - Note 12

Commitments for Expenditure

	Actual 2008 \$000	Actual 2007 \$000
(a) CAPITAL COMMITMENTS (exclusive of GST)		
Capital Expenditure committed for at the reporting date but not recognised in the Financial Statements as Liabilities :		
- Infrastructural Asset	885	442
	885	442
These Expenditures are Payable as Follows :		
- Not Later Than One Year	885	442
TOTAL	885	442
(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	175	-
- Cleaning and Mowing Services	358	358
- Landscape and Tree Maintenance	375	388
- Other	145	135
TOTAL	1,053	881
These Expenditures are Payable as follows :		
- Not Later Than One Year	899	881
- Later than one year and not later than 5 years	154	-
TOTAL	1,053	881
(c) OPERATING LEASE COMMITMENTS		
Commitments under Non-Cancellable Operating Leases at the reporting date but not recognised in the Financial Statements		
- Motor Vehicle	1,049	500
- Photocopiers	175	134
- Other	11	27
TOTAL	1,235	661
These Expenditures are Payable as Follows :		
- Not Later Than One Year	848	509
- Later Than One Year and Not Later than 5 Years	387	152
TOTAL	1,235	661
(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	740	855
- Later Than One Year and Not Later Than 5 Years	1,773	1,206
TOTAL	2,513	2,061

Notes To The Financial Statements - Note 13

Statement of Performance Measurement



	Amounts	2008	2007	2006
		Indicators		
UNRESTRICTED CURRENT RATIO				
Factors				
Current Assets less All External Restrictions ⁽¹⁾	\$13,379	2.27:1	1.03:1	2.15:1
Current Liabilities less Specific Purpose Liabilities ⁽²⁾⁽³⁾	\$5,895			
DEBT SERVICE RATIO				
Debt Service Cost	\$2,221	5.42%	5.66%	5.38%
Revenue from Continuing Operations excluding Capital Items and Specific Purpose Grants/Contributions	\$40,976			
RATE COVERAGE RATIO				
Rate & Annual Charges	\$26,804	48.26%	44.52%	53.21%
Revenue from Continuing Operations	\$55,544			
RATES & ANNUAL CHARGES OUTSTANDING PERCENTAGE				
Rates & Annual Charges Outstanding	\$2,055	7.08%	7.11%	7.96%
Rates & Annual Charges Collectable	\$29,022			
BUILDING & INFRASTRUCTURE RENEWALS & RATIO ⁽⁴⁾				
Asset renewals - Building & Infrastructure	\$2,691	0.63:1	<i>New ratio introduced 2008 - no comparatives available.</i>	
Depreciation, Amortisation, Impairment - Building & Infrastructure	\$4,254			

Notes:

(1) Refer to Notes 6-8 inclusive.

(2) Refer to Note 10(a)

(3) \$3.78m ELE transferred out

(4) Refer to Note 9(a)

Notes To The Financial Statements - Note 14

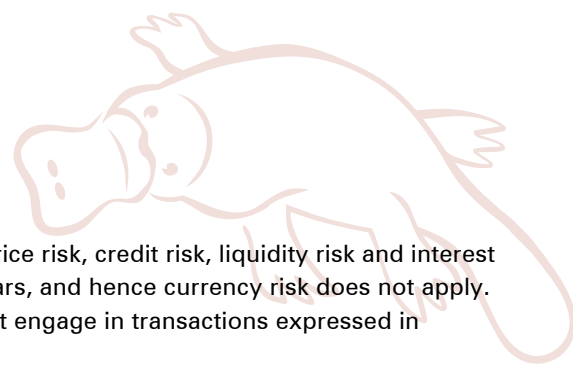
Investment Property

Council did not have any investment property for the year 2008.

	2008 \$000	2007 \$000
AT FAIR VALUE		
Opening Balance at 1 July	-	-
Acquisitions	-	-
Capitalised subsequent expenditure	-	-
Classified as held for sale	-	-
Net gain (loss) from fair value adjustment	-	-
Transfer (to) from inventories or infrastructure, property, plant & equipment	-	-
Carrying value of disposals	-	-
Closing Balance at 30 June	<u>-</u>	<u>-</u>
AMOUNTS RECOGNISED IN PROFIT AND LOSS		
Rental Income	-	-
Outgoings recouped	-	-
Net gain (loss) from fair value adjustment	<u>-</u>	<u>-</u>
Repairs, maintenance & other operating expenses		
- property generating rental income	-	-
- property not generating rental income	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Notes To The Financial Statements - Note 15

Financial Risk Management



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

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

Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
FINANCIAL ASSETS				
Cash and Cash Equivalents	2,716	1,673	2,716	1,673
Receivables	3,701	4,783	3,701	4,783
Financial assets at fair value through profit & loss	25,450	28,100	25,450	28,100
	31,867	34,556	31,867	34,556
FINANCIAL LIABILITIES				
Payables	6,542	11,465	6,542	11,465
Borrowings	10,126	10,105	10,126	10,105
	16,668	21,570	16,668	21,570

Fair value is estimated as follows:

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

a) Cash and Cash Equivalents

Financial assets at fair value through profit & loss

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

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

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

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

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

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

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

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

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

Interest Sensitivity Analysis

	2008 \$000	2007 \$000
Impact of a 1% change in interest rates on cash & investments		
- Equity	28	30
- Income Statement	28	30

(b) Receivables

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

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

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

	2008 \$000	2007 \$000
Percentage of Rates & Annual Charges (excludes previous years arrears of rates)		
- Current	94.4%	94.5%
- Overdue	5.6%	5.5%

(c) Payables and Borrowings

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

Liquidity Sensitivity Table

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

	2008 \$000	≤1 year	Due 2 - 5 years	≥ 5 years	Total Contractual	Carrying Value
Payables		4,255	2,287	-	6,542	6,542
Borrowings		1,793	6,450	1,883	16,668	10,126
		6,048	8,737	1,883	16,668	16,668

	2007 \$000	≤1 year	Due 2 - 5 years	≥ 5 years	Total Contractual	Carrying Value
Payables		9,694	1,771	-	11,465	11,465
Borrowings		1,791	5,610	2,704	10,105	10,105
		11,485	7,381	2,704	21,570	21,570

Borrowings are also subject to interest rate risk - the risk that changes in interest rates could adversely affect funding costs.

Council manages this risk by generally borrowing long term, commonly at rates fixed for the duration of the loan. Bank overdraft and less than 5% of borrowings are at variable rates; the associated interest rate risk is not considered material.

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

	2008		2007	
	Wtd ave interest rate	Balance	Wtd ave interest rate	Balance
Loans - fixed interest rate	7.64%	10,126	7.58%	10,105
		10,126		10,105

Notes To The Financial Statements - Note 16

Material Budget Variations

Council's original budget was incorporated as part of the Management Plan adopted by the Council on 24th June 2007.

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. 16).

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 \$2219K (F) (60.2%) is predominately due to the inclusion of income from the Mount Annan Leisure Centre. In the past the Mount Annan Leisure centre was leased to external operators as from May 2007 the centre is now managed by Council through the YMCA. This change was not known at the time of preparing the 2007/08 budget.

- Mt Annan Leisure Centre Fees and Charges \$1,410K
- Development Services Fees and Charges \$718K
- Community Facilities and Services \$91K

2) Interest Received

The actual amount of interest received exceeded the budget by \$574K (F) (30.4%) predominately due to:

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

3) Grants and Contributions Received for Operating Purposes

Actual amounts for Grants & Contributions received exceeded the budget by \$594K (F) (14.2%) due to Grants & Contributions being received during the financial year that were not known at the time of preparing the original budget.

These include:

- Library Grant increased by \$63K

- Noxious Weeds Grants by \$24K
- Sustainability - Education Grant increased by \$130K
- Community Facilities Grants increased by \$252K
- Other Community Projects Grants increased by \$125K

4) Net Gains from Disposal of Assets

The profit on sale of Assets exceeded the budget by \$399K (F) (399%) 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 \$2,760K (U) (25.1%) 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:

- Mt Annan Leisure Centre (now managed by Council) \$1,678K
- Parks and Gardens \$368K
- Domestic Waste Management \$86K
- Health services and Animal Control \$13K
- Community Services \$112K
- Family Day Care Services \$85K
- Library Services \$32K
- Infrastructure Maintenance \$386K

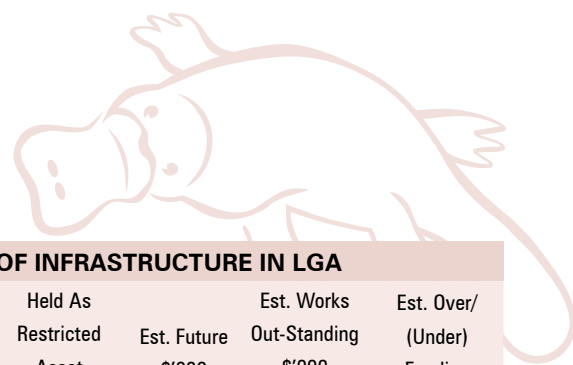
2) Depreciation

Council capitalised less assets than forecast in the original budget reducing the depreciation charged by \$1,192K (F) (15.4%).

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

Notes To The Financial Statements - Note 17

Statement of Contribution Plans



CAMDEN CONTRIBUTIONS PLAN - MANAGEMENT & PROVISION OF INFRASTRUCTURE IN LGA

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	2,168	2,215	-	151	1,910	2,624	83,817	86,441	-
Roads	4,627	2,001	-	355	2,642	4,341	81,838	86,179	-
Traffic Facilities	1,096	79	-	57	521	711	3,297	4,008	-
Parking	(68)	-	-	(5)	-	(73)	2,886	2,813	-
Open Space	7,921	918	-	604	2,527	6,916	149,513	156,429	-
Community Facilities	542	800	-	34	1,485	(109)	81,938	81,829	-
Other	(384)	229	-	(34)	308	(497)	3,327	2,830	-
Subtotal S94 under plans	15,902	6,242	-	1,162	9,393	13,913	406,616	420,529	-
Sec 94 not under plans	77	-	-	6	-	83	-	83	-
TOTAL CONTRIBUTIONS	15,979	6,242	-	1,168	9,393	13,996	406,616	420,612	-

CAMDEN CONTRIBUTIONS PLAN - MANAGEMENT & PROVISION OF INFRASTRUCTURE IN LGA

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	649	411	-	66	-	1,126	74,162	75,288	-
Roads	896	582	-	93	-	1,571	73,332	74,903	-
Traffic Facilities	4	-	-	-	-	4	2,480	2,484	-
Parking	(68)	-	-	(5)	-	(73)	2,886	2,813	-
Open Space	2,373	918	-	198	2,527	962	147,762	148,724	-
Community Facilities	512	800	-	32	1,485	(141)	81,903	81,762	-
Other	(509)	186	-	(43)	277	(643)	2,603	1,960	-
TOTALS	3,857	2,897	-	341	4,289	2,806	385,128	387,934	-

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

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	1,457	1,796	-	80	1,910	1,423	9,387	10,810	-
Roads	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTALS	1,457	1,796	-	80	1,910	1,423	9,387	10,810	-

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

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	62	8	-	5	-	75	268	343	-
Roads	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTALS	62	8	-	5	-	75	268	343	-

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

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	-	-	-	-	-	-	-	-	-
Roads	2,442	-	-	174	128	2,488	-	2,488	-
Traffic Facilities	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	4,975	-	-	364	-	5,339	-	5,339	-
Community Facilities	-	-	-	-	-	-	-	-	-
Other	(274)	-	-	(20)	-	(294)	294	-	-
TOTALS	7,143	-	-	518	128	7,533	294	7,827	-

CONTRIBUTIONS PLAN NO:7 - ROAD MAINTENANCE - EXTRACTIVE INDUSTRIES

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	-	-	-	-	-	-	-	-	-
Roads	592	34	-	44	45	625	-	625	-
Traffic Facilities	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTALS	592	34	-	44	45	625	-	625	-

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

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Traffic Facilities	623	79	-	46	158	590	-	590	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTALS	623	79	-	46	158	590	-	590	-

CONTRIBUTIONS PLAN NO: 11 - SMEATON GRANGE ROADWORKS

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	-	-	-	-	-	-	-	-	-
Roads	182	1,385	-	12	2,376	(797)	8,506	7,709	-
Traffic Facilities	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
TOTALS	182	1,385	-	12	2,376	(797)	8,506	7,709	-

CONTRIBUTIONS PLAN NO: 16 - ELLIS LANE/GRASMERE DEVELOPMENT

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	-	-	-	-	-	-	-	-	-
Roads	515	-	-	32	93	454	-	454	-
Traffic Facilities	96	-	-	7	-	103	-	103	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-
Community Facilities	63	-	-	4	-	67	-	67	-
Other	(46)	-	-	(3)	5	(54)	68	14	-
TOTALS	628	-	-	40	98	570	68	638	-

CONTRIBUTIONS PLAN NO: 17 - NARELLAN TOWN CENTRE

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Traffic Facilities	373	-	-	4	363	14	817	831	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	528	-	-	39	-	567	1,751	2,318	-
Community Facilities	-	-	-	-	-	-	-	-	-
Other	305	38	-	22	26	339	-	339	-
TOTALS	1,206	38	-	65	389	920	2,568	3,488	-

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

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	45	-	-	3	-	48	-	48	-
Community Facilities	(33)	-	-	(2)	-	(35)	35	-	-
Other	-	-	-	-	-	-	-	-	-
TOTALS	12	-	-	1	-	13	35	48	-

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

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Other	140	5	-	10	-	155	362	517	-
TOTALS	140	5	-	10	-	155	362	517	-

CONTRIBUTIONS NOT UNDER PLANS

Purpose	Opening Balance \$'000	Contributions Received		Interest Earned During Year \$'000	Expended During Year \$'000	Held As Restricted Asset \$'000	Est. Future \$'000	Est. Works Out-Standing \$'000	Est. Over/ (Under) Funding \$'000
		During Year							
		Cash \$'000	Non-Cash \$'000						
Drainage	13	-	-	1	-	14	-	14	-
Roads	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-
Open Space	37	-	-	3	-	40	-	40	-
Community Facilities	27	-	-	2	-	29	-	29	-
Other	-	-	-	-	-	-	-	-	-
TOTALS	77	-	-	6	-	83	-	83	-

Notes to the Financial Statements - Note 18

Contingencies

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user 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 2008.

Notes to the Financial Statements - Note 19

Interests in Joint Ventures and Associated Entities

Council did not have any involvement in joint venture projects for the year ending 30 June 2008.

Notes To The Financial Statements - Note 20

Revaluation Reserves and Retained Earnings

	Actual 2008 \$000	Actual 2007 \$000
(a) REVALUATION RESERVES		
Infrastructure, Property, Plant and Equipment Revaluation Reserve	-	-
Balance at beginning of reporting period	-	-
MOVEMENTS:		
<i>Property, Plant and Equipment Revaluation Reserve</i>		
At Beginning of Year - Council owned (freehold)	-	-
Revaluations (Note 9)		
Land	24,555	-
Buildings	362	-
BALANCE AT END OF REPORTING PERIOD	24,917	-
(b) RETAINED EARNINGS		
Movements in Retained Earnings were as follows:		
At Beginning of Year	335,772	326,994
Transfers from asset revaluation reserve (IPP&E)	-	-
Adjustments to correct prior period errors	156	(6,743)
Change in associated entities recognised (see Note 19)	-	-
Net operating result for the year	11,035	15,521
BALANCE END OF YEAR	346,963	335,772
CORRECTION OF ERRORS IN PREVIOUS YEARS		
(i) This is the recognition of prior year liabilities for land development where credits are payable by cash or in-kind. Some amounts will be offset against future Section 94 Contributions.	-	(6,743)
(ii) In the course of the revaluations carried out in the current reporting period, it was found that three buildings had not previously been recognised. An estimate has been made of the depreciation that should have been charged in the previous year had they been correctly recognised at the appropriate time, and the comparative amounts have been adjusted accordingly.	156	-



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CAMDEN COUNCIL **Independent Audit Report to the Council** **General Purpose Financial Report for the Year ended 30 June 2008**

Report on the Financial Report

We have audited the general purpose financial report of Camden Council for the financial year ended 30 June 2008 comprising the Statement by Councillors and Management, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statements and accompanying notes.

Council's Responsibilities for the Financial Report

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

Auditor's Responsibilities

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

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

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

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

Auditors Report - General Purpose



Auditor's Opinion

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2; and
- (b) the Council's general purpose financial report:
 - (i) has been prepared in accordance with the requirements of this Division;
 - (ii) is consistent with the Council's accounting records;
 - (iii) presents fairly the Council's financial position and the results of its operations;
 - (iv) is in accordance with Australian accounting standards and other professional reporting requirements.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial reports that we have become aware of in the course of the audit.

Pitcher Partners

PITCHER PARTNERS

Carl Millington

CARL MILLINGTON
Partner

Sydney, 25 November 2008



PITCHER PARTNERS

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J S YOUNG
D G BARNSDALL
P S ROWE

25 November 2008

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

Dear Councillor Patterson

REPORT ON THE CONDUCT OF THE AUDIT – Section 417(3) YEAR ENDED 30 JUNE 2008

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 2008 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.

Auditors Report - General Purpose

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**Audit Conclusion**

Our audit of the financial reports for the year ended 30 June 2008 resulted in unqualified independent audit reports for Council's General Purpose and Special Purpose Financial Reports.

Financial Performance

The consolidated result for the year ended 30 June 2008 was comprised of the following:

2007 \$'000		2008 \$'000	Budget \$'000
3,791	Operating result before capital amounts and depreciation	5,546	4,101
<u>18,277</u>	Revenue provided for capital purposes	<u>12,052</u>	<u>11,422</u>
22,068	Operating Surplus before depreciation	17,598	15,523
<u>6,547</u>	Depreciation charge for year	<u>6,563</u>	<u>7,755</u>
<u>15,521</u>	Net operating result for year	<u>11,035</u>	<u>7,768</u>

Council's continuing operations for the 2008 year resulted in a net operating surplus of \$11.035M (2007 – surplus of \$15.521M). This result was achieved after allowing \$6.563M for depreciation of non-current assets, receiving capital revenues by way of grants and contributions amounting to \$12.052M.

Council's original budget for the 2008 year provided for a surplus of \$7.768M. Significant variations from the original budget are disclosed in detail in Note 16 to the financial report.

Financial Position

Abridged balance sheet as at 30 June 2008

	2008 \$'000	2007 \$'000	Variance \$'000
Current assets	32,175	34,917	(2,742)
Non-current assets	<u>361,997</u>	<u>327,571</u>	<u>34,426</u>
Total assets	<u>394,172</u>	<u>362,488</u>	<u>31,684</u>
Current liabilities	11,519	16,457	(4,938)
Non-current liabilities	<u>10,773</u>	<u>10,259</u>	<u>514</u>
Total liabilities	<u>22,292</u>	<u>26,716</u>	<u>(4,424)</u>
Net Assets	<u>371,880</u>	<u>335,772</u>	<u>36,108</u>

The movement in non-current assets resulted primarily from the net result of the re-valuation of operational land, buildings and plant and equipment \$24.917M, acquisitions \$17.016M, disposals \$0.284M and depreciation \$7.245M of assets during the year.

Council's equity at 30 June 2008 amounted to \$371.880M and was increased by the net operating result for the year \$11.035M surplus and the re-valuation adjustment to non-current assets \$24.917M.

Movements in Cash and Cash Equivalents

Abridged cash flow statement for the year ended 30 June 2008

	2008 \$'000	2007 \$'000	Variance \$'000
Operating activities			
- receipts	53,672	45,263	8,409
- payments	<u>(44,993)</u>	<u>(37,824)</u>	<u>(7,169)</u>
Net cash provided from operations	<u>8,679</u>	<u>7,439</u>	<u>1,240</u>
Investing activities			
- receipts	25,033	22,318	2,715
- payments	<u>(32,690)</u>	<u>(30,554)</u>	<u>(2,136)</u>
Net cash used in investing activities	<u>(7,657)</u>	<u>(8,236)</u>	<u>579</u>
Financing activities			
- receipts	1,600	1,600	-
- payments	<u>(1,579)</u>	<u>(1,369)</u>	<u>(210)</u>
Net cash provided from financing	<u>21</u>	<u>231</u>	<u>(210)</u>
Net increase/(decrease) in cash balances	<u>1,043</u>	<u>(566)</u>	<u>1,609</u>
Cash balances at end of year	<u>2,716</u>	<u>1,673</u>	<u>1,043</u>

Council's cash and cash equivalent balances increased by \$1.043M during the year, with \$8.679M being provided from operations, \$7.657M utilised in investing activities such as acquisition of non-current assets and investments, and \$21K provided from investing activities.

Cash and Investments Position

Council's total cash balance at 30 June 2008 was comprised of the following:

	2008 \$'000	2007 \$'000	Variance \$'000
Externally restricted cash	18,092	20,096	(2,004)
Internally restricted cash	9,971	9,034	937
Unrestricted cash	<u>103</u>	<u>643</u>	<u>(540)</u>
<i>Total Cash & Cash Equivalents</i>	<u>28,166</u>	<u>29,773</u>	<u>(1,607)</u>

Externally restricted cash balances decreased primarily as a result of the utilisation of developer contributions and unexpended loans.

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

Auditors Report - General Purpose

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Performance Indicators and Trends

Prescribed performance indicators are included in Note 13 to the financial report and provide a comparison of the 2008 year results with prior years.

Abridged Note 13 – Statement of Performance Measurement

	2008	2007	2006
Unrestricted current ratio	2.27:1	1.03:1	2.15:1
Debt service ratio	5.42%	5.66%	5.38%
Rate coverage ratio	48.26%	44.52%	53.21%
Rates & annual charges outstanding ratio	7.08%	7.11%	7.96%
Asset renewals ratio	0.63:1	N/A	N/A

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.

Council's balance of net current assets has increased from \$18.460M in 2007 to \$20.656M at the end of the 2008 financial year. Included in net current assets and reflected in the unrestricted current ratio are other commitments against the working capital balance which should be considered when assessing the adequacy or otherwise of Council's available (or uncommitted) working capital at 30 June 2008. The adjusted working capital after allowing for net external restrictions is \$7.484M (2007 - \$0.416M) which results in an unrestricted current ratio of 2.27:1.

After taking into consideration Council's internal reserves, other liabilities that are anticipated to be funded from the 2007/08 operating budget and anticipated timing of rate revenues, the uncommitted working capital balance appears to provide a reasonable basis for funding the coming year's operations.

Debt Service Ratio

The cost of servicing Council's debt has continued at the low levels experienced in 2007 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.

Rates and Annual Charges Coverage Ratio

Council's rates and annual charges revenue represented 48.26% of 2008 total revenue. This ratio has increased on the prior year mainly as a result of the variation in capital grants and contributions received in 2008.

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 7.08%. Again, this is consistent with prior year results and remains within industry guidelines for the ratio.

Asset Renewals Ratio

This ratio measures the rate at which Council replaces existing assets. The 2008 ratio of 0.63:1 indicates that Council is renewing its assets at a rate lower than they are being utilised. Current industry guidelines for this ratio are 1:1.

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 16), and other legislatively prescribed standards.

Conduct of the audit

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

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

Yours faithfully
PITCHER PARTNERS



CARL MILLINGTON
Partner

Special Purpose Financial Report For The Year Ended 30 June 2008

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 the Local Government Code of Accounting Practice and Financial Reporting and the:

- NSW Government Policy Statement "Application of National Competition Policy to Local Government.
- Department of Local Government Guidelines "Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality".



Cr Chris Patterson
Mayor



Greg Wright
General Manager

- The Department of Water and Energy Practice Management of Water Supply and Sewerage guidelines.

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

- 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 14th October 2008.

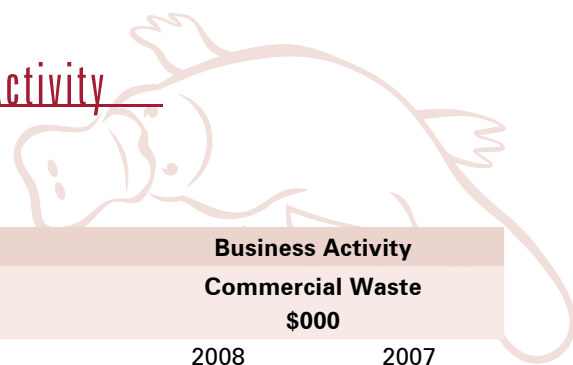


Cr David Funnell
Deputy Mayor



Paul Rofe
Responsible Accounting Officer

Income Statement of Commercial Waste Business Activity For The Year Ended 30 June 2008



	Business Activity	
	Commercial Waste	
	\$000	
	2008	2007
INCOME FROM CONTINUING OPERATIONS		
User Charges & Fees	433	416
TOTAL REVENUE FROM CONTINUING OPERATIONS	433	416
EXPENSES FROM CONTINUING OPERATIONS		
Employee costs	35	94
Material & contracts	91	64
Depreciation & impairment	1	1
Other operating expenses	145	92
TOTAL EXPENSES FROM CONTINUING OPERATIONS	272	251
SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS BEFORE CAPITAL AMOUNTS	161	165
Grants and Contributions - Capital	-	-
SURPLUS (DEFICIT) FROM CONTINUING OPERATIONS AFTER CAPITAL AMOUNTS	161	165
Less Corporate Taxation Equivalent (30%) [based on result before capital]	48	50
SURPLUS (DEFICIT) AFTER TAX	113	115
OPENING RETAINED PROFITS	695	530
ADJUSTMENTS AOR AMOUNTS UNPAID		
Corporate taxation equivalent	48	50
CLOSING RETAINED PROFITS	856	695

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

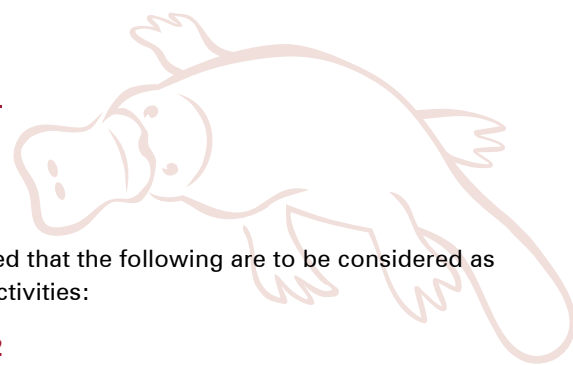
Balance Sheet of Commercial Waste Business Activity For The Year Ended 30 June 2008

	BUSINESS ACTIVITY	
	Commercial Waste \$000	
	2008	2007
Current Assets		
Cash and cash equivalents	854	691
Receivables	-	1
TOTAL CURRENT ASSETS	854	692
Non-Current assets		
Equity accounted investments	5	6
TOTAL NON-CURRENT ASSETS	5	6
TOTAL ASSETS	859	698
Current Liabilities		
Payables	3	3
TOTAL CURRENT LIABILITIES	3	3
NON-CURRENT LIABILITIES		
Payables	-	-
TOTAL NON-CURRENT LIABILITIES	3	3
TOTAL LIABILITIES	856	695
NET ASSETS		
EQUITY		
Retained earnings	856	695
Council equity interest	856	695
TOTAL EQUITY	856	695

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

Notes to the Special Purpose Financial Reports

For The Year Ended 30 June 2008



Note 1 Significant Accounting Policies

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

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

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

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

National Competition Policy

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

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

Declared Business Activities

In accordance with Pricing & Costing for Council Business – A Guide to Competitive Neutrality, council

has declared that the following are to be considered as business activities:

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 of in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-taxed level (Operating Result before Capital Amounts) as would be applied by a private

sector competitor – that is, it should include a provision equivalent to the corporate income tax, currently 30%.

Income tax is only applied where a surplus from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional, that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council.

Accordingly, there is no need for disclosure of internal charges in the GPF. The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations, which have occurred during the year.

Other Taxes

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

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

As at 30 June 2008, Camden Commercial Waste

services had no outstanding loans and did not borrow during the financial year. As such, loans and debt guarantee fees have not been applied to this business activities.

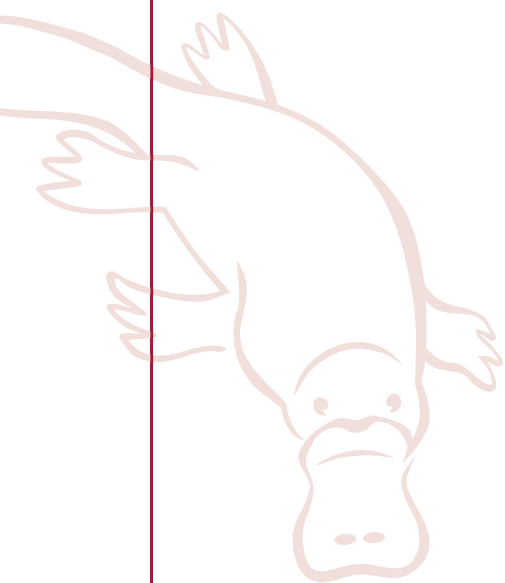
(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where council provides services on a less than cost recovery basis.

This option is exercised on a range of services in order for council to meet its community service obligations. The overall effect of subsidies is contained within the Operating Statement by Business Activities.

(iii) Dividends

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





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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 2008

Report on the Financial Report

We have audited the special purpose financial report, of Camden Council for the financial year ended 30 June 2008, 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.

Council's Responsibilities for the Financial Report

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.

Auditor's Responsibilities

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

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

The financial report has been prepared for distribution to members for the purpose of fulfilling the Council's financial reporting requirements under the National Competition Policy. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Auditors Report - Special Purpose



Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Camden Council as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Pitcher Partners

PITCHER PARTNERS

Carl Millington

CARL MILLINGTON
Partner

Sydney, 25 November 2008

Special Schedule No 1

Net Cost of Services For The Year Ended 30 June 2008

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	1,039	1,039	59	-	59	980	980
ADMINISTRATION							
Corporate Support	8,604		1,072	-		7,532	
Engineering & Works	2,560		428	2		2,130	
Other Support Services	-	11,164	-	-	1,502	-	9,662
PUBLIC ORDER & SAFETY							
Statutory Contributions to Fire Service Levy	211		-	-		211	
Fire Protection - Other	140		156	281		(297)	
Animal Control	329		65	-		264	
Enforcement of Local Govt Regulations	-		-	-		-	
Emergency Services	10		-	-		10	
Other	84	774	31	-	533	53	241
HEALTH							
Administration & Inspection	731		64	-		667	
Immunisations	-		-	-		-	
Noxious Plants	169	900	59	-	123	110	777
COMMUNITY SERVICES & EDUCATION							
Administration	163		9	-		154	
Family Day Care	1,009		1,015	-		(6)	
Child Care	86		57	-		29	
Youth Services	194		13	2		179	
Aged & Disabled	6		4	5		(3)	
Education	-		-	-		-	
Other Community Services	637	2,095	141	28	1,274	468	821
HOUSING & COMMUNITY AMENITIES							
Town Planning	2,319		757	-		1,562	
Domestic Waste Management	4,265		4,511	-		(226)	
Other Waste Management	207		433	-		(246)	
Other Sanitation & Garbage	147		143	-		4	
Urban Stormwater Drainage	972		-	3,842		(2,870)	
Environmental Protection	104		7	-		97	
Public Cemeteries	21		59	-		(38)	
Public Conveniences	-		-	-		-	
Other Community Amenities	-	8,035	-	-	9,752	-	(1,717)

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	1,749		266	-		1,483	
Community Centres	329		2	-		327	
Public Halls	673		858	-		(185)	
Other Cultural Services	11		-	1		10	
Swimming Pools	2,274		1,483	-		791	
Parks & Gardens (Lakes)	5,001		214	1,148		3,639	
Other Sport & Recreation	-	10,037	-	-	3,972	-	6,065
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	3,545		2,502	-		1,043	
Quarries & Pits	-	3,545	-	-	2,502	-	1,043
TRANSPORT & COMMUNICATION							
Urban Roads	5,405		1,500	5,256		(1,351)	
Sealed Rural Roads	-		-	-		-	
Regional Roads	-		-	-		-	
Bridges on Urban Roads	19		-	-		19	
Footpaths	178		-	-		178	
Parking Areas	9		-	-		9	
Bus Shelters & Services	39		-	-		39	
RTA Works	296		-	707		(411)	
Street Lighting	586		-	-		586	
Other	55	6,587	276	780	8,519	(1,001)	(1,932)
ECONOMIC AFFAIRS							
Tourism & Area Promotion	308		18	-		290	
Industrial Development Promotion	-		-	-		-	
Real Estate Development	-		-	-		-	
Other Business Undertakings	25	333	64	-	82	(39)	251
TOTALS - FUNCTIONS	44,509	44,509	16,266	12,052	28,318	16,191	16,191
GENERAL PURPOSE REVENUES⁽¹⁾			27,226	-	27,226	27,226	27,226
NET OPERATING RESULT FOR THE YEAR⁽²⁾	44,509	44,509	43,492	12,052	55,544	11,035	11,035
		44,509			55,544		11,035

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 2008



Classification of Debt	Principle Outstanding at Beginning of Year		New Loans Raised	Debt Redemption		Tfrs to Sinking Funds	Interest Applicable for Year	Principle Outstanding at End of Year	
	Current	Non-Current		Total	From Revenue			Sinking Funds	Current
LOANS (By Source)	1,791	8,314	10,105						
Financial Institutions	1,791	8,314	10,105				642	1,793	8,333
							642	1,793	8,333
TOTAL LOANS	1,791	8,314	10,105	1,579	-	-	642	1,793	8,333

Special Schedule No 7 Condition of Public Works

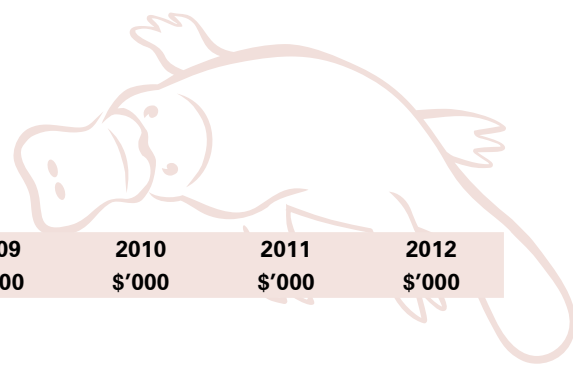
As At 30th June 2008

Asset Class	Asset Category	Dep. Rate (%)	Depreciation Expense \$000	Cost \$000	Valuation \$000	Accumulated Depreciation \$000	Carrying Value	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard \$000	Estimated Annual Maintenance Expense \$000	Program Maintenance Works for current year \$000	
	References	Note 9	Note 4			Note 9			Local Govt. Act 1993, Section 428 (2d)			
Public Buildings	Administration Services	2	216	-	6,845	1,862	4,983	3	140	129	77	
	Works Depot	2	26	-	1,791	1,127	664	3	60	28	28	
	Civic Centre Facilities	2	119	-	3,640	937	2,703	3	100	41	41	
	Community Facilities	2	223	-	24,397	7,753	16,644	3	337	223	171	
	Swimming Pool	2	89	-	6,424	1,708	4,716	4	1,605	438	238	
	Bushfire Buildings & SES	2	12	-	1,093	473	620	2	30	16	16	
	Health & Environment Services	2	22	-	966	432	534	2	-	7	7	
	Amenities/Toilets	2	37	-	8,805	4,228	4,577	3	197	59	59	
				744	-	53,961	18,520	35,441		2,469	941	637
			2	155	4,719	-	2,536	2,183	3	-	-	-
			899	4,719	53,961	21,056	37,624		2,469	941	637	
Public Works	Sealed Roads	2	2,264	131,105	-	52,208	78,897	3-4	6,182	5,744	4,846	
	Bridges	1	27	1,541	-	1,367	174	2	60	19	19	
	Footpaths	2	53	3,082	-	1,386	1,696	3	207	465	177	
	Kerb & Gutter	2	213	12,327	-	6,490	5,837	3	150	25	25	
	Road Furniture	2	106	6,163	-	2,117	4,046	3	50	47	47	
				2,663	154,218	-	63,568	90,650		6,649	6,300	5,114
			1	28	3,139	-	543	2,596	4	2,110	94	54
Drainage Works	Retarding Basins	1	561	61,974	-	11,121	50,853	3	233	30	-	
	Inlet & Junction Pits	1	103	11,328	-	2,035	9,293	3	204	213	63	
			692	76,441	-	13,699	62,742		2,547	337	117	
			4,254	235,378	53,961	98,323	191,016		11,665	7,578	5,868	
Total Classes - All Assets												

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



	2008 ⁽¹⁾	2009	2010	2011	2012
	\$'000	\$'000	\$'000	\$'000	\$'000
RECURRENT BUDGET					
Income from Continuing Operations					
Rates & Annual Charges	26,804	28,472	30,609	32,780	36,392
User Charges & Fees	5,902	5,858	6,183	6,443	6,733
Interest Income	2,461	2,331	2,400	2,472	2,547
Other Revenues from Ordinary Activities	3,067	1,529	1,585	1,652	1,723
Grants & Contributions - Operating	4,759	4,251	4,282	4,210	4,270
Grants & Contributions - Capital	12,052	38,187	35,923	37,694	62,103
Profit from Sale of Assets	499	100	100	50	50
TOTAL INCOME FROM CONTINUING OPERATIONS	55,544	80,728	81,082	85,301	113,818
Expenses from Continuing Operations:					
Employee Costs	20,043	20,554	23,713	25,548	27,583
Materials & Contracts	13,744	13,831	14,482	14,874	15,594
Borrowing Costs	642	646	718	714	706
Depreciation	6,563	8,776	9,306	9,902	11,387
Other Expenses	3,517	3,327	3,348	3,431	3,554
TOTAL EXPENSES FROM CONTINUING OPERATIONS	44,509	47,134	51,567	54,469	58,824
OPERATING RESULT FROM CONTINUING OPERATIONS	11,035	33,594	29,515	30,832	54,994
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	2,985	2,226	4,860	3,863	1,778
- Carparking Construction	236	-	-	-	-
- Water Quality Improvements	1,151	462	64	66	68
- Building Construction/ Improvements Works	816	1,900	289	3,201	3,536
- Outdoor Recreational Facility Provision	241	442	455	292	4,272
- Replacement of existing assets					
	5,429	5,030	5,668	7,422	9,654
Funded by:					
- Loans	1,574	1,574	1,600	1,600	1,600
- Internal Cash Restrictions	136	1,411	64	66	68
- Developer Contributions Restrictions	2,713	1,168	3,924	5,628	7,808
- Grants and Contributions	680	857	39	39	39
- Recurrent Revenue	228	20	41	89	139
- Other	98	-	-	-	-
	5,429	5,030	5,668	7,422	9,654

The Financial Projections for New Capital Works balance to the 2008/09 Management Plan Capital Works Schedule excluding the following items:

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