

Hunter's Hill Council



FINANCIAL STATEMENTS

For the year ended 30 June 2009



A sense of history, A sense of community, A place to belong, A sustainable future

Hunters Hill Council

GENERAL PURPOSE FINANCIAL REPORT
for the year ended 30 June 2009



“A sense of history, A sense of community, A place to belong, A sustainable future”

Hunters Hill Council

General Purpose Financial Report for the financial year ended 30 June 2009

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Overview

- (i) This Financial Report covers the consolidated operations for Hunters Hill Council.
- (ii) Hunters Hill Council is a body corporate of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is specified in Section 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in this Financial Report represent Australian Currency.
- (iv) This Financial Report was authorised for issue by the Council on 29/09/09
Council has the power to amend and reissue the financial report.
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Hunters Hill Council

General Purpose Financial Report for the financial year ended 30 June 2009

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

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

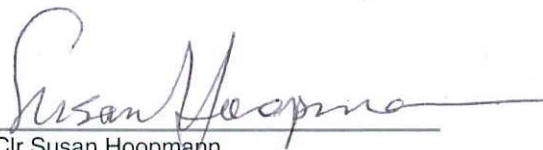
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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 28 September 2009.



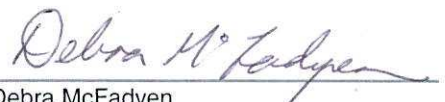
Clr Susan Hoopmann
MAYOR



COUNCILLOR



Barry Smith
GENERAL MANAGER



Debra McFadyen
RESPONSIBLE ACCOUNTING OFFICER

Hunters Hill Council

Income Statement

for the financial year ended 30 June 2009

Budget ⁽¹⁾				Actual	Actual
2009	\$ '000		Notes	2009	2008
Income from Continuing Operations					
<i>Revenue:</i>					
7,896	Rates & Annual Charges		3a	7,938	7,671
1,009	User Charges & Fees		3b	982	833
688	Interest & Investment Revenue		3c	563	695
386	Other Revenues		3d	763	680
619	Grants & Contributions provided for Operating Purposes		3e,f	709	618
201	Grants & Contributions provided for Capital Purposes		3e,f	567	874
<i>Other Income:</i>					
-	Net gains from the disposal of assets		5	-	92
10,799	Total Income from Continuing Operations			11,522	11,463
Expenses from Continuing Operations					
4,485	Employee Benefits & On-Costs		4a	3,996	3,626
108	Borrowing Costs		4b	114	121
2,898	Materials & Contracts		4c	3,534	3,315
1,026	Depreciation & Amortisation		4d	1,432	1,065
-	Impairment		4d	-	-
1,947	Other Expenses		4e	1,891	1,744
-	Interest & Investment Losses		3c	-	-
22	Net Losses from the Disposal of Assets		5	4	-
10,486	Total Expenses from Continuing Operations			10,971	9,871
313	Operating Result from Continuing Operations			551	1,592
313	Net Operating Result for the Year			551	1,592
313	Net Operating Result attributable to Council			551	1,592
-	Net Operating Result attributable to Minority Interests			-	-
112	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes			(16)	718

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

Hunters Hill Council

Balance Sheet

as at 30 June 2009

\$ '000	Notes	Actual 2009	Actual 2008
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	10,484	9,735
Investments	6b	-	-
Receivables	7	569	664
Inventories	8	52	53
Other	8	245	245
Total Current Assets		11,350	10,697
Non-Current Assets			
Receivables	7	42	114
Infrastructure, Property, Plant & Equipment	9	263,861	263,975
Other	8	158	189
Total Non-Current Assets		264,061	264,278
TOTAL ASSETS		275,411	274,975
LIABILITIES			
Current Liabilities			
Payables	10	3,238	3,119
Borrowings	10	339	321
Provisions	10	1,047	952
Total Current Liabilities		4,624	4,392
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	1,405	1,744
Provisions	10	20	28
Investments accounted for using the equity method	19	-	-
Total Non-Current Liabilities		1,425	1,772
TOTAL LIABILITIES		6,049	6,164
Net Assets		269,362	268,811
EQUITY			
Retained Earnings	20	251,640	251,089
Revaluation Reserves	20	17,722	17,722
Council Equity Interest		269,362	268,811
Minority Equity Interest		-	-
Total Equity		269,362	268,811

Hunters Hill Council

Statement of Changes in Equity for the financial year ended 30 June 2009

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2009						
Opening Balance (as per Last Year's Audited Accounts)		251,089	17,722	268,811	-	268,811
a. Correction of Prior Period Errors	20 (c)	-		-		-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-		-		-
Revised Opening Balance (as at 1/7/08)		251,089	17,722	268,811	-	268,811
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)		-	-		-
- Transfers to/(from) Other Reserves	20b (ii)		-	-		-
- Other Income/Expenses recognised	20b (ii)		-	-		-
- Other Adjustments	20b (ii)		-	-		-
Net Income Recognised Directly in Equity		-	-	-	-	-
d. Net Operating Result for the Year		551		551	-	551
Total Recognised Income & Expenses (c&d)		551	-	551	-	551
e. Distributions to/(Contributions from) Minority Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		251,640	17,722	269,362	-	269,362

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2008						
Opening Balance (as per Last Year's Audited Accounts)		248,429	-	248,429	-	248,429
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/07)		248,429	-	248,429	-	248,429
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	17,722	17,722	-	17,722
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	1,068	-	1,068	-	1,068
Net Income Recognised Directly in Equity		1,068	17,722	18,790	-	18,790
d. Net Operating Result for the Year		1,592	-	1,592	-	1,592
Total Recognised Income & Expenses (c&d)		2,660	17,722	20,382	-	20,382
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		251,089	17,722	268,811	-	268,811

Hunters Hill Council

Cash Flow Statement

for the financial year ended 30 June 2009

Budget 2009	\$ '000	Notes	Actual 2009	Actual 2008
Cash Flows from Operating Activities				
Receipts:				
7,886	Rates & Annual Charges		7,986	7,649
1,009	User Charges & Fees		1,171	787
688	Interest & Investment Revenue Received		597	668
821	Grants & Contributions		1,247	1,558
386	Other		1,382	1,141
Payments:				
(4,503)	Employee Benefits & On-Costs		(3,909)	(3,692)
(2,951)	Materials & Contracts		(3,748)	(3,475)
(108)	Borrowing Costs		(112)	(113)
(1,969)	Other		(2,381)	(1,961)
1,259	Net Cash provided (or used in) Operating Activities	11b	2,233	2,562
Cash Flows from Investing Activities				
Receipts:				
327	Sale of Infrastructure, Property, Plant & Equipment		192	242
Payments:				
(1,743)	Purchase of Infrastructure, Property, Plant & Equipment		(1,355)	(1,911)
(1,416)	Net Cash provided (or used in) Investing Activities		(1,163)	(1,669)
Cash Flows from Financing Activities				
Receipts:				
	Proceeds from Borrowings & Advances		-	500
Payments:				
(323)	Repayment of Borrowings & Advances		(321)	(287)
(323)	Net Cash Flow provided (used in) Financing Activities		(321)	213
(480)	Net Increase/(Decrease) in Cash & Cash Equivalents		749	1,106
8,403	plus: Cash & Cash Equivalents - beginning of year	11a	9,735	8,629
7,923	Cash & Cash Equivalents - end of the year	11a	10,484	9,735

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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n/a - not applicable

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies

Note 1

Summary of significant accounting policies

1(103)(a)

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

SB101 (Aus13.2 (Aus05.1)(a)

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

AAS 27

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

Historical cost convention

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

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, when the penalty has been applied, whichever first occurs.

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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 entities have been included as part of the Consolidated fund:

- General purpose operations

(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. Details relating to the partnership are set out in Note 19.

(d) Leases

17(33)

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

Payments made under operating leases (net of any

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

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

(e) Acquisition of assets

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

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

(h) Receivables

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

Collectibles of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

(i) Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

(j) Non-current assets (or disposal groups) held for sale and discontinued operations AASB5(6),(15)

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

(k) Infrastructure, property, plant and equipment (IPPE)

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

- Operational land (External Valuation).

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

Other asset classes will be revalued to fair value as follows:

2009/10 – roads, bridges, footpaths and drainage assets.

2010/11 – community land, land improvements, other structures and other assets.

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

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

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

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles & Road making equipment	5 to 8 years
Other Plant & Equipment	5 to 15 years
Buildings – masonry	50 to 100 years
Buildings – other	20 to 40 years
Playground Equipment	5 to 15 years
Benches, tables, seats etc	10 to 20 years
Drains	80 - 100 years
Sealed Roads Surface	100 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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 carrying amount. These are included in the income statement.

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

(l) Payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid.

(m) Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with serving the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(n) 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.

(o) Employee benefits

(i) Wages & salaries, annual leave & sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

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

employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(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. AASB119(54),(64)

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities amounting to around \$290 million at 30 June 2009. As a result, they have asked for significant increases in contributions from 2009/2010 onwards to recover that deficiency. Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency. Contributions to defined contribution plans are recognised as an expense as they become payable.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(p) Rounding of amounts

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

(q) Land under roads

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051. Any land under roads that was recognised before 1 July 2008 has been derecognised at 1 July 2008 against the opening balance of retained earnings. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment. Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council will recognise all land under roads when the valuation methodology has been determined by the industry and is, in the meantime, collecting the necessary physical data to undertake the valuation.

(r) 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.

(s) New accounting standards interpretations

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

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards

arising from AASB 8 (effective from 1 January 2009) AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. There will be no impact as this Standard is not applicable to not for-profit entities like Council.

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

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

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

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

(iv) AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations (effective from 1 January 2009) AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. There will be no impact on the financial reports as Council makes no share based payments.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

(v) Revised AASB 3 *Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (effective 1 July 2009) The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. There will be no impact on the financial reports as Council has no exposure to these types of transactions.

(vi) AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective 1 July 2009) The amendments to AASB 5 *Discontinued Operations* and AASB 1 *First-Time Adoption of Australian- Equivalents to International Financial Reporting Standards* are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. There will be no impact on the financial reports as Council does not have any subsidiaries it is proposing to dispose of.

(vii) AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 July 2009) In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards* and AASB 127 *Consolidated and Separate Financial Statements*. Council will apply

the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment.

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

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

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

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

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

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

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

(t) Insurance Pools

Council is a member of Metropool, a mutual pool scheme providing liability insurance to Local Government. Membership includes the potential to share in either the net assets or liabilities of the fund dependant on its past performance. Council's share of the Net Assets or Liabilities reflects our contributions to the pool and insurance claims within each of the funds years.

Council's accounting policy regarding the measurement and disclosure of the potential liability or benefit is to book Council's share of the net asset or liability value, as advised by Metropool taking into account their audited figures for the year ended 30 June 2008.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 2(a). Functions / Activities - Financial Disclosures

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Actual 2009	Actual 2008	Actual 2009	Actual 2008
Governance	-	1	1	1,134	999	842	(1,134)	(998)	(841)	-	-	-	-
Administration	89	126	71	2,626	2,825	2,452	(2,537)	(2,699)	(2,381)	-	-	21,930	24,799
Public Order & Safety	7	5	-	597	542	498	(590)	(537)	(498)	-	-	17	23
Health	34	12	34	139	88	73	(105)	(76)	(39)	-	-	223	-
Community Services & Education	85	129	118	371	447	374	(286)	(318)	(256)	55	53	4,400	7,472
Housing & Community Amenities	2,050	2,319	2,271	2,363	2,484	2,424	(313)	(165)	(153)	273	350	4,314	2,428
Recreation & Culture	1,006	1,205	1,229	1,957	1,906	1,886	(951)	(701)	(657)	194	81	223,773	222,661
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	64	48	60	129	113	90	(65)	(65)	(30)	-	-	169	128
Transport & Communication	711	984	1,155	1,166	1,566	1,232	(455)	(582)	(77)	37	213	20,585	17,464
Economic Affairs	1	1	1	4	1	-	(3)	-	1	-	-	-	-
Total Functions & Activities	4,047	4,830	4,940	10,486	10,971	9,871	(6,439)	(6,141)	(4,931)	559	697	275,411	274,975
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)		-	-		-	-	-	-	-		-	-	-
General Purpose Income ¹	6,752	6,692	6,523				6,752	6,692	6,523	526	399		-
Operating Result from Continuing Operations	10,799	11,522	11,463	10,486	10,971	9,871	313	551	1,592	1,085	1,096	275,411	274,975

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 2(b). Components of Functions / Activities

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

GOVERNANCE

Costs relating to the Council's role as a component of democratic government, including elections, members fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance, together with related administration costs.

ADMINISTRATION

Costs not otherwise attributed to other functions / activities.

PUBLIC ORDER & SAFETY

Fire protection, animal control, beach control, enforcement of local government regulations, emergency services, other.

HEALTH

Administration and inspection, immunisations, food control, insect/vermin control, noxious plants, health centres, other.

COMMUNITY SERVICES & EDUCATION

Administration, family day care, child care, youth services, other family and children, aged and disabled, migrant services, Aboriginal services, other community services, education.

HOUSING & COMMUNITY AMENITIES

Housing, town planning, domestic waste management services, other waste management services, street cleaning, other sanitation and garbage, urban stormwater drainage, environmental protection, public cemeteries, public conveniences, other community amenities.

RECREATION & CULTURE

Public libraries, museums, art galleries, community centres, public halls, other cultural services, swimming pools, sporting grounds, parks and gardens (lakes), other sport and recreation.

FUEL & ENERGY - Gas Supplies

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries and pits, other.

TRANSPORT & COMMUNICATION

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, RTA works, street lighting, other.

ECONOMIC AFFAIRS

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, saleyards & markets, real estate development, commercial nurseries, other business undertakings.

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2009	Actual 2008
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		5,491	5,320
Business		188	188
Total Ordinary Rates		5,679	5,508
Special Rates			
Environmental		145	141
Community Facilities		257	249
Other		482	468
Total Special Rates		884	858
Annual Charges (pursuant to s.496 & s.501)			
Domestic Waste Management Services		1,375	1,305
Total Annual Charges		1,375	1,305
TOTAL RATES & ANNUAL CHARGES		7,938	7,671

Council has used 2005 year valuations provided by the NSW Valuer General in calculating its rates.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Domestic Waste Management Services		5	18
Waste Management Services (non-domestic)		80	76
Total User Charges		85	94
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608, 610A & 611)			
Planning & Building Regulation		377	390
Section 611 Charges		57	37
Total Fees & Charges - Statutory/Regulatory		434	427
(ii) Fees & Charges - Other (incl. General User Charges) (per s.610C)			
Rent & Hire of Council Properties		463	312
Total Fees & Charges - Other		463	312
TOTAL USER CHARGES & FEES		982	833

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		25	26
- Interest earned on Investments (interest & coupon payment income)		538	669
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>563</u>	<u>695</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges		25	26
General Council Cash & Investments		472	588
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		66	81
<u>Total Interest & Investment Revenue Recognised</u>		<u>563</u>	<u>695</u>
(d). Other Revenues			
Fines		168	194
Commissions & Agency Fees		6	6
Lease Rentals		14	11
Restorations		438	400
Policy Sales		2	3
Sundry Rents & Charges		101	43
Waste Rebate		34	23
<u>TOTAL OTHER REVENUE</u>		<u>763</u>	<u>680</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	2009 Operating	2008 Operating	2009 Capital	2008 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance - General Component	328	244	-	-
Financial Assistance - Local Roads Component	154	114	-	-
Pensioners' Rates Subsidies - General Component	44	41	-	-
Total General Purpose	526	399	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	15	14	-	-
Aged Care	-	10	-	-
Community Care	15	14	-	10
Community Centres	-	-	40	16
Environmental Protection	-	-	-	-
Library	45	45	-	-
Noxious Weeds	3	7	-	-
Recreation & Culture	-	3	150	36
Street Lighting	31	30	-	-
Traffic Route Subsidy	6	5	-	-
Transport (Roads to Recovery)	-	-	-	178
Stormwater Drainage	-	14	254	315
Planning	-	-	-	-
Total Specific Purpose	115	142	444	555
Total Grants	641	541	444	555
Grant Revenue is attributable to:				
- Commonwealth Funding	482	359	138	-
- State Funding	159	182	306	555
	641	541	444	555

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	2009 Operating	2008 Operating	2009 Capital	2008 Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	-	-	103	298
Total Developer Contributions ¹⁷	-	-	103	298
Other Contributions:				
Kerb & Gutter	9	3	-	-
Paving	-	-	-	1
RTA Contributions (Regional/Local, Block Grant)	59	58	15	15
Other	-	16	5	5
Total Other Contributions	68	77	20	21
Total Contributions	68	77	123	319
<u>TOTAL GRANTS & CONTRIBUTIONS</u>	<u>709</u>	<u>618</u>	<u>567</u>	<u>874</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2009	Actual 2008
(g). Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	1,502	1,130
add: Grants and contributions recognised in the current period which have not been spent:	405	607
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(340)	(235)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	65	372
Unexpended at the Close of this Reporting Period and held as Restricted Assets	1,567	1,502
Comprising:		
- Specific Purpose Unexpended Grants	304	264
- Developer Contributions	1,263	1,238
	1,567	1,502

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2009	Actual 2008
(a) Employee Benefits & On-Costs			
Salaries and Wages		2,985	2,791
Travelling		95	88
Employee Leave Entitlements (ELE)		398	317
Superannuation		351	280
Workers' Compensation Insurance		80	64
Fringe Benefit Tax (FBT)		45	39
Training Costs (other than Salaries & Wages)		61	73
Total Employee Costs		4,015	3,652
less: Capitalised Costs		(19)	(26)
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>		<u>3,996</u>	<u>3,626</u>
Number of "Equivalent Full Time" Employees at year end		57	55
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		114	121
Total Interest Bearing Liability Costs		114	121
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		114	121
(ii) Other Borrowing Costs			
Total Other Borrowing Costs		-	-
<u>TOTAL BORROWING COSTS EXPENSED</u>		<u>114</u>	<u>121</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c) Materials & Contracts			
Raw Materials & Consumables		541	564
Contractor & Consultancy Costs		2,724	2,519
Auditors Remuneration			
i. Audit Services - Council's Auditor		22	21
Legal Expenses:			
- Legal Expenses - Planning & Development		218	182
- Legal Expenses - Other		19	13
Operating Leases:			
Operating Lease Rentals - Minimum Lease Payments ⁽¹⁾		20	21
Total Materials & Contracts		3,544	3,320
less: Capitalised Costs		(10)	(5)
TOTAL MATERIALS & CONTRACTS		3,534	3,315
1. Operating Lease Payments are attributable to:			
- Other		20	21
		20	21

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Depreciation/Amortisation		Impairment Costs	
	Actual 2009	Actual 2008	Actual 2009	Actual 2008
(d) Depreciation, Amortisation & Impairment				
Plant and Equipment	188	175	-	-
Office Equipment	55	80	-	-
Furniture & Fittings	4	4	-	-
Property, Plant & Equipment - Leased	-	-	-	-
Land Improvements (depreciable)	77	75	-	-
Buildings - Non Specialised	323	130	-	-
Buildings - Specialised	311	137	-	-
Other Structures	-	-	-	-
Infrastructure:				
- Roads, Bridges & Footpaths	439	429	-	-
- Stormwater Drainage	35	35	-	-
Total Depreciation & Impairment Costs	1,432	1,065	-	-
less: Capitalised Costs	-	-	-	-
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>	<u>1,432</u>	<u>1,065</u>	<u>-</u>	<u>-</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		45	71
Bad & Doubtful Debts		-	1
Bank Charges		29	28
Contributions to Other Levels of Government		-	-
- NSW Fire Brigade Levy		346	342
- Department of Planning Levy		46	45
- Regional Library		486	474
- Other Contributions		15	15
- Other Contributions		-	63
Councillor Expenses - Mayoral Fee		26	19
Councillor Expenses - Councillors' Fees		105	102
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		47	37
Donations, Contributions & Assistance to other organisations (Section 356)		26	24
Election Expenses		80	-
Electricity Water & Heating		84	65
Insurance		174	88
Printing & Stationery		86	82
Street Lighting		182	172
Subscriptions & Publications		52	64
Telephone & Communications		62	52
Total Other Expenses		1,891	1,744
less: Capitalised Costs		-	-
<u>TOTAL OTHER EXPENSES</u>		<u>1,891</u>	<u>1,744</u>

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 5. Gains or Losses on Disposal of Assets

\$ '000	Notes	Actual 2009	Actual 2008
Property (excl. Investment Property)			
Proceeds from Disposal		-	-
less: Carrying Amount of Property Assets Sold		-	-
Net Gain/(Loss) on Disposal		-	-
Plant & Equipment			
Proceeds from Disposal		192	222
less: Carrying Amount of P&E Assets Sold		(196)	(130)
Net Gain/(Loss) on Disposal		(4)	92
Infrastructure			
Proceeds from Disposal		-	-
less: Carrying Amount of Infrastructure Assets Sold		-	-
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(4)	92

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 6a. - Cash Assets and Note 6b. - Investment Securities

\$ '000	2009	2009	2008	2008
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)				
Cash on Hand and at Bank	315	-	114	-
Cash-Equivalent Assets ¹				
- Deposits at Call	363	-	100	-
- Managed Funds	-	-	1,680	-
- Short Term Deposits	9,806	-	7,841	-
Total Cash & Cash Equivalents	10,484	-	9,735	-
Investment Securities (Note 6b)				
- Managed Funds	-	-	-	-
- Long Term Deposits	-	-	-	-
- Government & Semi-Government Bonds	-	-	-	-
- Bills of Exchange	-	-	-	-
- Equity Linked Notes	-	-	-	-
- NCD's, FRN's (with Maturities > 3 months)	-	-	-	-
- CDO's	-	-	-	-
- Mortgage Backed Securities	-	-	-	-
- Listed Equity Securities	-	-	-	-
- Unlisted Equity Securities	-	-	-	-
- Other Long Term Maturity Financial Instruments	-	-	-	-
Total Investment Securities	-	-	-	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	10,484	-	9,735	-

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"	10,484	-	9,735	-
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Investments

a. "At Fair Value through the Profit & Loss"				
- "Held for Trading"	6(b-i)	-	-	-
- "Designated At Fair Value on Initial Recognition"	6(b-i)	-	-	-
b. "Held to Maturity"	6(b-ii)	-	-	-
c. "Loans & Receivables"	6(b-iii)	-	-	-
d. "Available for Sale"	6(b-iv)	-	-	-
Investments		-	-	-

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 6c. Restricted Cash, Cash Equivalents & Investments

\$ '000	2009	2009	2008	2008
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	10,484	-	9,735	-
attributable to:				
External Restrictions (refer below)	3,342	-	3,245	-
Internal Restrictions (refer below)	4,985	-	4,730	-
Unrestricted	2,157	-	1,760	-
	10,484	-	9,735	-

2009 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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Details of Restrictions

External Restrictions - Included in Liabilities

Nil				
Specific Purpose Unexpended Loans-General (A)	414	-	(248)	166
RTA Advances (B)	-	-	-	-
Self Insurance Claims (C)	-	-	-	-
Other	-	-	-	-
External Restrictions - Included in Liabilities	414	-	(248)	166

External Restrictions - Other

Nil				
Developer Contributions - General (D)	1,238	169	(144)	1,263
RTA Contributions (E)	-	-	-	-
Specific Purpose Unexpended Grants (F)	264	40	-	304
Domestic Waste Management (G)	644	74	-	718
Other Special Levies (G)	686	260	(55)	891
Other	-	-	-	-
External Restrictions - Other	2,832	543	(199)	3,176
Total External Restrictions	3,246	543	(447)	3,342

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

2009 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Nil				
Plant & Vehicle Replacement	196	87	(9)	274
Infrastructure Replacement	-	-	-	-
Employees Leave Entitlement	394	351	(325)	420
Carry Over Works	-	-	-	-
Deposits, Retentions & Bonds	2,171	98	-	2,269
Construction of Buildings	188	43	(12)	219
Office Equipment	153	124	(5)	272
Road Reconstruction	136	-	(105)	31
Recreation Facilities	35	9	-	44
Traffic Management	29	-	-	29
Environmental Projects	304	130	(152)	282
Elections	76	23	(81)	18
Future Capital Works	766	44	-	810
Public Places & Urban Design	87	-	(5)	82
Insurance Reserve	129	-	-	129
Other	66	43	(3)	106
Total Internal Restrictions	4,730	952	(697)	4,985
TOTAL RESTRICTIONS	7,976	1,495	(1,144)	8,327

- A** Loan moneys which must be applied for the purposes for which the loans were raised.
- B** Advances by the Roads and Traffic Authority for works on the State's classified roads.
- C** Self Insurance liability resulting from reported claims or incurred claims not yet reported.
- D** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- E** RTA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- F** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- G** Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 7. Receivables

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
Purpose				
Rates & Annual Charges	181	32	181	80
Interest & Extra Charges	16	10	10	34
User Charges & Fees	140	-	281	-
Capital Debtors (being sale of assets)				
- Other Asset Sales	-	-	-	-
Accrued Revenues				
- Interest on Investments	24	-	40	-
Government Grants & Subsidies	37	-	8	-
Net GST Receivable	171	-	144	-
Total	569	42	664	114
less: Provision for Impairment				
Nil				
Rates & Annual Charges	-	-	-	-
Interest & Extra Charges	-	-	-	-
User Charges & Fees	-	-	-	-
Other Debtors	-	-	-	-
Total Provision for Impairment - Receivables	-	-	-	-
<u>TOTAL NET RECEIVABLES</u>	<u>569</u>	<u>42</u>	<u>664</u>	<u>114</u>
Externally Restricted Receivables				
Domestic Waste Management	37	-	42	-
Total External Restrictions	37	-	42	-
Internally Restricted Receivables	-	-	-	-
Unrestricted Receivables	532	42	622	114
TOTAL NET RECEIVABLES	569	42	664	114

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest is charged on overdue rates & charges at 10.00% (2008 10.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 8. Inventories & Other Assets

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
Inventories				
Stores & Materials	52	-	53	-
Total Inventories	52	-	53	-
Other Assets				
Prepayments	180	-	180	-
Insurance Pool Surplus Metropool	-	158	-	189
Other	65	-	65	-
Total Other Assets	245	158	245	189
<u>TOTAL INVENTORIES & OTHER ASSETS</u>	<u>297</u>	<u>158</u>	<u>298</u>	<u>189</u>

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 8. Inventories & Other Assets (continued)

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
(i) Externally Restricted Assets				
Domestic Waste Management				
Nil				
Other				
Nil				
Total Externally Restricted Assets	-	-	-	-
Total Internally Restricted Assets	-	-	-	-
Total Unrestricted Assets	297	158	298	189
TOTAL INVENTORIES & OTHER ASSETS	<u>297</u>	<u>158</u>	<u>298</u>	<u>189</u>

Hunters Hill Council

Notes to the Financial Statements
for the financial year ended 30 June 2009

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2008					Asset Movements during the Reporting Period				as at 30/6/2009				
	At	At	Accumulated		Carrying	Asset Additions	WDV-Asset Disposals	Depreciation Expense	Impairment - Loss to P/L	At	At	Accumulated		Carrying
	Cost	Fair Value	Deprec.	Impairment	Value					Cost	Fair Value	Dep'n	Impairment	Value
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	1,228	494	-	734	369	(196)	(188)	-	1,286	567	-	-	719
Office Equipment	-	901	794	-	107	43	-	(55)	-	944	849	-	-	95
Furniture & Fittings	-	97	63	-	34	-	-	(4)	-	97	67	-	-	30
Plant & Equipment (under Finance Lease)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land:														
- Operational Land	-	21,525	-	-	21,525	-	-	-	-	21,525	-	-	-	21,525
- Community Land	219,191	-	-	-	219,191	-	-	-	-	219,191	-	-	-	219,191
- Land under Roads (purchased pre 1/7/08)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Land under Roads (purchased post 30/6/08)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - non depreciable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - depreciable	1,160	-	421	-	739	66	-	(77)	-	1,226	498	-	-	728
Buildings - Non Specialised	-	9,839	3,679	-	6,160	29	-	(323)	-	9,868	4,002	-	-	5,866
Buildings - Specialised	-	11,976	6,680	-	5,296	88	-	(311)	-	12,064	6,991	-	-	5,073
Other Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure:														
- Roads, Bridges, Footpaths	35,986	-	28,074	-	7,912	673	-	(439)	-	36,659	28,513	-	-	8,146
- Bulk Earthworks (non-depreciable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stormwater Drainage	3,506	-	1,229	-	2,277	246	-	(35)	-	3,752	1,264	-	-	2,488
- Water Supply Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sewerage Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	259,843	45,566	41,434	-	263,975	1,514	(196)	(1,432)	-	260,828	45,784	42,751	-	263,861

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

Council has no Externally Restricted Infrastructure, Property, Plant & Equipment.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2009		2008	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		435	-	650	-
Goods & Services - capital expenditure		159	-	-	-
Payments Received In Advance		272	-	224	-
Accrued Expenses;					
- Borrowings		10	-	8	-
- Other Expenditure Accruals		93	-	66	-
Advances		-	-	-	-
Security Bonds, Deposits & Retentions		2,269	-	2,171	-
Total Payables		3,238	-	3,119	-
Borrowings					
Loans - Secured ¹		339	1,405	321	1,744
Total Borrowings		339	1,405	321	1,744
Provisions					
Employee Benefits;					
Annual Leave		381	-	370	-
Sick Leave		19	-	26	-
Long Service Leave		634	20	550	28
Other Leave		13	-	6	-
Sub Total - Aggregate Employee Benefits		1,047	20	952	28
Total Provisions		1,047	20	952	28
Total Payables, Borrowings & Provisions		4,624	1,425	4,392	1,772

(i) Liabilities relating to Restricted Assets

	2009		2008	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Domestic Waste Management	73	-	82	-
Liabilities relating to externally restricted assets	73	-	82	-
Total Liabilities relating to restricted assets	73	-	82	-

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

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000	2009	2008
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	544	469
Other Liabilities: Security Bonds, Deposits & Retentions	1,976	1,894
	<u>2,520</u>	<u>2,363</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2008			2009		Closing Balance as at 30/6/09
	Opening Balance as at 1/7/08	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	370	269	(258)			381
Sick Leave	26	1	(8)			19
Long Service Leave	578	134	(58)			654
Other Leave	6	8	(1)			13
TOTAL	980	412	(325)	-	-	1,067

a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 11. Cash Flow Statement - Additional Information

\$ '000	Notes	Actual 2009	Actual 2008
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	10,484	9,735
Less Bank Overdraft	10	-	-
BALANCES as per the CASH FLOW STATEMENT		10,484	9,735
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		551	1,592
Adjust for non cash items:			
Depreciation & Amortisation		1,432	1,065
Net Losses/(Gains) on Disposal of Assets		4	(92)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		167	(61)
Increase/(Decrease) in Provision for Doubtful Debts		-	-
Decrease/(Increase) in Inventories		1	(2)
Decrease/(Increase) in Other Current Assets		31	(70)
Increase/(Decrease) in Payables		(215)	174
Increase/(Decrease) in accrued Interest Payable		2	8
Increase/(Decrease) in other accrued Expenses Payable		27	20
Increase/(Decrease) in Other Current Liabilities		146	(12)
Increase/(Decrease) in Employee Leave Entitlements		87	(60)
Increase/(Decrease) in Other Provisions		-	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from CASH FLOW STATEMENT		2,233	2,562

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 11. Cash Flow Statement - Additional Information (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c) Non-Cash Investing & Financing Activities			
Nil			
Acquisition of Plant & Equipment by means of Finance Lease			-
Subsidised Works (Sewer Scheme)			-
Bushfire Grants			-
S94 Contributions "in kind"			-
Other Dedications			-
Other Non Cash Items			-
Other Non Cash Items			-
Total Non-Cash Investing & Financing Activities		-	-
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		-	-
Credit Cards / Purchase Cards		10	10
Other		-	-
Total Financing Arrangements		10	10
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		1	1
- Other		-	-
Total Financing Arrangements Utilised		1	1

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2009	Actual 2008
(a) Capital Commitments (exclusive of GST)			
Nil			
(b) Other Expenditure Commitments (exclusive of GST)			
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
DWM & Recycling Services		594	1,095
Audit Services		84	105
Total Commitments		678	1,200
These expenditures are payable as follows:			
Within the next year		615	522
Later than one year and not later than 5 years		63	678
Later than 5 years		-	-
Total Payable		678	1,200

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c) Finance Lease Commitments			
Nil			
(d) Operating Lease Commitments (Non Cancellable)			
a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:			
Within the next year		23	23
Later than one year and not later than 5 years		71	92
Later than 5 years		-	2
Total Non Cancellable Operating Lease Commitments		94	117

b. Non Cancellable Operating Leases include the following assets:

Council has entered into non-cancellable operating leases for office photocopier equipment.

Contingent rental payments have been determined & have been publicly notified in Council's Annual Management Plans.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(f) Remuneration Commitments			
Commitments for the payment of salaries & other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities are payable:			
Within the next year		170	170
Later than one year and not later than 5 years		213	383
Later than 5 years		-	-
Total Payable		383	553

(g) Investment in Associates / Joint Ventures - Commitments

For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 13. Statement of Performance Measurement - Indicators

\$ '000	Amounts 2009	Indicator 2009	Prior Periods 2008 2007	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>7,971</u>	3.92 : 1	3.81:1	3.87:1
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>2,031</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>435</u>	4.04%	3.93%	3.91%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<u>10,772</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>7,938</u>	68.89%	66.92%	72.87%
Revenue from Continuing Operations	<u>11,522</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>239</u>	2.89%	3.83%	3.58%
Rates, Annual & Extra Charges Collectible	<u>8,268</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	<u>750</u>	67.69%	177.02%	n/a
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	<u>1,108</u>			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

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

⁽²⁾ Refer to Note 10(a).

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

⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 14. Investment Properties

	Actual	Actual
\$ '000	2009	2008

Council has not classified any Land or Buildings as "Investment Properties"

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management

\$ '000

Risk Management

Council's activities expose it to a variety of financial risks including **(i)** price risk, **(ii)** credit risk, **(iii)** liquidity risk and **(iv)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2009	2008	2009	2008
Financial Assets				
Cash and Cash Equivalents	10,484	9,735	10,484	9,735
Investments				
- "Held for Trading"	-	-	-	-
- "Designated At Fair Value on Initial Recognition"	-	-	-	-
- "Held to Maturity"	-	-	-	-
- "Loans & Receivables"	-	-	-	-
- "Available for Sale"	-	-	-	-
Receivables	611	778	611	778
Total Financial Assets	11,095	10,513	11,095	10,513
Financial Liabilities				
Bank Overdraft	-	-	-	-
Payables	2,966	2,895	2,966	2,895
Loans / Advances	1,744	2,065	1,744	2,065
Lease Liabilities	-	-	-	-
Total Financial Liabilities	4,710	4,960	4,710	4,960

Fair Value is determined as follows:

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets "at fair value through the profit & Loss", "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Financial Section manages its Cash & Investments portfolio with the assistance of independent advisors.

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

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

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

A further risk associated with Cash & Investments is credit risk - the risk that the counterparty (to an investment) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (during the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

2009	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
Possible impact of a 10% movement in Market Values				
Possible impact of a 1% movement in Interest Rates	100	100	(100)	(100)
2008				
Possible impact of a 10% movement in Market Values				
Possible impact of a 1% movement in Interest Rates	98	98	(98)	(98)

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise **(i)** Rates & Annual charges and **(ii)** User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates & annual charges at higher than market rates which further encourages the payment of debt.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2009	2009	2008	2008
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	213	398	261	517
	213	398	261	517

(ii) Movement in Provision for Impairment of Receivables

Balance at the beginning of the year
 + new provisions recognised during the year
 - amounts already provided for & written off this year
 - amounts provided for but recovered during the year
 - previous impairment losses reversed

Balance at the end of the year

	2009	2008
Balance at the beginning of the year	-	
+ new provisions recognised during the year		
- amounts already provided for & written off this year		
- amounts provided for but recovered during the year		
- previous impairment losses reversed		
Balance at the end of the year	-	-

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

As well, payment terms can (in extenuating circumstances) be extended & overdraft facilities can be drawn down.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2009									
Bank Overdraft	-							-	-
Trade/Other Payables	2,269	592						2,861	2,966
Loans & Advances		339	358	378	399	270		1,744	1,744
Lease Liabilities								-	-
Total Financial Liabilities	2,269	931	358	378	399	270	-	4,605	4,710
2008									
Bank Overdraft	-							-	-
Trade/Other Payables	2,171	724						2,895	2,895
Loans & Advances		321	339	358	378	399	270	2,065	2,065
Lease Liabilities								-	-
Total Financial Liabilities	2,171	1,045	339	358	378	399	270	4,960	4,960

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities & interest rate structures.

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

	2009		2008	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	-		-	
Trade/Other Payables	2,966		2,895	
Loans & Advances - Fixed Interest Rate	1,744	5.8%	2,065	5.8%
Loans & Advances - Variable Interest Rate				
Lease Liabilities	-		-	
	<u>4,710</u>		<u>4,960</u>	

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 08/09 was incorporated as part of its Management Plan and was adopted by the Council on 23 June 2008.

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

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

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

Note that for Variations: **F** = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2009 Budget	2009 Actual	2009 Variance*		
REVENUES					
Interest & Investment Revenue	688	563	(125)	(18%)	U
Decreases in interest rates due to the current economic climate were far greater than could be predicted					
Other Revenues	386	763	377	98%	F
Revenue from restoration charges from Energy Australia for Gale St, The Point Rd, Angelo St, John & Mary St					
Operating Grants & Contributions	619	709	90	15%	F
The first quarter of the Financial Assistance Grant for 2009/2010 was received in the 2008/2009 year. \$97 F					
Capital Grants & Contributions	201	567	366	182%	F
Developer contributions were greater than estimated by \$78 F. Grants under the Regional and Local Community Infrastructure Program of \$138 F and additional grants under the CMA \$49 F, Environmental Trust \$35 F, Estuary Management \$62 F and others					

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 16. Material Budget Variations (continued)

\$ '000	2009 Budget	2009 Actual	2009 Variance*		
EXPENSES					
Employee Benefits & On-Costs	4,485	3,996	489	11%	F
Staff complement has been down due to retirement & resignation with positions difficult to fill due to skill shortages					
Materials & Contracts	2,898	3,534	(636)	(22%)	U
Contractors used to complete restoration works \$36 U and to carry out essential tasks due to staff shortages \$170 U, and some grant works					
Depreciation & Amortisation	1,026	1,432	(406)	(40%)	U
Revaluation of Buildings in 2007/2008 has meant an increase in depreciation \$391 U					
Net Losses from Disposal of Assets	22	4	18	82%	F
Deferment of replacement of some motor vehicles \$18 F					

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	262	2	-	14	(45)	-	233	3,446	(3,679)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	55	-	-	3	-	-	58	272	(330)	-	-
Parking	264	88	-	15	(36)	-	331	3,811	(4,142)	-	-
Open Space	496	12	-	26	(36)	-	498	22,178	(22,676)	-	-
Community Facilities	143	1	-	7	(27)	-	124	1,704	(1,828)	-	-
Other1 (Specify)	-	-	-	-	-	-	-	-	-	-	-
Other2 (Specify)	-	-	-	-	-	-	-	-	-	-	-
Other	18	-	-	1	-	-	19	989	(1,008)	-	-
S94 Contributions - under a Plan	1,238	103	-	66	(144)	-	1,263	32,400	(33,663)	-	-
S94A Levies - under a Plan	-	-	-	-	-	-	-				
Total S94 Revenue Under Plans	1,238	103	-	66	(144)	-	1,263	32,400	(33,663)	-	-
S94 not under Plans	-	-	-	-	-	-	-	-	-	-	-
S93F Planning Agreements	-										
S64 Contributions	-										
Total Contributions	1,238	103	-	66	(144)	-	1,263	32,400	(33,663)	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - Adopted 23 November 1998

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	199			11	(45)		165	3,446	(3,611)	-	
Roads	-						-			-	
Traffic Facilities	49			3			52	272	(324)	-	
Parking	202			11	(12)		201	3,811	(4,012)	-	
Open Space	72			4	(36)		40	22,178	(22,218)	-	
Community Facilities	116			6	(27)		95	1,704	(1,799)	-	
Other1 (Specify)	-						-			-	
Other2 (Specify)	-						-			-	
Other	17			1			18	989	(1,007)	-	
Total	655	-	-	36	(120)	-	571	32,400	(32,971)	-	-

CONTRIBUTION PLAN NUMBER - Adopted 23 June 2003

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	63	2		3			68		(68)	-	
Roads	-						-			-	
Traffic Facilities	6						6		(6)	-	
Parking	62	88		4	(24)		130		(130)	-	
Open Space	424	12		22			458		(458)	-	
Community Facilities	27	1		1			29		(29)	-	
Other1 (Specify)	-						-			-	
Other2 (Specify)	-						-			-	
Other	1						1		(1)	-	
Total	583	103	-	30	(24)	-	692	-	(692)	-	-

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Statecover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the Company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements of APRA.

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

(ii) Metropool

Council is a party to Metro pool, a mutual scheme providing liability insurance to Local Government. As at 30 June 2006 Metropool has no claim exposure relating to any insurance coverage with the HIH group of companies.

ASSETS NOT RECOGNISED:

(ii) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category and that member Councils will need to make significantly higher contributions from 2009/10 & beyond.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its Defined Benefit Scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000

19(c) Joint Venture Operations

(a) Council is involved in the following Joint Venture Operations

Name of Operation	Principal Activity	Councils Interests in Outputs of JV	
		2009	2008
JV Cowell Street Development		63%	
(b) Council Assets employed in the Joint Venture Operation		2009	2008
Councils own assets employed in the Operation			
Current Assets:			
Receivables			-
Inventories			-
Other Assets		65	65
Non-Current Assets			
Property, Plant & Equipment		400	400
Total Assets - Council Owned		465	465
Councils share of assets jointly owned with other partners			
Current Assets			-
Current Liabilities			-
Property, Plant & Equipment			-
Other Non Current Assets			-
Non Current Liabilities			-
Total Net Assets Employed - Council & Jointly Owned		465	465
(c) Share of Joint Venture Operations Expenditure Commitments		2009	2008
Capital Commitments			
Payable Not Later than 1 Year			-
Payable Later than 1 Year but not later than 5 Years			-
Payable Later than 5 Years			-
Total Capital Commitments		-	-
Operating Expenditure Commitments			
Payable Not Later than 1 Year			-
Payable Later than 1 Year but not later than 5 Years			-
Payable Later than 5 Years			-
Total Operating Expenditure Commitments		-	-
(d) Contingent Liabilities of Joint Venture Operations		2009	2008
Share of Contingent Liabilities incurred jointly with other Participants			-
Share of Contingent Liabilities for which Council is severally liable			-

Hunter's Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 20. Revaluation reserves and retained earnings

Notes	Actual 2009 \$ '000	Actual 2008 \$ '000
(a) Retained Earnings		
Movements in Retained earnings were as follows:		
At beginning of year	251,089	248,429
Adjustment to correct prior period errors (Note 20(d))	-	1,068
Net operating result for the year	551	1,592
At End of year	251,640	251,089
(b) Revaluation reserves		
Infrastructure, property, plant and equipment revaluation reserve	-	-
Available-for-sale investments revaluation reserve	-	-
Movements:		
<i>Property, plant and equipment revaluation reserve</i>		
At Beginning of year	17,722	17,722
Revaluations (Note 9)	-	-
Transfers	-	-
At End of year	17,722	17,722
(c) Nature and purpose of reserves		
<i>(i) Infrastructure, property, plant and equipment revaluation reserve</i>		
The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets.		
(d) Correction of errors in previous years		
Council had not previously reassessed the useful life of its buildings and, as a result, was found to have significantly understated their depreciation. It was also found that certain buildings that Council owned had not previously been recognised. A revaluation exercise in the 2008 year identified these errors and an adjustment has been made against the current year balances of IPPE and Retained Earnings to correct the errors because it was found to be impractical to restate the prior year comparatives.		
Buildings not recognised	-	25
Depreciation understated	-	1,043
Adjustment to Retained Earnings	0	1,068
In the processing of the revaluation of buildings an omission and clerical error was made causing an understatement of the revaluation reserve.		
<i>Property, plant and equipment revaluation reserve</i>		
At Beninning on year	-	17632
Buildings error	-	90
Adjusted opening Property, plant and equipment revaluation reserve	0	17722



SPENCER STEER
CHARTERED ACCOUNTANTS

HUNTERS HILL COUNCIL
GENERAL PURPOSE FINANCIAL REPORT
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying *general purpose financial report* of *Hunters Hill Council*, which comprises the Balance Sheet as at 30 June 2009, Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial report includes the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Report

The 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 Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Cash Flow Statement, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

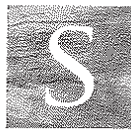
In our opinion,

- (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 financial report:
 - (i) has been presented 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, the results of its operations and its cash flows; and
 - (iv) is in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (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 report that we have become aware of during the course of the audit.

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 29th day of September 2009



SPENCER STEER
CHARTERED ACCOUNTANTS

29 September 2009

The Mayor
Hunters Hill Council
PO Box 21
HUNTERS HILL NSW 2110

Mayor,

Audit Report - Year Ended 30 June 2009

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2009 and that all information required by us was readily available. We have signed our report as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General Purpose Financial Report.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on the General Purpose Financial Report of the Council. We have ensured that the accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;

1. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a Surplus of \$551,000 as compared with \$1.592 million in the previous year – a decrease of \$1.041 million.

The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.



	2009	% of Total	2008	% of Total	Increase (Decrease)
	\$000		\$000		\$000
Revenues before capital items					
Rates & annual charges	7,938	72%	7,671	72%	267
User charges, fees & other revenues	1,745	16%	1,605	15%	140
Grants & contributions provided for operating purposes	709	6%	618	6%	91
Interest & investment revenue	563	5%	695	7%	(132)
	10,955	100%	10,589	100%	366
Expenses					
Employee benefits & costs	3,996	36%	3,626	37%	370
Materials, contracts & other expenses	5,429	49%	5,059	51%	370
Depreciation, amortisation & impairment	1,432	13%	1,065	11%	367
Borrowing costs	114	1%	121	1%	(7)
	10,971	100%	9,871	100%	1,100
Surplus(Deficit) before capital items	(16)		718		(734)
Grants & contributions provided for capital purposes	567		874		(307)
Net Surplus(Deficit) for the year	551		1,592		(1,041)

1.2 Funding Result

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year which is illustrated in the table below.

	2009	2008
	\$000	\$000
Funds were provided by:-		
Operating Result (as above)	551	1,592
Add back non funding items:-		
- Depreciation, amortisation & impairment	1,432	1,065
- Book value of non current assets sold	196	130
	2,179	2,787
New loan borrowings	0	500
Net Changes in current/non current assets & liabilities	288	44
	2,467	3,331
Funds were applied to:-		
Purchase and construction of assets	(1,514)	(1,911)
Principal repaid on loans	(321)	(287)
Transfers to externally restricted assets (net)	(101)	(976)
Transfers to internal reserves (net)	(255)	(12)
	(2,191)	(3,186)
Increase(Decrease) in Available Working Capital	276	145

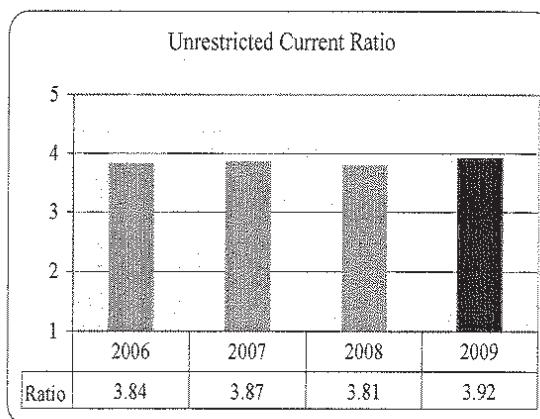


2. FINANCIAL POSITION

2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$5.940 million representing a factor of 3.92 to 1.



2.2 Available Working Capital – (Working Funds)

A more meaningful financial indicator specific to local government is the level of **Available Working Capital**. Net Current Assets are adjusted by eliminating both external and internal restrictions held for future purposes. At the close of the year the Available Working Capital of Council stood at \$2.090 million as detailed below;

	2009	2008	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	6,726	6,305	421
<i>Add:</i> Payables & provisions not expected to be realised in the next 12 months included above	2,520	2,363	157
Adjusted Net Current Assets	9,246	8,668	578
<i>Add:</i> Budgeted & expected to pay in the next 12 months			
- Borrowings	339	321	18
- Employees leave entitlements	503	483	20
- Deposits & retention moneys	293	277	16
<i>Less:</i> Externally restricted assets	(3,306)	(3,205)	(101)
<i>Less:</i> Internally restricted assets	(4,985)	(4,730)	(255)
Available Working Capital as at 30 June	2,090	1,814	276

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and

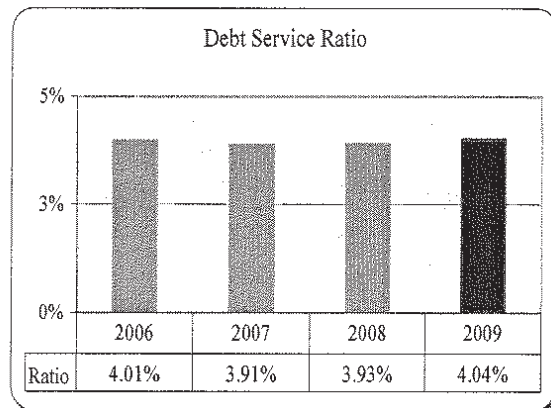


level of the internally restricted assets (Reserves) set aside we are of the opinion that Available Working Capital as at 30 June 2009 was sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (repayment of loans) was 3.93%.

Principal and interest paid was \$435,000 leaving total debt as at 30 June 2009 at \$1.744 million.



2.4 Summary

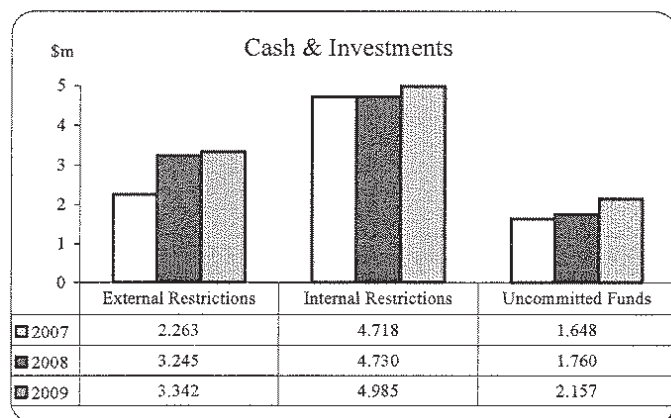
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$10.484 million as compared with \$9.735 million and \$8.629 million at the close of financial years 2008 and 2007 respectively.

The table alongside summarises the purposes for which cash and investments were held.



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended loans (\$166,000), unexpended development contributions under Section 94 (\$1.263 million), unexpended grants and contributions (\$304,000), domestic waste management charges (\$718,000) and special rate levies (\$891,000).



Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "**Reserves**". These Reserves totalled \$4.985 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$2.157 million, which is available to provide liquidity for the day to day operations.

3.2 Cash Flows

The Cash Flow Statement illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that Cash Assets increased by \$749,000 to \$10.484 million at the close of the year.

In addition to operating activities which contributed net cash of \$2.233 million were the proceeds from the sale of assets (\$192,000). Cash outflows other than operating activities were used to repay loans (\$321,000) and to purchase and construct assets (\$1.355 million).

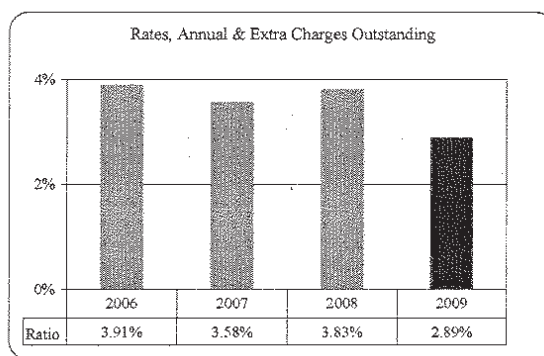
4. RECEIVABLES

4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$7.938 million and represented 68.89% of Council's total revenues. Including arrears, the total rates and annual charges collectible was \$8.199 million of which \$7.986 million (97.40%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$239,000 at the end of the year & represented 2.89% of those receivables.



4.3 Other Receivables

Receivables (other than rates & annual charges) totalled \$372,000 and mainly consisted of user charges and fees (\$140,000) and GST refunds (\$171,000).

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.067 million.



A cash reserve of \$420,000 was held at year end representing 39.36% of this liability and was, in our opinion, more than adequate to enable Council to meet unbudgeted and unanticipated retirements.

5.2 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$2.269 million and were fully funded by cash and investments held in reserves.

6. REVALUATION OF ASSETS

The valuation at 'fair value' of Council's infrastructure, property, plant and equipment is being introduced in a staged approach. In previous years several asset categories, including operational land and buildings and plant and equipment have been revalued.

Fair valuation of remaining asset categories, including transport infrastructure (roads, bridges and footpaths), drains, community land and other structures, will be required over the next two reporting years. The Department of Local Government has issued guidance on the revaluation implementation plan which outlines the major steps and suggested timeframes.

We have discussed the guidelines and milestones with management and advise that nothing has come to our attention to suggest that Council will not satisfactorily complete the remaining revaluation projects within the required timeframes.

7. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Hunters Hill Council

SPECIAL SCHEDULES
for the year ended 30 June 2009



“A sense of history, A sense of community, A place to belong, A sustainable future”

Hunters Hill Council

Special Schedules

for the financial year ended 30 June 2009

Contents

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Special Schedules¹

- Special Schedule No. 1	Net Cost of Services	SS2 - SS4
- Special Schedule No. 2(a)	Statement of Long Term debt (all purposes)	SS5
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	N/A
- Special Schedule No. 3	Water Supply - Income Statement	N/A
- Special Schedule No. 4	Water Supply - Balance Sheet	N/A
- Special Schedule No. 5	Sewerage Service - Income Statement	N/A
- Special Schedule No. 6	Sewerage Service - Balance Sheet	N/A
- Notes to Special Schedules No. 3 & 5		N/A
- Special Schedule No. 7	Condition of Public Works	SS6 - SS7
- Special Schedule No. 8	Financial Projections	SS8

¹ Special Purpose Schedules are not audited.

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the Department of Energy, Utilities & Sustainability (DEUS), and
 - the Department of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of specific service financial activities.
-

Hunters Hill Council

Special Schedule No. 1 - Net Cost of Services for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
Governance	999	999	1		1	(998)	(998)
Administration							
Corporate Support	2,239		98			(2,141)	
Engineering and Works	586		28			(558)	
Other Support Services		2,825			126	-	(2,699)
Public Order and Safety							
Contributions to Fire Service Levy	346					(346)	
Fire Protection – Other						-	
Animal Control	182		5			(177)	
Beach Control						-	
Enforcement of Local Govt Regs						-	
Emergency Services	14					(14)	
Other		542			5	-	(537)
Health							
Administration and Inspection	30		12			(18)	
Immunisations						-	
Food Control						-	
Insect/Vermin Control	3					(3)	
Noxious Plants	2					(2)	
Health Centres	53					(53)	
Other		88			12	-	(76)
Community Services and Education							
Administration	226		13			(213)	
Family Day Care						-	
Child Care	41		33			(8)	
Youth Services	3		2			(1)	
Other Families and Children	15		1			(14)	
Aged and Disabled	80		29	40		(11)	
Migrant Services						-	
Aboriginal Services	2					(2)	
Other Community Services	15					(15)	
Education	65	447	11		129	(54)	(318)

Hunters Hill Council

Special Schedule No. 1 - Net Cost of Services (continued) for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
Housing and Community Amenities							
Housing	21		198			177	
Town Planning	682		252			(430)	
Domestic Waste Management	1,068		1,426			358	
Other Waste Management	83		87			4	
Street Cleaning	323		2			(321)	
Other Sanitation and Garbage			16			16	
Drainage	264		80	256		72	
Stormwater Management						-	
Environmental Protection	42		2			(40)	
Public Cemeteries						-	
Public Conveniences	1					(1)	
Other Community Amenities		2,484			2,319	-	(165)
Water Supplies		-			-	-	-
Sewerage Services		-			-	-	-
Recreation and Culture							
Public Libraries	486		45			(441)	
Museums						-	
Art Galleries	20		22			2	
Community Centres	106		180	1		75	
Public Halls	203		140			(63)	
Other Cultural Services	93		39			(54)	
Swimming Pools	21					(21)	
Sporting Grounds	54		10			(44)	
Parks and Gardens (Lakes)	873		602	166		(105)	
Other Sport and Recreation	50	1,906			1,205	(50)	(701)
Fuel and Energy							
Gas Supplies		-			-	-	-
Mining, Manufacturing and Construction							
Building Control	113		48			(65)	
Abattoirs						-	
Quarries and Pits						-	
Other		113			48	-	(65)

Hunters Hill Council

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

for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
Transport and Communication							
Urban Roads (UR) - Local	742		122	15		(605)	
Urban Roads - Regional						-	
Sealed Rural Roads (SRR) - Local						-	
Sealed Rural Roads - Regional						-	
Unsealed Rural Roads (URR) - Local						-	
Unsealed Rural Roads - Regional						-	
Bridges on UR - Local						-	
Bridges on UR - Regional						-	
Bridges on SRR - Local						-	
Bridges on SRR - Regional						-	
Bridges on URR - Local						-	
Bridges on URR - Regional						-	
Footpaths	528		438			(90)	
Aerodromes						-	
Parking Areas	29		175	88		234	
Bus Shelters and Services	14		115			101	
Water Transport	71					(71)	
RTA Works (State)						-	
Street Lighting	182		31			(151)	
Other		1,566			984	-	(582)
Economic Affairs							
Camping Areas						-	
Caravan Parks						-	
Tourism and Area Promotion	1		1			-	
Industrial Development Promotion						-	
Saleyards and Markets						-	
Real Estate Development						-	
Commercial Nurseries						-	
Other Business Undertakings		1			1	-	-
Totals – Functions		10,971	4,264	566	4,830		(6,141)
General Purpose Revenues⁽¹⁾			6,692		6,692	6,692	6,692
Share of interests - joint ventures & associates using the equity method	-	-	-		-	-	-
NET OPERATING RESULT FOR YEAR		10,971	10,956	566	11,522	551	551

Notes:

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

Hunters Hill Council

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

for the financial year ended 30 June 2009

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-						-	-	
Treasury Corporation	-	-	-						-	-	
Other State Government	-	-	-						-	-	
Public Subscription	-	-	-						-	-	
Financial Institutions	321	1,744	2,065	-	321			114	339	1,405	1,744
Other	-	-	-						-	-	
Total Loans	321	1,744	2,065	-	321	-	-	114	339	1,405	1,744
Other Long Term Debt											
Ratepayers Advances	-	-	-						-	-	
Government Advances	-	-	-						-	-	
Finance Leases	-	-	-						-	-	
Deferred Payments	-	-	-						-	-	
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	321	1,744	2,065	-	321	-	-	114	339	1,405	1,744

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

This Schedule is prepared using the Face Value of debt obligations, rather than Fair Value (as per the GPFR's).

Hunters Hill Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2009

\$'000	Actual ⁽¹⁾ 08/09	Forecast 09/10	Forecast 10/11	Forecast ⁽³⁾ 11/12	Forecast ⁽³⁾ 12/13
(i) RECURRENT BUDGET					
Income from continuing operations	11,522	10,733	12,238	13,602	12,632
Expenses from continuing operations	10,971	10,632	10,750	11,072	11,469
Operating Result from Continuing Operations	551	101	1,488	2,530	1,163
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	351	289	443	218	150
Replacement/Refurbishment of Existing Assets	1,163	941	2,053	3,071	1,923
Total Capital Budget	1,514	1,230	2,496	3,289	2,073
Funded by:					
– Loans	248	-	-	-	-
– Asset sales	192	153	76	190	70
– Reserves	175	30	167	155	67
– Grants/Contributions	331	237	1,135	2,110	1,110
– Recurrent revenue	568	810	1,118	834	826
– Other	-	-	-	-	-
	1,514	1,230	2,496	3,289	2,073

Notes:

(1) From 08/09 Income Statement.

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

(3) If Council has only adopted 3 years of projections then only show 3 years.