

Hunter's Hill Council



FINANCIAL STATEMENTS

2010/2011

for the year ended 30 June 2011



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

Hunters Hill Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2011

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



Hunters Hill Council

General Purpose Financial Statements for the financial year ended 30 June 2011

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Hunters Hill Council.
- (ii) Hunters Hill Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 23/09/11
Council has the power to amend and reissue the financial statements.
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Hunter's Hill Council

General Purpose Financial Statements for the financial year ended 30 June 2011

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

The attached General Purpose Financial Statements have been prepared in accordance with:

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

To the best of our knowledge and belief, these Financial Statements:

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

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

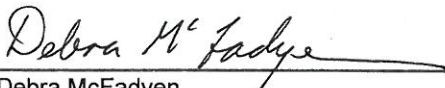
Signed in accordance with a resolution of Council made on 12 September 2011.



Susan Hoopmann
MAYOR



Richard Quinn
COUNCILLOR



Debra McFadyen
ACTING GENERAL MANAGER



May Vilaythong
RESPONSIBLE ACCOUNTING OFFICER

Hunters Hill Council

Income Statement

for the financial year ended 30 June 2011

Budget ⁽¹⁾			Actual	Actual
2011	\$ '000	Notes	2011	2010
Income from Continuing Operations				
<i>Revenue:</i>				
8,491	Rates & Annual Charges	3a	8,510	8,278
694	User Charges & Fees	3b	629	776
449	Interest & Investment Revenue	3c	525	453
1,035	Other Revenues	3d	850	637
713	Grants & Contributions provided for Operating Purposes	3e,f	828	701
80	Grants & Contributions provided for Capital Purposes	3e,f	382	906
<i>Other Income:</i>				
61	Net gains from the disposal of assets	5	61	16
11,523	Total Income from Continuing Operations		11,785	11,767
Expenses from Continuing Operations				
4,783	Employee Benefits & On-Costs	4a	4,474	4,281
74	Borrowing Costs	4b	76	96
3,028	Materials & Contracts	4c	3,748	3,427
1,420	Depreciation & Amortisation	4d	2,856	1,487
	Impairment	4d	-	-
2,161	Other Expenses	4e	1,896	1,904
	Interest & Investment Losses	3c	-	-
11,466	Total Expenses from Continuing Operations		13,050	11,195
57	Operating Result from Continuing Operations		(1,265)	572
57	Net Operating Result for the Year		(1,265)	572
57	Net Operating Result attributable to Council		(1,265)	572
	Net Operating Result attributable to Minority Interests		-	-
(23)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(1,647)	(334)

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

Hunters Hill Council

Statement of Comprehensive Income for the financial year ended 30 June 2011

\$ '000	Notes	Actual 2011	Actual 2010
Net Operating Result for the year (as per Income statement)		(1,265)	572
Other Comprehensive Income			
Gain (loss) on revaluation of I,PP&E	20b (ii)	179,890	15,829
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-
Other Movements in Reserves (enter details here)	20b (ii)	-	-
De-recognition of land under roads		-	-
Adjustment to correct prior period depreciation errors		-	-
Total Other Comprehensive Income for the year		179,890	15,829
Total Comprehensive Income for the Year		178,625	16,401
Total Comprehensive Income attributable to Council		178,625	16,401
Total Comprehensive Income attributable to Minority Interests		-	-

Hunters Hill Council

Balance Sheet

as at 30 June 2011

\$ '000	Notes	Actual 2011	Actual 2010	Actual 2009
ASSETS				
Current Assets				
Cash & Cash Equivalents	6a	9,201	9,459	10,484
Investments	6b	-	-	-
Receivables	7	982	701	569
Inventories	8	69	58	52
Other	8	191	180	245
Total Current Assets		10,443	10,398	11,350
Non-Current Assets				
Receivables	7	31	36	42
Infrastructure, Property, Plant & Equipment	9	478,139	299,952	282,816
Other	8	296	190	158
Total Non-Current Assets		478,466	300,178	283,016
TOTAL ASSETS		488,909	310,576	294,366
LIABILITIES				
Current Liabilities				
Payables	10	3,183	3,197	3,238
Borrowings	10	378	358	339
Provisions	10	1,306	1,231	1,047
Total Current Liabilities		4,867	4,786	4,624
Non-Current Liabilities				
Payables	10	-	-	-
Borrowings	10	669	1,047	1,405
Provisions	10	30	25	20
Investments accounted for using the equity method	19	-	-	-
Total Non-Current Liabilities		699	1,072	1,425
TOTAL LIABILITIES		5,566	5,858	6,049
Net Assets		483,343	304,718	288,317
EQUITY				
Retained Earnings	20	269,902	271,167	270,595
Revaluation Reserves	20	213,441	33,551	17,722
Council Equity Interest		483,343	304,718	288,317
Minority Equity Interest		-	-	-
Total Equity		483,343	304,718	288,317

Hunters Hill Council

Statement of Changes in Equity for the financial year ended 30 June 2011

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2011						
Opening Balance (as per Last Year's Audited Accounts)		271,167	33,551	304,718	-	304,718
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/10)		271,167	33,551	304,718	-	304,718
c. Net Operating Result for the Year		(1,265)		(1,265)	-	(1,265)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)		179,890	179,890		179,890
- Revaluations: Other Reserves	20b (ii)		-	-		-
- Transfers to Income Statement	20b (ii)		-	-		-
- Other Movements (enter details here)	20b (ii)		-	-		-
Other Comprehensive Income		-	179,890	179,890	-	179,890
Total Comprehensive Income (c&d)		(1,265)	179,890	178,625	-	178,625
e. Distributions to/(Contributions from) Minority Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		269,902	213,441	483,343	-	483,343
2010						
Opening Balance (as per Last Year's Audited Accounts)		251,640	17,722	269,362	-	269,362
a. Correction of Prior Period Errors	20 (c)	18,955	-	18,955	-	18,955
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/09)		270,595	17,722	288,317	-	288,317
c. Net Operating Result for the Year		572	-	572	-	572
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	15,829	15,829	-	15,829
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	15,829	15,829	-	15,829
Total Comprehensive Income (c&d)		572	15,829	16,401	-	16,401
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		271,167	33,551	304,718	-	304,718

Hunters Hill Council

Statement of Cash Flows

for the financial year ended 30 June 2011

Budget 2011	\$ '000	Notes	Actual 2011	Actual 2010
Cash Flows from Operating Activities				
Receipts:				
8,452	Rates & Annual Charges		8,525	8,198
693	User Charges & Fees		451	717
449	Investment & Interest Revenue Received		507	444
792	Grants & Contributions		1,235	1,552
1,035	Bonds & Deposits Received		-	-
	Other		1,548	1,214
Payments:				
(4,783)	Employee Benefits & On-Costs		(4,394)	(4,092)
(2,774)	Materials & Contracts		(3,874)	(3,433)
(74)	Borrowing Costs		(78)	(96)
(2,415)	Bonds & Deposits Refunded		66	-
	Other		(2,660)	(2,443)
1,375	Net Cash provided (or used in) Operating Activities	11b	1,326	2,061
Cash Flows from Investing Activities				
Receipts:				
	Nil			
62	Sale of Infrastructure, Property, Plant & Equipment		278	52
Payments:				
	Nil			
(1,973)	Purchase of Infrastructure, Property, Plant & Equipment		(1,504)	(2,799)
(1,911)	Net Cash provided (or used in) Investing Activities		(1,226)	(2,747)
Cash Flows from Financing Activities				
Receipts:				
	Proceeds from Borrowings & Advances		-	-
Payments:				
	Nil			
(358)	Repayment of Borrowings & Advances		(358)	(339)
(358)	Net Cash Flow provided (used in) Financing Activities		(358)	(339)
(894)	Net Increase/(Decrease) in Cash & Cash Equivalents		(258)	(1,025)
	plus: Cash & Cash Equivalents - beginning of year	11a	9,459	10,484
(894)	Cash & Cash Equivalents - end of the year	11a	9,201	9,459
	plus: Investments on hand - end of year	6b	-	-
	Total Cash, Cash Equivalents & Investments		9,201	9,459

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 2011

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n/a - not applicable

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting.

Historical cost convention

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

Critical accounting estimates

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

Financial statement presentation

The Council has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Council had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into

consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

(c) Principles of Consolidation

(i) The Consolidated Fund

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

The following 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. 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

Any interests in Joint Venture Entities & Partnerships are 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

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,

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

(h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment. Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

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)
- Road assets – roads, bridges and footpaths (External Valuation)
- Drainage assets – (Internal Valuation)
- Community land – (External Valuation)
- Land Improvements (as approximately by depreciated historical cost)

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:

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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 to 100 years
Sealed Roads - Surface	20 years
- Structure	30 to 100 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with 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 and include 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) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables..

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Other Long Term Obligations

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

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below).

The Local Government Superannuation Scheme – Pool B (the Scheme) is a defined benefit plan that has been deemed to be a “multi-employer fund” for purposes of AASB119. Sufficient information under AASB119 is not available to account for the Scheme as a defined benefit plan, because the assets to the Scheme are pooled together for all employers.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2011 was \$495k. The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 16 February 2010 and covers the period ended 30 June 2009. However the position is monitored annually and the Actuary has estimated that as at 30th June 2011 a deficit still exists. Effective from 1

July 2009, employers are required to contribute at twice the “notional” or long term cost for a period of up to ten years in order to rectify this deficit. The share of this deficit that can be broadly attributed to the employer was estimated to be in the order of \$327,029 as at 30 June 2011.

(p) Rounding of amounts

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

(q) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

Exceptions

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

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

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

When adopted, the standard will affect in particular the Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

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

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. **No impact on Council.**

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

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. Council does not make any such prepayments. **The amendment is therefore not expected to have any impact on Council.**

(s) 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 2011.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 2(a). Council Functions / Activities - Financial Information

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 2011	Actual 2011	Actual 2010	Original Budget 2011	Actual 2011	Actual 2010	Original Budget 2011	Actual 2011	Actual 2010	Actual 2011	Actual 2010	Actual 2011	Actual 2010
Governance	-	-	-	1,074	1,108	-	(1,074)	(1,108)	-	-	-	-	-
Administration	170	344	109	3,076	2,873	3,787	(2,906)	(2,529)	(3,678)	-	-	20,411	20,829
Public Order & Safety	5	3	5	635	658	518	(630)	(655)	(513)	-	-	47	34
Health	37	43	56	126	127	99	(89)	(84)	(43)	15	-	185	212
Environment	1,815	1,930	2,001	1,706	2,232	2,041	109	(302)	(40)	174	321	-	-
Community Services & Education	138	140	224	526	513	475	(388)	(373)	(251)	50	25	12,094	5,538
Housing & Community Amenities	532	514	404	1,084	1,172	980	(552)	(658)	(576)	32	32	5,568	5,542
Recreation & Culture	1,218	1,255	1,259	2,024	2,046	2,027	(806)	(791)	(768)	121	190	353,420	223,947
Mining, Manufacturing & Construction	53	38	46	75	75	116	(22)	(37)	(70)	-	-	139	147
Transport & Communication	1,044	635	953	1,137	2,245	1,151	(93)	(1,610)	(198)	122	362	97,045	54,327
Economic Affairs	1	1	1	3	1	1	(2)	-	-	-	-	-	-
Total Functions & Activities	5,013	4,903	5,058	11,466	13,050	11,195	(6,453)	(8,147)	(6,137)	514	930	488,909	310,576
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)		-	-		-	-	-	-	-		-	-	-
General Purpose Income ¹	6,510	6,882	6,709				6,510	6,882	6,709	466	436		-
Operating Result from Continuing Operations	11,523	11,785	11,767	11,466	13,050	11,195	57	(1,265)	572	980	1,366	488,909	310,576

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 2(b). Council Functions / Activities - Component Descriptions

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.

ADMINISTRATION

Corporate Support and Other Support Services (not otherwise attributed to the listed functions / activities).

PUBLIC ORDER & SAFETY

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

HEALTH

Inspection, immunisations, food control, health centres, other, administration.

ENVIRONMENT

Noxious plants and insect/vermin control, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

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, street lighting, other sanitation and garbage, public cemeteries, public conveniences, other community amenities.

WATER SUPPLIES

SEWERAGE SERVICES

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 & 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, other.

ECONOMIC AFFAIRS

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

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2011	Actual 2010
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		5,845	5,681
Business		199	197
Total Ordinary Rates		6,044	5,878
Special Rates			
Environmental		154	150
Community Facilities		272	266
Other		511	499
Total Special Rates		937	915
Annual Charges (pursuant to s.496, s.501 & s.611)			
Domestic Waste Management Services		1,480	1,428
Section 611 Charges		49	57
Total Annual Charges		1,529	1,485
TOTAL RATES & ANNUAL CHARGES		8,510	8,278

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 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Domestic Waste Management Services		6	6
Waste Management Services (non-domestic)		94	85
Total User Charges		100	91
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608 & 610A)			
Nil			
Inspection Services		21	21
Planning & Building Regulation		300	272
Section 149 Certificates (EPA Act)		47	51
Section 603 Certificates		18	17
Total Fees & Charges - Statutory/Regulatory		386	361
(ii) Fees & Charges - Other (incl. General User Charges) (per s.610C)			
Lease Rentals		1	1
Leaseback Fees - Council Vehicles		21	15
Restoration Charges		121	308
Total Fees & Charges - Other		143	324
TOTAL USER CHARGES & FEES		629	776

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		24	22
- Interest earned on Investments (interest & coupon payment income)		501	431
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>525</u>	<u>453</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges		24	22
General Council Cash & Investments		437	376
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		64	55
<u>Total Interest & Investment Revenue Recognised</u>		<u>525</u>	<u>453</u>
(d). Other Revenues			
Rental Income - Other Council Properties		418	410
Fines		78	65
Commissions & Agency Fees		5	8
Policy Sales		-	2
Sundry Rents & Charges		277	99
Waste Rebate		72	53
<u>TOTAL OTHER REVENUE</u>		<u>850</u>	<u>637</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	2011 Operating	2010 Operating	2011 Capital	2010 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance - General Component	289	266	-	-
Financial Assistance - Local Roads Component	136	126	-	-
Pensioners' Rates Subsidies - General Component	41	44	-	-
Total General Purpose	466	436	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	15	16	-	-
Community Care	50	25	-	-
Community Centres	-	-	-	-
Environmental Protection	40	20	-	-
Library	46	46	-	-
Recreation & Culture	4	-	75	144
Street Lighting	32	32	-	-
Traffic Route Subsidy	4	4	-	-
Transport (Roads to Recovery)	-	-	-	352
Transport (Other Roads & Bridges Funding)	-	-	91	-
Stormwater Drainage	43	50	52	235
Other	62	6	-	-
Total Specific Purpose	296	199	218	731
Total Grants	762	635	218	731
Grant Revenue is attributable to:				
- Commonwealth Funding	425	392	-	-
- State Funding	330	244	214	731
	762	636	218	731

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	2011 Operating	2010 Operating	2011 Capital	2010 Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
Nil				
S 94 - Contributions towards amenities/services	-	-	120	55
Total Developer Contributions 17	-	-	120	55
Other Contributions:				
Kerb & Gutter	4	5	-	-
RTA Contributions (Regional/Local, Block Grant)	62	61	3	15
Other	-	-	41	105
Total Other Contributions	66	66	44	120
Total Contributions	66	66	164	175
<u>TOTAL GRANTS & CONTRIBUTIONS</u>	<u>828</u>	<u>701</u>	<u>382</u>	<u>906</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2011	Actual 2010
(g). Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	1,391	1,567
add: Grants and contributions recognised in the current period which have not been spent:	411	251
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(472)	(427)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	(61)	(176)
Unexpended at the Close of this Reporting Period and held as Restricted Assets	1,330	1,391
Comprising:		
- Specific Purpose Unexpended Grants	159	139
- Developer Contributions	1,171	1,252
- Other Contributions	-	-
	1,330	1,391

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2011	Actual 2010
(a) Employee Benefits & On-Costs			
Salaries and Wages		3,315	3,090
Travelling		97	104
Employee Leave Entitlements (ELE)		366	426
Superannuation		495	465
Workers' Compensation Insurance		109	98
Fringe Benefit Tax (FBT)		54	45
Training Costs (other than Salaries & Wages)		46	59
Total Employee Costs		4,482	4,287
less: Capitalised Costs		(8)	(6)
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>		<u>4,474</u>	<u>4,281</u>
Number of "Equivalent Full Time" Employees at year end		59	59
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		76	96
Total Interest Bearing Liability Costs		76	96
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		76	96
(ii) Other Borrowing Costs			
Total Other Borrowing Costs		-	-
<u>TOTAL BORROWING COSTS EXPENSED</u>		<u>76</u>	<u>96</u>

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(c) Materials & Contracts			
Raw Materials & Consumables		709	583
Contractor & Consultancy Costs		2,587	2,591
Auditors Remuneration			
- Audit Services: Council's Auditor		65	32
Legal Expenses:			
- Legal Expenses: Planning & Development		368	204
- Legal Expenses: Other		1	11
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽¹⁾		21	23
Total Materials & Contracts		3,751	3,444
less: Capitalised Costs		(3)	(17)
TOTAL MATERIALS & CONTRACTS		3,748	3,427
1. Operating Lease Payments are attributable to:			
- Other		21	23
		21	23

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2011	Actual 2010	Actual 2011	Actual 2010
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	211	185
Office Equipment		-	-	68	55
Furniture & Fittings		-	-	7	6
Property, Plant & Equipment - Leased		-	-	-	-
Land Improvements (depreciable)		-	-	85	95
Buildings - Non Specialised		-	-	328	325
Buildings - Specialised		-	-	340	333
Other Structures		-	-	-	-
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	1,677	452
- Stormwater Drainage		-	-	140	36
Total Depreciation & Impairment Costs		-	-	2,856	1,487
less: Capitalised Costs		-	-	-	-
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>		-	-	<u>2,856</u>	<u>1,487</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		51	51
Bad & Doubtful Debts		3	3
Bank Charges		33	32
Contributions/Levies to Other Levels of Government		-	-
- NSW Fire Brigade Levy		403	369
- Department of Planning Levy		49	47
- Regional Library		517	508
- Other Contributions/Levies		38	18
Councillor Expenses - Mayoral Fee		26	25
Councillor Expenses - Councillors' Fees		112	108
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		47	35
Donations, Contributions & Assistance to other organisations (Section 356)		34	25
Election Expenses		-	-
Electricity & Heating		113	122
Insurance		40	117
Printing & Stationery		78	78
Street Lighting		224	243
Subscriptions & Publications		60	63
Telephone & Communications		68	60
Total Other Expenses		1,896	1,904
less: Capitalised Costs		-	-
<u>TOTAL OTHER EXPENSES</u>		<u>1,896</u>	<u>1,904</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2011	Actual 2010
Property (excl. Investment Property)			
Proceeds from Disposal		-	-
less: Carrying Amount of Property Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	-
Plant & Equipment			
Proceeds from Disposal		278	52
less: Carrying Amount of P&E Assets Sold		(217)	(36)
Net Gain/(Loss) on Disposal		61	16
Infrastructure			
Proceeds from Disposal		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		61	16

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

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

\$ '000	Notes	2011 Actual Current	2011 Actual Non Current	2010 Actual Current	2010 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		466	-	283	-
Cash-Equivalent Assets ¹					
- Deposits at Call		285	-	324	-
- Managed Funds		-	-	-	-
- Short Term Deposits		8,450	-	8,852	-
Total Cash & Cash Equivalents		9,201	-	9,459	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS					
		9,201	-	9,459	-

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"

9,201	-	9,459	-
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Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2011 Actual Current	2011 Actual Non Current	2010 Actual Current	2010 Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	9,201	-	9,459	-
attributable to:				
External Restrictions (refer below)	3,318	-	3,506	-
Internal Restrictions (refer below)	4,580	-	4,151	-
Unrestricted	1,303	-	1,802	-
	9,201	-	9,459	-

2011 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	134		(16)	118
RTA Advances (B)	-			-
Self Insurance Claims (C)	-			-
Other	-			-
External Restrictions - Included in Liabilities	134	-	(16)	118

External Restrictions - Other

Developer Contributions - General (D)	1,252	184	(265)	1,171
RTA Contributions (E)	-			-
Specific Purpose Unexpended Grants (F)	139	20	-	159
Domestic Waste Management (G)	814		(184)	630
Other Special Levies (G)	1,167	427	(354)	1,240
Other	-			-
External Restrictions - Other	3,372	631	(803)	3,200
Total External Restrictions	3,506	631	(819)	3,318

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

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

2011 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	255	107	(180)	182
Employees Leave Entitlement	465	348	(301)	512
Deposits, Retentions & Bonds	2,329	66		2,395
Construction of Buildings	214	271	(60)	425
Office Equipment	258	115	(76)	297
Road Reconstruction	31	120		151
Recreation Facilities	1	25	(1)	25
Traffic Management	29	25	(4)	50
Environmental Projects	247	127	(69)	305
Elections	41	22		63
Public Places & Urbans Design	63	4	(25)	42
Insurance Reserve	129		(52)	77
Other	89	14	(47)	56
Total Internal Restrictions	4,151	1,244	(815)	4,580
TOTAL RESTRICTIONS	7,657	1,875	(1,634)	7,898

- 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 2011

Note 7. Receivables

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		199	22	209	27
Interest & Extra Charges		16	9	19	9
User Charges & Fees		532	-	191	-
Accrued Revenues					
- Interest on Investments		52	-	31	-
Government Grants & Subsidies		67	-	92	-
Net GST Receivable		117	-	162	-
Total		983	31	704	36
less: Provision for Impairment					
User Charges & Fees		(1)	-	(3)	-
Total Provision for Impairment - Receivables		(1)	-	(3)	-
<u>TOTAL NET RECEIVABLES</u>		<u>982</u>	<u>31</u>	<u>701</u>	<u>36</u>
Externally Restricted Receivables					
Domestic Waste Management		38		39	-
Total External Restrictions		38	-	39	-
Unrestricted Receivables		944	31	662	36
TOTAL NET RECEIVABLES		982	31	701	36

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 was charged on overdue rates & charges at 9.00% (2010 9.00%).
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 2011

Note 8. Inventories & Other Assets

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		69	-	58	-
Total Inventories		69	-	58	-
Other Assets					
Prepayments		126	-	115	-
Insurance Pool Surplus Metropool		-	296	-	190
Other		65	-	65	-
Total Other Assets		191	296	180	190
TOTAL INVENTORIES / OTHER ASSETS		260	296	238	190
Externally Restricted Assets					
Domestic Waste Management					
Nil					
Other					
Nil					
Total Externally Restricted Assets		-	-	-	-
Total Internally Restricted Assets					
Total Unrestricted Assets		260	296	238	190
TOTAL INVENTORIES & OTHER ASSETS		260	296	238	190

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2010					Asset Movements during the Reporting Period					as at 30/6/2011				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Deprec.	Impairment	Value						Cost	Fair Value	Dep'n	Impairment	Value
Capital Work in Progress	275	-	-	-	275	216					491	-	-	-	491
Plant & Equipment	-	1,389	695	-	694	485	(217)	(211)	-		-	1,297	546	-	751
Office Equipment	-	1,022	903	-	119	90		(68)	-		-	1,112	971	-	141
Furniture & Fittings	-	116	73	-	43	23		(7)	-		-	139	80	-	59
Plant & Equipment (under Finance Lease)	-	-	-	-	-			-	-		-	-	-	-	-
Land:															
- Operational Land	-	22,226	-	-	22,226						-	22,226	-	-	22,226
- Community Land	219,191	-	-	-	219,191					179,890	-	399,081	-	-	399,081
- Land under Roads (pre 1/7/08)	-	-	-	-	-						-	-	-	-	-
- Land under Roads (post 30/6/08)	-	-	-	-	-						-	-	-	-	-
Land Improvements - non depreciable	-	-	-	-	-						-	-	-	-	-
Land Improvements - depreciable	1,542	-	593	-	949	108		(85)	-		-	1,649	677	-	972
Buildings - Non Specialised	-	9,908	4,327	-	5,581	27		(328)	-		-	9,936	4,656	-	5,280
Buildings - Specialised	-	12,757	7,323	-	5,434	83		(340)	-		-	12,840	7,663	-	5,177
Other Structures	-	-	-	-	-			-	-		-	-	-	-	-
Infrastructure:															
- Roads, Bridges, Footpaths	-	56,310	14,366	-	41,944	337		(1,677)	-		-	56,646	16,042	-	40,604
- Bulk Earthworks (non-depreciable)	-	-	-	-	-						-	-	-	-	-
- Stormwater Drainage	-	6,991	3,495	-	3,496	1		(140)	-		-	6,992	3,635	-	3,357
- Water Supply Network	-	-	-	-	-			-	-		-	-	-	-	-
- Sewerage Network	-	-	-	-	-			-	-		-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	221,008	110,719	31,775	-	299,952	1,370	(217)	(2,856)	-	179,890	491	511,918	34,270	-	478,139

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

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

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		320	-	435	-
Goods & Services - capital expenditure		56	-	190	-
Payments Received In Advance		283	-	118	-
Accrued Expenses:					
- Borrowings		8	-	10	-
- Other Expenditure Accruals		121	-	115	-
Advances		-	-	-	-
Security Bonds, Deposits & Retentions		2,395	-	2,329	-
Total Payables		3,183	-	3,197	-
Borrowings					
Loans - Secured ¹		378	669	358	1,047
Total Borrowings		378	669	358	1,047
Provisions					
Employee Benefits;					
Annual Leave		484	-	436	-
Sick Leave		21	-	21	-
Long Service Leave		772	30	747	25
Other Leave		29	-	27	-
Sub Total - Aggregate Employee Benefits		1,306	30	1,231	25
Total Provisions		1,306	30	1,231	25
Total Payables, Borrowings & Provisions		4,867	699	4,786	1,072

(i) Liabilities relating to Restricted Assets

	2011		2010	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Domestic Waste Management	123	-	96	-
Liabilities relating to externally restricted assets	123	-	96	-
Total Liabilities relating to restricted assets	123	-	96	-

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 2011

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

\$ '000	2011	2010
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	660	615
Payables - Security Bonds, Deposits & Retentions	2,055	1,947
	<u>2,715</u>	<u>2,562</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2010		2011		Unused amounts reversed	Closing Balance as at 30/6/11
	Opening Balance as at 1/7/10	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting		
Annual Leave	436	289	(241)			484
Sick Leave	21	-				21
Long Service Leave	772	90	(60)			802
Other Leave	27	2				29
TOTAL	<u>1,256</u>	<u>381</u>	<u>(301)</u>	-	-	<u>1,336</u>

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 2011

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2011	Actual 2010
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	9,201	9,459
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		9,201	9,459
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(1,265)	572
Adjust for non cash items:			
Depreciation & Amortisation		2,856	1,487
Net Losses/(Gains) on Disposal of Assets		(61)	(16)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(274)	(129)
Increase/(Decrease) in Provision for Doubtful Debts		(2)	3
Decrease/(Increase) in Inventories		(11)	(6)
Decrease/(Increase) in Other Assets		(117)	33
Increase/(Decrease) in Payables		(115)	-
Increase/(Decrease) in accrued Interest Payable		(2)	-
Increase/(Decrease) in other accrued Expenses Payable		6	22
Increase/(Decrease) in Other Liabilities		231	(94)
Increase/(Decrease) in Employee Leave Entitlements		80	189
Increase/(Decrease) in Other Provisions		-	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		1,326	2,061

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(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.

(e) Net Cash Flows Attributable to Discontinued Operations

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2011	Actual 2010
(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			93
Audit Services		42	63
Total Commitments		42	156
These expenditures are payable as follows:			
Within the next year		42	114
Later than one year and not later than 5 years			42
Later than 5 years			-
Total Payable		42	156

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(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		18	23
Later than one year and not later than 5 years		57	50
Later than 5 years		-	-
Total Non Cancellable Operating Lease Commitments		75	73

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 Plan. 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 2011

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(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		206	170
Later than one year and not later than 5 years		824	43
Later than 5 years		-	-
Total Payable		1,030	213

(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 2011

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts	Indicator	Prior Periods	
	2011	2011	2010	2009
Local Government Industry Indicators				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>7,087</u>	3.49 : 1	3.22:1	3.92:1
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>2,029</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>434</u>	3.93%	4.11%	4.04%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<u>11,041</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>8,510</u>	72.21%	70.35%	68.89%
Income from Continuing Operations	<u>11,785</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>246</u>	2.80%	3.09%	2.89%
Rates, Annual & Extra Charges Collectible	<u>8,798</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	<u>448</u>	18.03%	89.53%	67.69%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	<u>2,485</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 payables & provisions not expected to be paid in the next 12 months (incl. ELE).

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

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

Note 14. Investment Properties

\$ '000	Notes	Actual 2011	Actual 2010
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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 2011

Note 15. Financial Risk Management

\$ '000

Risk Management

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

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

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

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

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

	Carrying Value		Fair Value	
	2011	2010	2011	2010
Financial Assets				
Cash and Cash Equivalents	9,201	9,459	9,201	9,459
Investments				
- "Held for Trading"	-	-	-	-
- "Designated At Fair Value on Initial Recognition"	-	-	-	-
- "Held to Maturity"	-	-	-	-
- "Loans & Receivables"	-	-	-	-
- "Available for Sale"	-	-	-	-
Receivables	1,013	737	1,013	737
Total Financial Assets	10,214	10,196	10,214	10,196
Financial Liabilities				
Bank Overdraft	-	-	-	-
Payables	2,900	3,079	2,900	3,079
Loans / Advances	1,047	1,405	1,047	1,405
Lease Liabilities	-	-	-	-
Total Financial Liabilities	3,947	4,484	3,947	4,484

Fair Value is determined as follows:

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

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 Finance area manages the 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 it's 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 investment counterparty) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

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 (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

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

2011	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	92	92	(92)	(92)
2010				
Possible impact of a 10% movement in Market Values				
Possible impact of a 1% movement in Interest Rates	100	100	(100)	(100)

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

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:

	2011 Rates & Annual Charges	2011 Other Receivables	2010 Rates & Annual Charges	2010 Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	221	793	236	504
	<u>221</u>	<u>793</u>	<u>236</u>	<u>504</u>
(ii) Movement in Provision for Impairment of Receivables			2011	2010
Balance at the beginning of the year			3	-
+ new provisions recognised during the year			-	3
- amounts already provided for & written off this year			(2)	-
- amounts provided for but recovered during the year			-	-
- previous impairment losses reversed			-	-
Balance at the end of the year			<u>1</u>	<u>3</u>

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

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.

Payment terms can (in extenuating circumstances) also be extended & overdraft facilities utilised as required.

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

\$ '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		
2011									
Bank Overdraft	-	-	-	-	-	-	-	-	-
Trade/Other Payables	2,395	505	-	-	-	-	-	2,900	2,900
Loans & Advances	-	378	399	270	-	-	-	1,047	1,047
Lease Liabilities	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	2,395	883	399	270	-	-	-	3,947	3,947
2010									
Bank Overdraft	-	-	-	-	-	-	-	-	-
Trade/Other Payables	2,329	750	-	-	-	-	-	3,079	3,079
Loans & Advances	-	358	378	399	270	-	-	1,405	1,405
Lease Liabilities	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	2,329	1,108	378	399	270	-	-	4,484	4,484

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

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

	2011		2010	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	-		-	
Trade/Other Payables	2,900		3,079	
Loans & Advances - Fixed Interest Rate	1,047	5.8%	1,405	5.8%
Loans & Advances - Variable Interest Rate	-		-	
Lease Liabilities	-		-	
	3,947		4,484	

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 10/11 was incorporated as part of its Management Plan and was adopted by the Council on 28 June 2010.

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

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

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

F = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2011 Budget	2011 Actual	2011 ----- Variance* -----	
REVENUES				
Interest & Investment Revenue	449	525	76	17% F
Interest rate rises were greater than budgetted leading to a favourable outcome of \$71 F				
Other Revenues	1,035	850	(185)	(18%) U
Deferment of Parking Scheme commencement until 2011/12 has resulted in reduced income \$250 U				
Operating Grants & Contributions	713	828	115	16% F
Grants received for Margaret Street boat ramps \$57 F and Aged & Disability Officer \$33 F.				
Capital Grants & Contributions	80	382	302	378% F
Section 94 Developer Contributions were greater than estimated at the time of budget by \$70 F. Grants were received for playground projects, SES vehicle, Parramatta River Foreshore and Environmental Trust of \$125 F. A new grant from RLPCI was received for walking tracks at Boronia Park Reserve and Clarke's Point Reserve \$46 F.				

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 16. Material Budget Variations (continued)

\$ '000	2011 Budget	2011 Actual	2011 ----- Variance* -----		
EXPENSES					
Materials & Contracts	3,028	3,748	(720)	(24%)	U
Staff shortages have resulted in use of contractors to maintain services \$300 U. Legal expenses of \$164 U. Government levy increases in tipping fees and garbage contract \$171 U. Operational grant expenses					
carried over from the prior year.					
Depreciation & Amortisation	1,420	2,856	(1,436)	(101%)	U
At the time of budget, depreciation for roads and drainage was under review pending updated valuations. Compare the previous year of \$452, road depreciation is now \$1700 U and drainage depreciation now \$140 U.					
Other Expenses	2,161	1,896	265	12%	F
Insurances varied by \$129 F due to the re-negotiation of council's insurance premiums resulting in savings Other savings included lower costs of electricity, subscriptions & publications and printing and stationery \$136 F.					

Notes to the Financial Statements
for the financial year ended 30 June 2011

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	250	12	-	12	(9)	-	265	3,414	(3,679)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	62	1	-	4	(25)	-	42	264	(306)	-	-
Parking	345	-	-	17	(10)	-	352	62	(414)	-	-
Open Space	538	56	-	28	-	-	622	22,014	(22,636)	-	-
Community Facilities	37	24	-	2	(221)	-	(158)	1,671	(1,672)	(159)	-
Other	20	27	-	1	-	-	48	959	(1,007)	-	-
S94 Contributions - under a Plan	1,252	120	-	64	(265)	-	1,171	28,384	(29,714)	(159)	-
S94A Levies - under a Plan	-	-	-	-	-	-	-				-
Total S94 Revenue Under Plans	1,252	120	-	64	(265)	-	1,171				-
S94 not under Plans	-	-	-	-	-	-	-	-	-	-	-
S93F Planning Agreements	-	-	-	-	-	-	-	-	-	-	-
S64 Contributions	-	-	-	-	-	-	-	-	-	-	-
Total Contributions	1,252	120	-	64	(265)	-	1,171	28,384	(29,714)	(159)	-

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER- 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	172	-	-	8	(9)	-	171	3,414	(3,585)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	54	-	-	3	(25)	-	32	264	(296)	-	-
Parking	209	-	-	10	(3)	-	216	62	(278)	-	-
Open Space	16	-	-	1	-	-	17	22,014	(22,031)	-	-
Community Facilities	46	-	-	2	(47)	-	1	1,671	(1,672)	-	-
Other	19	-	-	1	-	-	20	959	(979)	-	-
Total	516	-	-	25	(84)	-	457	28,384	(28,841)	-	-

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	78	12	-	4	-	-	94	-	(94)	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	8	1	-	1	-	-	10	-	(10)	-	-
Parking	136	-	-	7	(7)	-	136	-	(136)	-	-
Open Space	522	56	-	27	-	-	605	-	(605)	-	-
Community Facilities	(9)	24	-	-	(174)	-	(159)	-	-	(159)	-
Other	1	27	-	-	-	-	28	-	(28)	-	-
Total	736	120	-	39	(181)	-	714	-	(873)	(159)	-

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

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) 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 with member Councils required 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.

(ii) MetroPool

The Council is a member of an insurance group named MetroPool which provides public liability and professional indemnity coverage for the local government areas of Auburn, The Hills, Botany Bay, Canada Bay, Holroyd, Hunters Hill, Lane Cove, Marrickville and Rockdale.

Public Liability insurance is one that can take many years to mature so it is likely that the cooperative will continue to carry old claims for the past and present member councils for some time into the future.

Member Councils provide the contributions towards insurance coverage which is arranged on their behalf by MetroPool. MetroPool organises the administration of the funds and of claims made against the insurance policies.

(iii) 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 from APRA.

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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

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	
JV Cowell Street Development		63%	

(b) Council Assets employed in the Joint Venture Operation

Councils own assets employed in the Operation	2011	2010
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

Capital Commitments	2011	2010
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

	2011	2010
Share of Contingent Liabilities incurred jointly with other Participants		-
Share of Contingent Liabilities for which Council is severally liable		-

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2011

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2011	Actual 2010
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		271,167	251,640
a. Correction of Prior Period Errors	20 (c)	-	18,955
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		(1,265)	572
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes (disclosure required)		-	-
Balance at End of the Reporting Period		<u><u>269,902</u></u>	<u><u>271,167</u></u>

b. Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		213,441	33,551
- "Available for Sale" Financial Investments Revaluation Reserve		-	-
- Other Reserves (Specify)		-	-
Total		<u><u>213,441</u></u>	<u><u>33,551</u></u>

(ii). Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance		33,551	17,722
- Revaluations for the year	9(a)	179,890	15,829
- Impairment of revalued assets (incl. impairment reversals)	9(a)	-	-
- Balance at End of Year		<u><u>213,441</u></u>	<u><u>33,551</u></u>

(iii). Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

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

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2011	Actual 2010
c. Correction of Error/s relating to a Previous Reporting Period			
In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.			
These amounted to the following Equity Adjustments:			
- Adjustments to Opening Equity - 1/7/09 (relating to adjustments for the 30/6/09 reporting year end and prior periods)			18,955
- Adjustments to Closing Equity - 30/6/10 (relating to adjustments for the 30/6/10 year end)			-
Total Prior Period Adjustments - Prior Period Errors		-	18,955

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2011

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2011	Actual 2010
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d. Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

HUNTERS HILL COUNCIL
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying **general purpose financial statements of Hunters Hill Council**, which comprises the Balance Sheet as at 30 June 2011, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 statements include 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 Statements

The Council is responsible for the preparation and fair presentation of the financial statements 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 statements that are 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 statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, 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.

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Steer Assurance Partners

ABN 56 435 338 966

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 statements.

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 statements:
 - (i) have been presented in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
 - (iv) are 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 statements that we have become aware of during the course of the audit.

HILL ROGERS SPENCER STEER



BRETT HANGER

Partner

Dated at Sydney this 23rd day of September 2011

Hill Rogers
Spencer Steer

23 September 2011

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

Mayor,

Audit Report - Year Ended 30 June 2011

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2011 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 Statements.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on the General Purpose Financial Statements 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;

I. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a deficit of \$1.265 million as compared with a surplus of \$572,000 in the previous year.

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

	2011 \$000	% of Total	2010 \$000	% of Total	Increase (Decrease) \$000
Revenues before capital items					
Rates & annual charges	8,510	75%	8,278	76%	232
User charges, fees & other revenues	1,540	14%	1,429	13%	111
Grants & contributions provided for operating purposes	828	7%	701	6%	127
Interest & investment revenue	525	5%	453	4%	72
	11,403	100%	10,861	100%	542
Expenses					
Employee benefits & costs	4,474	34%	4,281	38%	193
Materials, contracts & other expenses	5,644	43%	5,331	48%	313
Depreciation, amortisation & impairment	2,856	22%	1,487	13%	1,369
Borrowing costs	76	1%	96	1%	(20)
	13,050	100%	11,195	100%	1,855
Surplus/(Deficit) before capital items	(1,647)		(334)		(1,313)
Grants & contributions provided for capital purposes	382		906		(524)
Net Surplus/(Deficit) for the year	(1,265)		572		(1,837)

The above table shows an overall decrease of \$1.837 million from the previous year and can be attributed to increased depreciation charges resulting from the prior year revaluation of infrastructure assets and a reduction in capital grants and contributions received.

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.

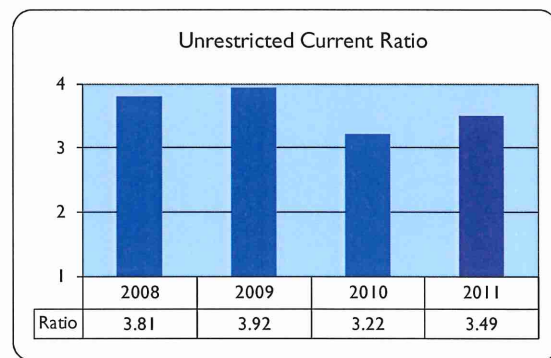
	2011	2010
Funds were provided by:-	\$000	\$000
Operating Result (as above)	(1,265)	572
Add back non funding items:-		
- Depreciation, amortisation & impairment	2,856	1,487
- Book value of non current assets sold	217	36
	1,808	2,095
Transfers from externally restricted assets (net)	216	0
Transfers from internal reserves (net)	0	834
Net Changes in current/non current assets & liabilities	45	223
	2,069	3,152
Funds were applied to:-		
Purchase and construction of assets	(1,370)	(2,830)
Principal repaid on loans	(358)	(339)
Transfers to externally restricted assets (net)	0	(143)
Transfers to internal reserves (net)	(429)	0
	(2,157)	(3,312)
Increase/(Decrease) in Available Working Capital	(88)	(160)

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 \$5.058 million representing a factor of 3.49 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 \$1.842 million as detailed below;

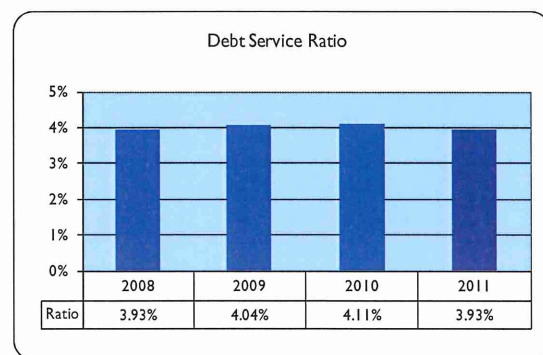
	2011	2010	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	5,576	5,612	(36)
Add: Payables & provisions not expected to be realised in the next 12 months included above	2,715	2,562	153
Adjusted Net Current Assets	8,291	8,174	117
Add: Budgeted & expected to pay in the next 12 months			
- Borrowings	378	358	20
- Employees leave entitlements	646	616	30
- Deposits & retention moneys	340	382	(42)
Less: Externally restricted assets	(3,233)	(3,449)	216
Less: Internally restricted assets	(4,580)	(4,151)	(429)
Available Working Capital as at 30 June	1,842	1,930	(88)

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 2011 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 \$434,000 leaving total debt as at 30 June 2011 at \$1.047 million.



2.4 Summary

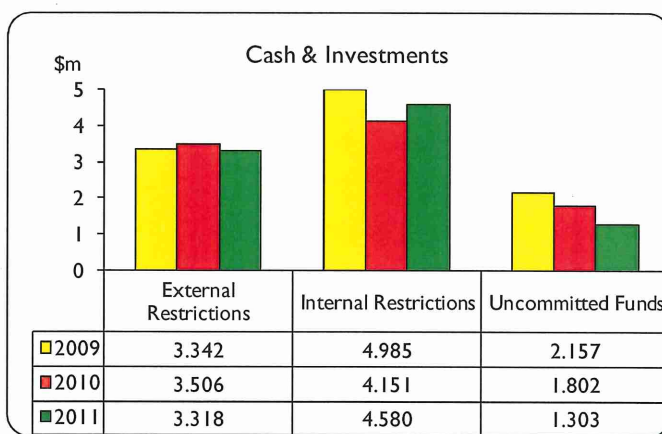
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$9.201 million as compared with \$9.459 million and \$10.484 million at the close of financial years 2010 and 2009 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 (\$118,000), unexpended development contributions under Section 94 (\$1.171 million), unexpended grants and contributions (\$159,000), domestic waste management charges (\$630,000) and special rate levies (\$1.240 million).

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 \$4.580 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$1.303 million, which is available to provide liquidity for the day to day operations.

3.2 Cash Flows

The Statement of Cash Flows illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that Cash Assets decreased by \$258,000 to \$9.201 million at the close of the year.

In addition to operating activities which contributed net cash of \$1.326 million were the proceeds from the sale of assets (\$278,000). Cash outflows other than operating activities were used to repay loans (\$358,000) and to purchase and construct assets (\$1.504 million).

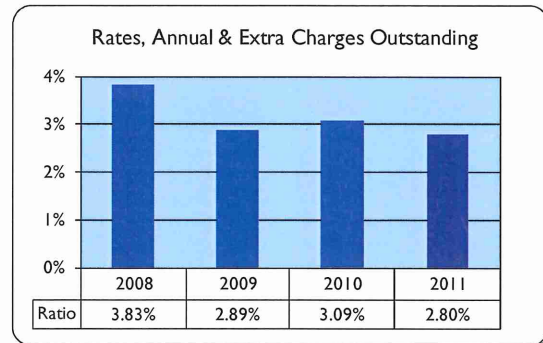
4. RECEIVABLES

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

Net rates and annual charges levied during the year totalled \$8.510 million and represented 72.21% of Council's total revenues. Including arrears, the total rates and annual charges collectible was \$8.746 million of which \$8.525 million (97.47%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$246,000 at the end of the year and represented 2.80% of those receivables.



4.3 Other Receivables

Receivables (other than rates & annual charges) totalled \$768,000 and mainly consisted of user charges and fees (\$532,000) and amounts due from other levels of government (\$184,000).

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.336 million.

A cash reserve of \$512,000 was held at year end representing 38% of this liability and was, in our opinion, 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 \$2.395 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 has been introduced in a staged approach. In previous years several asset categories, including operational land and buildings, plant and equipment and infrastructure assets have been valued.

This year saw the revaluation of the community land and all remaining asset categories. The revaluation process resulted in a transfer to the asset revaluation reserve of \$179.890 million. Notes 1(k), 9 and 20 of the financial statements provide further details.

7. MANAGEMENT LETTER

An audit management letter addressing the findings from our interim audit was issued on 10 August 2011 and this included our recommendations on possible ways to strengthen and/or improve procedures.

8. 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,

HILL ROGERS SPENCER STEER



BRETT HANGER
Partner

Hunters Hill Council

SPECIAL SCHEDULES
for the year ended 30 June 2011

**“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 2011

Contents

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Special Schedules¹

- Special Schedule No. 1	Net Cost of Services	SS2 - SS3
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	SS4
- 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		
- Special Schedule No. 7	Condition of Public Works	SS5 - SS6
- Special Schedule No. 8	Financial Projections	SS7

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 NSW Office of Water,
 - the Department of Environment, Climate Change and Water, and
 - the Division of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Hunters Hill Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2011

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	1,108	-	-	(1,108)
Administration	2,873	344	-	(2,529)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	532	-	-	(532)
Beach Control	-	-	-	-
Enforcement of Local Govt Regs	-	-	-	-
Animal Control	126	3	-	(123)
Other	-	-	-	-
Total Public Order & Safety	658	3	-	(655)
Health	127	27	16	(84)
Environment				
Noxious Plants and Insect/Vermin Control	11	-	-	(11)
Other Environmental Protection	23	33	-	10
Solid Waste Management	1,471	1,696	-	225
Street Cleaning	396	3	-	(393)
Drainage	331	133	65	(133)
Stormwater Management	-	-	-	-
Total Environment	2,232	1,865	65	(302)
Community Services and Education				
Administration & Education	307	26	-	(281)
Social Protection (Welfare)	12	-	-	(12)
Aged Persons and Disabled	132	75	-	(57)
Childrens Services	62	39	-	(23)
Total Community Services & Education	513	140	-	(373)
Housing and Community Amenities				
Public Cemeteries	-	-	-	-
Public Conveniences	1	-	-	(1)
Street Lighting	224	32	-	(192)
Town Planning	947	437	45	(465)
Other Community Amenities	-	-	-	-
Total Housing and Community Amenities	1,172	469	45	(658)
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-

Hunters Hill Council

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

for the financial year ended 30 June 2011

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	517	46	-	(471)
Museums	-	-	-	-
Art Galleries	36	32	-	(4)
Community Centres and Halls	332	312	30	10
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	93	45	-	(48)
Sporting Grounds and Venues	70	29	-	(41)
Swimming Pools	26	-	-	(26)
Parks & Gardens (Lakes)	926	630	131	(165)
Other Sport and Recreation	46	-	-	(46)
Total Recreation and Culture	2,046	1,094	161	(791)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	75	38	-	(37)
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	75	38	-	(37)
Transport and Communication				
Urban Roads (UR) - Local	1,993	141	4	(1,848)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	-	-	-	-
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	10	70	-	60
Footpaths	109	121	-	12
Aerodromes	-	-	-	-
Other Transport & Communication	133	208	91	166
Total Transport and Communication	2,245	540	95	(1,610)
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	1	1	-	-
Total Economic Affairs	1	1	-	-
Totals – Functions	13,050	4,521	382	(8,147)
General Purpose Revenues⁽²⁾		6,882		6,882
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT⁽¹⁾	13,050	11,403	382	(1,265)

(1) As reported in the Income Statement | (2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants & Interest on Investments (excl. Ext. Restricted Assets)

Hunters Hill Council

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

for the financial year ended 30 June 2011

\$'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	358	1,047	1,405		358			76	378	669	1,047
Other	-	-	-							-	-
Total Loans	358	1,047	1,405	-	358	-	-	76	378	669	1,047
Other Long Term Debt											
Ratepayers Advances	-	-	-							-	-
Government Advances	-	-	-							-	-
Finance Leases	-	-	-							-	-
Deferred Payments	-	-	-							-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	358	1,047	1,405	-	358	-	-	76	378	669	1,047

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

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

Hunters Hill Council

Special Schedule No. 8 - Financial Projections as at 30 June 2011

\$'000	Actual ⁽¹⁾ 10/11	Forecast 11/12	Forecast 12/13	Forecast ⁽³⁾ 13/14	Forecast ⁽³⁾ 14/15
(i) RECURRENT BUDGET					
Income from continuing operations	11,785	12,114	12,165	11,989	12,270
Expenses from continuing operations	13,050	13,518	13,901	14,236	14,799
Operating Result from Continuing Operations	<u>(1,265)</u>	<u>(1,404)</u>	<u>(1,736)</u>	<u>(2,247)</u>	<u>(2,529)</u>
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	563	-	-	78	80
Replacement/Refurbishment of Existing Assets	1,071	997	1,433	3,144	890
Total Capital Budget	<u>1,634</u>	<u>997</u>	<u>1,433</u>	<u>3,222</u>	<u>970</u>
Funded by:					
- Loans	16	-	-	-	-
- Asset sales	278	85	150	74	13
- Reserves	363	135	36	-	287
- Grants/Contributions	162	29	15	93	15
- Recurrent revenue	815	748	1,232	3,056	655
- Other	<u>1,634</u>	<u>997</u>	<u>1,433</u>	<u>3,223</u>	<u>970</u>

Notes:

(1) From 10/11 Income Statement.

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

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