

Hunter's Hill Council



FINANCIAL STATEMENTS

2011/2012

for the year ended 30 June 2012



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 2012

**“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 2012

Contents	Page
1. Statement by Councillors & Management	2
2. Primary Financial Statements:	
- Income Statement	3
- Statement of Comprehensive Income	4
- Balance Sheet	5
- Statement of Changes in Equity	6
- Statement of Cash Flows	7
3. Notes to the Financial Statements	8
4. Independent Auditor's Reports:	
- On the Financial Statements (Sect 417 [2])	
- On the Conduct of the Audit (Sect 417 [3])	

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 25/09/12. Council has the power to amend and reissue the financial statements.
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Hunters Hill Council

General Purpose Financial Statements for the financial year ended 30 June 2012

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 24 September 2012.



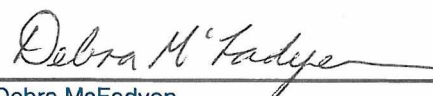
Richard Quinn
MAYOR



COUNCILLOR



Barry Smith
GENERAL MANAGER



Debra McFadyen
RESPONSIBLE ACCOUNTING OFFICER

Hunters Hill Council

Income Statement

for the financial year ended 30 June 2012

Budget ⁽¹⁾			Actual	Actual
2012	\$ '000	Notes	2012	2011
Income from Continuing Operations				
<i>Revenue:</i>				
8,944	Rates & Annual Charges	3a	8,919	8,510
719	User Charges & Fees	3b	1,194	629
526	Interest & Investment Revenue	3c	522	525
978	Other Revenues	3d	950	850
849	Grants & Contributions provided for Operating Purposes	3e,f	1,002	828
81	Grants & Contributions provided for Capital Purposes	3e,f	542	382
<i>Other Income:</i>				
17	Net gains from the disposal of assets	5	42	61
12,114	Total Income from Continuing Operations		13,171	11,785
Expenses from Continuing Operations				
4,973	Employee Benefits & On-Costs	4a	4,835	4,474
55	Borrowing Costs	4b	57	76
3,485	Materials & Contracts	4c	4,604	3,748
2,862	Depreciation & Amortisation	4d	2,921	2,856
-	Impairment	4d	-	-
2,142	Other Expenses	4e	1,875	1,896
13,517	Total Expenses from Continuing Operations		14,292	13,050
(1,403)	Operating Result from Continuing Operations		(1,121)	(1,265)
Discontinued Operations				
	Net Profit/(Loss) from Discontinued Operations	24	-	-
(1,403)	Net Operating Result for the Year		(1,121)	(1,265)
(1,403)	Net Operating Result attributable to Council		(1,121)	(1,265)
	Net Operating Result attributable to Minority Interests		-	-
(1,484)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(1,663)	(1,647)

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

Hunters Hill Council

Statement of Comprehensive Income for the financial year ended 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
Net Operating Result for the year (as per Income statement)		(1,121)	(1,265)
Other Comprehensive Income			
Gain (loss) on revaluation of I,PP&E	20b (ii)	-	179,890
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
Total Comprehensive Income for the Year		(1,121)	178,625
Total Comprehensive Income attributable to Council		(1,121)	178,625
Total Comprehensive Income attributable to Minority Interests		-	-

Hunters Hill Council

Balance Sheet

as at 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	9,242	9,201
Receivables	7	1,161	982
Inventories	8	51	69
Other	8	154	191
Total Current Assets		10,608	10,443
Non-Current Assets			
Receivables	7	27	31
Infrastructure, Property, Plant & Equipment	9	476,856	478,139
Other	8	340	296
Total Non-Current Assets		477,223	478,466
TOTAL ASSETS		487,831	488,909
LIABILITIES			
Current Liabilities			
Payables	10	3,369	3,183
Borrowings	10	399	378
Provisions	10	1,539	1,306
Total Current Liabilities		5,307	4,867
Non-Current Liabilities			
Borrowings	10	270	669
Provisions	10	32	30
Total Non-Current Liabilities		302	699
TOTAL LIABILITIES		5,609	5,566
Net Assets		482,222	483,343
EQUITY			
Retained Earnings	20	268,781	269,902
Revaluation Reserves	20	213,441	213,441
Council Equity Interest		482,222	483,343
Minority Equity Interest		-	-
Total Equity		482,222	483,343

Hunters Hill Council

Statement of Changes in Equity for the financial year ended 30 June 2012

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Minority Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		269,902	213,441	483,343	-	483,343
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)		269,902	213,441	483,343	-	483,343
c. Net Operating Result for the Year		(1,121)		(1,121)	-	(1,121)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)		-	-	-	-
- Revaluations: Other Reserves	20b (ii)		-	-	-	-
- Transfers to Income Statement	20b (ii)		-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)		-	-	-	-
- Other Movements (enter details here)	20b (ii)		-	-	-	-
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		(1,121)	-	(1,121)	-	(1,121)
e. Distributions to/(Contributions from) Minority Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		268,781	213,441	482,222	-	482,222

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council 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 1/7/09)		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)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	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

Hunters Hill Council

Statement of Cash Flows

for the financial year ended 30 June 2012

Budget 2012	\$ '000	Notes	Actual 2012	Actual 2011
Cash Flows from Operating Activities				
Receipts:				
8,944	Rates & Annual Charges		8,942	8,525
719	User Charges & Fees		1,341	451
526	Investment & Interest Revenue Received		522	507
930	Grants & Contributions		1,212	1,235
-	Bonds, Deposits & Retention amounts received		314	337
995	Other		1,425	1,548
Payments:				
(4,923)	Employee Benefits & On-Costs		(4,600)	(4,394)
(3,453)	Materials & Contracts		(4,626)	(3,874)
(55)	Borrowing Costs		(59)	(78)
-	Bonds, Deposits & Retention amounts refunded		(340)	(270)
(2,142)	Other		(2,079)	(2,660)
1,541	Net Cash provided (or used in) Operating Activities	11b	2,052	1,327
Cash Flows from Investing Activities				
Receipts:				
102	Sale of Infrastructure, Property, Plant & Equipment		135	278
Payments:				
(997)	Purchase of Infrastructure, Property, Plant & Equipment		(1,768)	(1,504)
(895)	Net Cash provided (or used in) Investing Activities		(1,633)	(1,226)
Cash Flows from Financing Activities				
Receipts:				
Nil				
Payments:				
(378)	Repayment of Borrowings & Advances		(378)	(358)
(378)	Net Cash Flow provided (used in) Financing Activities		(378)	(358)
268	Net Increase/(Decrease) in Cash & Cash Equivalents		41	(257)
plus:	Cash & Cash Equivalents - beginning of year	11a	9,201	9,459
268	Cash & Cash Equivalents - end of the year	11a	9,242	9,202
plus:	Investments on hand - end of year	6b	-	-
	Total Cash, Cash Equivalents & Investments		9,242	9,202

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 2012

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9 - 14
2(a)	Council Functions / Activities - Financial Information	15
2(b)	Council Functions / Activities - Component Descriptions	16
3	Income from Continuing Operations	17-22
4	Expenses from Continuing Operations	23-26
5	Gains or Losses from the Disposal of Assets	27
6(a)	Cash & Cash Equivalent Assets	28
6(c)	Restricted Cash, Cash Equivalents & Investments - Details	29-30
7	Receivables	31
8	Inventories & Other Assets	32
9(a)	Infrastructure, Property, Plant & Equipment	33
9(b)	Externally Restricted Infrastructure, Property, Plant & Equipment	34
10(a)	Payables, Borrowings & Provisions	35-36
10(b)	Description of (& movements in) Provisions	36
11	Statement of Cash Flows - Additional Information	37-38
12	Commitments for Expenditure	39-41
13a	Statements of Performance Measures:	42
	(i) Local Government Industry Indicators (Consolidated)	
14	Investment Properties	43
15	Financial Risk Management	44-47
16	Material Budget Variations	48-50
17	Statement of Developer Contributions	51-52
18	Contingencies and Other Liabilities/Assets not recognised	53
19	Controlled Entities, Associated Entities & Interests in Joint Ventures	54
20	Equity - Retained Earnings and Revaluation Reserves	55-57

n/a - not applicable

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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.

New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

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 (in conformity with AASB's).

Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

- (i) Estimated fair values of investment properties
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

Critical judgements in applying the entity's accounting policies

- (i) Impairment of Receivables - Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(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

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

Council may apply contributions according to the priorities established in work schedules.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

User Charges and Fees

User charges and fees (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, 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.

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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

(e) Acquisition of assets

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

(f) Impairment of assets

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

(g) Cash and Cash Equivalents

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

(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).

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

- 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:

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.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

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 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 2012 was \$180,435. 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 2012 a deficit still exists. Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit. The amount of additional contributions included in the total employer contribution advised above is \$60,708.

The share of this deficit that can be broadly attributed to your organisation was estimated to be in the order of \$431,489 as at 30 June 2012.

(p) Rounding of amounts

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

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

(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 2012 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.

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 2012.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2012	2012	2011	2012	2012	2011	2012	2012	2011	2012	2011	2012	2011
Governance	-	-	-	236	1,231	1,108	(236)	(1,231)	(1,108)	-	-	-	-
Administration	160	211	344	4,178	3,055	2,873	(4,018)	(2,844)	(2,529)	-	-	20,195	20,411
Public Order & Safety	5	7	3	643	677	658	(638)	(670)	(655)	-	-	3	47
Health	45	39	43	143	111	127	(98)	(72)	(84)	-	15	170	185
Environment	1,926	2,094	1,930	1,968	2,490	2,232	(42)	(396)	(302)	66	174	-	-
Community Services & Education	150	180	140	562	591	513	(412)	(411)	(373)	131	50	12,213	12,094
Housing & Community Amenities	661	558	514	1,278	1,286	1,172	(617)	(728)	(658)	33	32	5,636	5,568
Recreation & Culture	235	1,339	1,255	2,103	2,128	2,046	(1,868)	(789)	(791)	152	121	353,400	353,420
Mining, Manufacturing & Construction	46	53	38	50	50	75	(4)	3	(37)	-	-	194	139
Transport & Communication	695	1,469	635	2,355	2,672	2,245	(1,660)	(1,203)	(1,610)	259	122	96,020	97,045
Economic Affairs	1	1	1	1	1	1	-	-	-	-	-	-	-
Total Functions & Activities	3,924	5,951	4,903	13,517	14,292	13,050	(9,593)	(8,341)	(8,147)	641	514	487,831	488,909
General Purpose Income ¹	8,190	7,220	6,882				8,190	7,220	6,882	584	466		-
Operating Result from Continuing Operations	12,114	13,171	11,785	13,517	14,292	13,050	(1,403)	(1,121)	(1,265)	1,225	980	487,831	488,909

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 2012

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 2012

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		6,005	5,845
Business		205	199
Total Ordinary Rates		6,210	6,044
Special Rates			
Environmental		158	154
Community Facilities		279	272
Other		525	511
Total Special Rates		962	937
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		1,696	1,480
Section 611 Charges		51	49
Total Annual Charges		1,747	1,529
<u>TOTAL RATES & ANNUAL CHARGES</u>		<u>8,919</u>	<u>8,510</u>

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 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Domestic Waste Management Services		8	6
Waste Management Services (non-domestic)		96	94
Total User Charges		104	100
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Inspection Services		22	21
Planning & Building Regulation		254	300
Section 149 Certificates (EPA Act)		48	47
Section 603 Certificates		16	18
Total Fees & Charges - Statutory/Regulatory		340	386
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Lease Rentals		11	1
Leaseback Fees - Council Vehicles		21	21
Restoration Charges		718	121
Total Fees & Charges - Other		750	143
TOTAL USER CHARGES & FEES		1,194	629

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		26	24
- Interest earned on Investments (interest & coupon payment income)		496	501
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>522</u>	<u>525</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		26	24
General Council Cash & Investments		426	437
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		70	64
Restricted Investments/Funds - Internal:			
Internally Restricted Assets			-
<u>Total Interest & Investment Revenue Recognised</u>		<u>522</u>	<u>525</u>
(d). Other Revenues			
Rental Income - Other Council Properties		460	418
Fines		206	78
Commissions & Agency Fees		11	5
Sundry Rents & Charges		191	277
Waste Rebate		82	72
<u>TOTAL OTHER REVENUE</u>		<u>950</u>	<u>850</u>

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance - General Component	371	289	-	-
Financial Assistance - Local Roads Component	175	136	-	-
Pensioners' Rates Subsidies - General Component	38	41	-	-
Total General Purpose	584	466	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	16	15	-	-
Community Care	84	50	-	-
Environmental Protection	1	40	-	-
Library	47	46	-	-
Recreation & Culture	9	4	40	75
Street Lighting	33	32	-	-
Traffic Route Subsidy	5	4	-	-
Transport (Other Roads & Bridges Funding)	-	-	254	91
Stormwater Drainage	49	43	-	52
Other	103	62	-	-
Total Specific Purpose	347	296	294	218
Total Grants	931	762	294	218
Grant Revenue is attributable to:				
- Commonwealth Funding	546	425	-	-
- State Funding	282	337	294	218
	931	762	294	218

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	-	-	185	120
Total Developer Contributions	17	-	185	120
Other Contributions:				
Kerb & Gutter	7	4	-	-
RMS Contributions (Regional Roads, Block Grant)	64	62	27	3
Other	-	-	36	41
Total Other Contributions	71	66	63	44
Total Contributions	71	66	248	164
<u>TOTAL GRANTS & CONTRIBUTIONS</u>	<u>1,002</u>	<u>828</u>	<u>542</u>	<u>382</u>

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2012	Actual 2011
(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	1,330	1,391
add: Grants & contributions recognised in the current period but not yet spent:	516	411
less: Grants & contributions recognised in a previous reporting period now spent:	(593)	(472)
Net Increase (Decrease) in Restricted Assets during the Period	(77)	(61)
Unexpended and held as Restricted Assets	1,253	1,330
Comprising:		
- Specific Purpose Unexpended Grants	67	159
- Developer Contributions	1,186	1,171
	1,253	1,330

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
(a) Employee Benefits & On-Costs			
Salaries and Wages		3,504	3,315
Travelling		96	97
Employee Leave Entitlements (ELE)		561	366
Superannuation		464	495
Workers' Compensation Insurance		96	109
Fringe Benefit Tax (FBT)		67	54
Training Costs (other than Salaries & Wages)		48	46
Total Employee Costs		4,836	4,482
less: Capitalised Costs		(1)	(8)
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>		<u>4,835</u>	<u>4,474</u>
Number of "Equivalent Full Time" Employees at year end		59	59
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		57	76
Total Interest Bearing Liability Costs		57	76
Total Interest Bearing Liability Costs Expensed		57	76
(ii) Other Borrowing Costs			
Nil			
Total Other Borrowing Costs		-	-
<u>TOTAL BORROWING COSTS EXPENSED</u>		<u>57</u>	<u>76</u>

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(c) Materials & Contracts			
Raw Materials & Consumables		806	709
Contractor & Consultancy Costs		3,364	2,587
Auditors Remuneration ⁽¹⁾		69	65
Legal Expenses:			
- Legal Expenses: Planning & Development		334	368
- Legal Expenses: Other		14	1
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		17	21
Total Materials & Contracts		4,604	3,751
less: Capitalised Costs		-	(3)
TOTAL MATERIALS & CONTRACTS		4,604	3,748
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		26	23
- Audit & review of financial statements: Internal Auditor		43	42
Remuneration for audit and other assurance services		69	65
Total Auditor Remuneration		69	65
2. Operating Lease Payments are attributable to:			
Other		17	21
		17	21

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2012	Actual 2011	Actual 2012	Actual 2011
Plant and Equipment		-	-	221	211
Office Equipment		-	-	92	68
Furniture & Fittings		-	-	6	7
Land Improvements (depreciable)		-	-	71	85
Buildings - Non Specialised		-	-	329	328
Buildings - Specialised		-	-	366	340
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	1,693	1,677
- Stormwater Drainage		-	-	143	140
Total Depreciation & Impairment Costs		-	-	2,921	2,856
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	2,921	2,856

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		59	51
Bad & Doubtful Debts		3	3
Bank Charges		32	33
- Department of Planning Levy		50	49
- NSW Fire Brigade Levy		404	403
- Regional Library		540	517
- Other Contributions/Levies		35	38
Councillor Expenses - Mayoral Fee		27	26
Councillor Expenses - Councillors' Fees		118	112
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		21	47
Donations, Contributions & Assistance to other organisations (Section 356)		11	34
Electricity & Heating		110	113
Insurance		78	40
Printing & Stationery		82	78
Street Lighting		210	224
Subscriptions & Publications		51	60
Telephone & Communications		44	68
Total Other Expenses		1,875	1,896
TOTAL OTHER EXPENSES		1,875	1,896

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2012	Actual 2011
Property (excl. Investment Property)			
Proceeds from Disposal - Property		-	-
less: Carrying Amount of Property Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	-
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		135	278
less: Carrying Amount of P&E Assets Sold / Written Off		(93)	(217)
Net Gain/(Loss) on Disposal		42	61
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		42	61

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	2012	2012	2011	2011
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		655	-	466	-
Cash-Equivalent Assets ¹					
- Deposits at Call		243	-	285	-
- Short Term Deposits		8,344	-	8,450	-
Total Cash & Cash Equivalents		9,242	-	9,201	-
<u>TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS</u>					
		9,242	-	9,201	-

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

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

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

\$ '000	2012	2012	2011	2011
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	9,242	-	9,201	-
attributable to:				
External Restrictions (refer below)	3,117	-	3,318	-
Internal Restrictions (refer below)	4,219	-	4,573	-
Unrestricted	1,906	-	1,310	-
	9,242	-	9,201	-

2012 \$ '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)	118		(6)	112
External Restrictions - Included in Liabilities	118	-	(6)	112

External Restrictions - Other

Developer Contributions - General (D)	1,171	255	(240)	1,186
Specific Purpose Unexpended Grants (F)	159	-	(92)	67
Domestic Waste Management (G)	630		(223)	407
Other Special Levies (G)	1,240	373	(268)	1,345
External Restrictions - Other	3,200	628	(823)	3,005
Total External Restrictions	3,318	628	(829)	3,117

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

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

2012 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	182	122	(120)	184
Employees Leave Entitlement	512	377	(323)	566
Deposits, Retentions & Bonds	2,395	-	(26)	2,369
Construction of Buildings	425	30	(261)	194
Office Equipment	297	63	(73)	287
Road Reconstruction	151	18	(120)	49
Recreation Facilities	25	20	(28)	17
Traffic Management	50			50
Environmental Projects	305	1	(82)	224
Elections	63	23		86
Public Places & Urban Design	35			35
Insurance Reserve	77	20		97
Other	56	10	(5)	61
Total Internal Restrictions	4,573	684	(1,038)	4,219
TOTAL RESTRICTIONS	7,891	1,312	(1,867)	7,336

- 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** RMA 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 2012

Note 7. Receivables

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		181	17	199	22
Interest & Extra Charges		16	10	16	9
User Charges & Fees		391	-	532	-
Accrued Revenues					
- Interest on Investments		51	-	52	-
Government Grants & Subsidies		399	-	67	-
Net GST Receivable		126	-	117	-
Total		1,164	27	983	31
less: Provision for Impairment					
User Charges & Fees		(3)	-	(1)	-
Total Provision for Impairment - Receivables		(3)	-	(1)	-
TOTAL NET RECEIVABLES		1,161	27	982	31
Externally Restricted Receivables					
Domestic Waste Management		38	-	38	-
Total External Restrictions		38	-	38	-
Internally Restricted Receivables					
Nil					
Internally Restricted Receivables		-	-	-	-
Unrestricted Receivables		1,123	27	944	31
TOTAL NET RECEIVABLES		1,161	27	982	31

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 11.00% (2011 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 2012

Note 8. Inventories & Other Assets

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		51	-	69	-
Total Inventories		51	-	69	-
Other Assets					
Prepayments		89	-	126	-
Insurance Pool Surplus Metropool		-	340	-	296
Other		65	-	65	-
Total Other Assets		154	340	191	296
TOTAL INVENTORIES / OTHER ASSETS		205	340	260	296
Externally Restricted Assets					
Domestic Waste Management					
Nil					
Other					
Nil					
Total Externally Restricted Assets		-	-	-	-
Total Unrestricted Assets		205	340	260	296
TOTAL INVENTORIES & OTHER ASSETS		205	340	260	296

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2011					Asset Movements during the Reporting Period						as at 30/6/2012				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	WIP Transfers	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value							Cost	Fair Value	Dep'n	Impairment	Value
Capital Work in Progress	491	-	-	-	491	489				(215)		765	-	-	-	765
Plant & Equipment	-	1,297	546	-	751	352	(93)	(221)	-			-	1,344	555	-	789
Office Equipment	-	1,112	971	-	141	85		(92)	-	2		-	1,198	1,062	-	136
Furniture & Fittings	-	139	80	-	59	3		(6)	-			-	143	87	-	56
Plant & Equipment (under Finance Lease)	-	-	-	-	-			-	-			-	-	-	-	-
Land:																
- Operational Land	-	22,226	-	-	22,226							-	22,226	-	-	22,226
- Community Land	-	399,081	-	-	399,081							-	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	-	1,649	677	-	972	9		(71)	-	19		-	1,678	749	-	929
Buildings - Non Specialised	-	9,936	4,656	-	5,280	39		(329)	-			-	9,974	4,984	-	4,990
Buildings - Specialised	-	12,840	7,663	-	5,177	228		(366)	-	22		-	13,086	8,025	-	5,061
Other Structures	-	-	-	-	-			-	-			-	-	-	-	-
Infrastructure:																
- Roads, Bridges, Footpaths	-	56,646	16,042	-	40,604	392		(1,693)	-	6		-	57,045	17,736	-	39,309
- Bulk Earthworks (non-depreciable)	-	-	-	-	-							-	-	-	-	-
- Stormwater Drainage	-	6,992	3,635	-	3,357	134		(143)	-	166		-	7,293	3,779	-	3,514
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	491	511,918	34,270	-	478,139	1,731	(93)	(2,921)	-	-	-	765	513,068	36,977	-	476,856

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$497) and New Assets (\$1234). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets)

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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 2012

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Payables					
		280	-	320	-
		19	-	56	-
		287	-	283	-
		Accrued Expenses:			
		6	-	8	-
		408	-	121	-
		2,369	-	2,395	-
		3,369	-	3,183	-
Borrowings					
		399	270	378	669
		399	270	378	669
Provisions					
Employee Benefits;					
		492	-	484	-
		25	-	21	-
		966	32	772	30
		56	-	29	-
		1,539	32	1,306	30
		1,539	32	1,306	30
		5,307	302	4,867	699

(i) Liabilities relating to Restricted Assets

	2012		2011	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
	111	-	123	-
	111	-	123	-

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 2012

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

\$ '000	2012	2011
(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	845	660
Payables - Security Bonds, Deposits & Retentions	1,988	2,055
	<u>2,833</u>	<u>2,715</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2011		2012			Closing Balance as at 30/6/12
	Opening Balance as at 1/7/11	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	484	265	(257)			492
Sick Leave	21	4				25
Long Service Leave	802	262	(66)			998
Other Leave	29	27				56
TOTAL	1,336	558	(323)	-	-	1,571

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 2012

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2012	Actual 2011
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	9,242	9,201
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		9,242	9,201
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(1,121)	(1,265)
Adjust for non cash items:			
Depreciation & Amortisation		2,921	2,856
Net Losses/(Gains) on Disposal of Assets		(42)	(61)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(177)	(274)
Increase/(Decrease) in Provision for Doubtful Debts		2	(2)
Decrease/(Increase) in Inventories		18	(11)
Decrease/(Increase) in Other Assets		(7)	(117)
Increase/(Decrease) in Payables		(40)	(115)
Increase/(Decrease) in accrued Interest Payable		(2)	(2)
Increase/(Decrease) in other accrued Expenses Payable		287	6
Increase/(Decrease) in Other Liabilities		(22)	231
Increase/(Decrease) in Employee Leave Entitlements		235	80
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		2,052	1,326

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
(c) Non-Cash Investing & Financing Activities			
Nil			
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
Total Financing Arrangements		10	10
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		1	1
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 2012

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2012	Actual 2011
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings		319	-
Plant & Equipment		-	-
Total Commitments		319	-
These expenditures are payable as follows:			
Within the next year		319	-
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
Total Payable		319	-
Sources for Funding of Capital Commitments:			
Future Grants & Contributions		319	-
Total Sources of Funding		319	-

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(b) Finance Lease Commitments			
Nil			
(c) 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		17	18
Later than one year and not later than 5 years		40	57
Later than 5 years		-	-
Total Non Cancellable Operating Lease Commitments		57	75

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 of further leasing.

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2012	Actual 2011
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(d) Investment Property Commitments

Nil

(e) 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 2012

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

\$ '000	Amounts	Indicator	Prior Periods	
	2012	2012	2011	2010
Local Government Industry Indicators				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>7,453</u>	3.15 : 1	3.49:1	3.22:1
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>2,363</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>435</u>	3.56%	3.93%	4.11%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<u>12,211</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>8,919</u>	67.72%	72.21%	70.35%
Income from Continuing Operations	<u>13,171</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>224</u>	2.44%	2.80%	3.09%
Rates, Annual & Extra Charges Collectible	<u>9,191</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	<u>497</u>	19.64%	18.03%	89.53%
Depreciation, Amortisation & Impairment	<u>2,531</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(a)(ii) - 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/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 14. Investment Properties

\$ '000	Notes	Actual 2012	Actual 2011
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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 2012

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	
	2012	2011	2012	2011
Financial Assets				
Cash and Cash Equivalents	9,242	9,201	9,242	9,201
Investments				
- "Held for Trading"	-	-	-	-
- "Designated At Fair Value on Initial Recognition"	-	-	-	-
- "Held to Maturity"	-	-	-	-
- "Loans & Receivables"	-	-	-	-
- "Available for Sale"	-	-	-	-
Receivables	1,188	1,013	1,188	1,013
Total Financial Assets	10,430	10,214	10,430	10,214
Financial Liabilities				
Payables	3,082	2,900	3,082	2,900
Loans / Advances	669	1,047	669	1,047
Lease Liabilities	-	-	-	-
Total Financial Liabilities	3,751	3,947	3,751	3,947

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 2012

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.

2012	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
2011				
Possible impact of a 10% movement in Market Values				
Possible impact of a 1% movement in Interest Rates	92	92	(92)	(92)

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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:

	2012 Rates & Annual Charges	2012 Other Receivables	2011 Rates & Annual Charges	2011 Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	198	993	221	793
	198	993	221	793
(ii) Movement in Provision for Impairment of Receivables			2012	2011
Balance at the beginning of the year			1	3
+ new provisions recognised during the year			3	
- amounts already provided for & written off this year			(1)	(2)
- amounts provided for but recovered during the year				
- previous impairment losses reversed				
Balance at the end of the year			3	1

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

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		
2012									
Bank Overdraft	-							-	-
Trade/Other Payables	2,369	713						3,082	3,082
Loans & Advances		399	270					669	669
Lease Liabilities								-	-
Total Financial Liabilities	2,369	1,112	270	-	-	-	-	3,751	3,751
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

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:

	2012		2011	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	-		-	
Trade/Other Payables	3,082		2,900	
Loans & Advances - Fixed Interest Rate	669	6.1%	1,047	5.8%
Loans & Advances - Variable Interest Rate				
Lease Liabilities	-		-	
	3,751		3,947	

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 11/12 was adopted by the Council on 27 June 2011.

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.

Note that for Variations* of Budget to Actual :

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	2012 Budget	2012 Actual	2012 ----- Variance* -----	
REVENUES				
User Charges & Fees	719	1,194	475	66% F
Almost the entire variance is due to charges for restoration work for one project by Ausgrid \$518F				
Operating Grants & Contributions	849	1,002	153	18% F
A favourable variance is due to grants received for LEP \$103F, Lane Cove River Stormwater Improvement \$36F and Weed Control Program \$13F				
Capital Grants & Contributions	81	542	461	569% F
Additional grants were received during the year with the major grants being for Margaret Street Boatramp \$248F, Riverglade Reserve Drainage \$21F, The Priory Restoration \$19F and other contribution received of \$36F. The introduction of a new S94A Plan has resulted in contributions being higher than estimated \$135F				
Net Gains from Disposal of Assets	17	42	25	147% F
Sale of Plant at auction achieved higher results than budgeted for \$25F				

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 16. Material Budget Variations (continued)

\$ '000	2012 Budget	2012 Actual	2012 Variance*	
EXPENSES				
Materials & Contracts	3,485	4,604	(1,119)	(32%) U
Increases in contractors used to carry out additional restoration funded works \$278U. Similarly contractors were used to fill staff vacancies until skilled replacements could be found \$267U, this was offset in part by a reduction in employee costs. Other variations were legal expenses \$179U, Waste contractor and tipping costs \$162U Sesquicentenary events \$110U, Operational grants projects \$84U and Street Trees \$37U				
Other Expenses	2,142	1,875	267	12% F
An increases in Council interest in Metropool has resulted in a favourable outcome of \$85F, Efficiency measures and renegotiation of contracts have led to savings in water and electricity \$91F, telephones \$22F, subscription \$25F and printing \$9F. The increase to NSW State Emergency Services was not as high as anticipated \$18F				

Hunters Hill Council

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 16. Material Budget Variations (continued)

\$ '000	2012 Budget	2012 Actual	2012 ----- Variance* -----
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Budget Variations relating to Council's Cash Flow Statement include:

Cash Flows from Operating Activities	1,541	2,052	511	33.2%	F
---	-------	-------	-----	-------	----------

This favourable variance is entirely due to fees for restoration works from Ausgrid

Cash Flows from Investing Activities	(895)	(1,633)	(738)	82.5%	U
---	-------	---------	-------	-------	----------

Increase to capital works carried out funded by increase in grant funds and S94a contributions. Major works were to The Priory \$149U, Riverglade Bikeway \$70U, Margaret St Boat Ramp \$248U, Riverglade Reserve \$24U and Riverglade Reserve Drainage \$21U. In addition completion of the Roads Program for the previous year \$120U which was unable to be completed due to weather conditions, and Reserve Projects carried over \$71U

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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	-	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
S94 Contributions - under a Plan	-	-	-	-	-	-	-	-	-	-	-
S94A Levies - under a Plan	1,171	185	-	70	(240)	-	1,186				-
Total S94 Revenue Under Plans	1,171	185	-	70	(240)	-	1,186				-
S94 not under Plans	-	-	-	-	-	-	-	-	-	-	-
S93F Planning Agreements											
S64 Contributions	-						-				
Total Contributions	1,171	185	-	70	(240)	-	1,186	-	-	-	-

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94A LEVIES - UNDER A PLAN

CONTRIBUTION PLAN NUMBER - Adopted 31 August 2012

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	-						-				
Roads	-						-				
Traffic Facilities	-						-				
Parking	-						-				
Open Space	-						-				
Community Facilities	-						-				
Other	1,171	185		70	(240)		1,186				
Total	1,171	185	-	70	(240)	-	1,186				-

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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 in future years.

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 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 2012

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 (JVO)

Name of Operation	Principal Activity	Councils Interests in Outputs of JVO's	
		63%	

JV Cowell Street Development

(b) Council Assets employed in the Joint Venture Operations

Council's own assets employed in the Operations

Current Assets:

	2012	2011
Receivables	-	-
Inventories	-	-
Other Assets	65	65

Non-Current Assets

Property, Plant & Equipment	400	400
-----------------------------	-----	-----

Total Assets - Council Owned

465 465

Council's 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

	2012	2011
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

	2012	2011
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 2012

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2012	Actual 2011
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		269,902	271,167
a. Correction of Prior Period Errors	20 (c)	-	-
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		(1,121)	(1,265)
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>268,781</u></u>	<u><u>269,902</u></u>
b. Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		213,441	213,441
- "Available for Sale" Financial Investments Revaluation Reserve		-	-
- Other Reserves (Specify)		-	-
Total		<u><u>213,441</u></u>	<u><u>213,441</u></u>
(ii). Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		213,441	33,551
- Revaluations for the year	9(a)	-	179,890
- Impairment of revalued assets (incl. impairment reversals)	9(a),(c)	-	-
- Balance at End of Year		<u><u>213,441</u></u>	<u><u>213,441</u></u>
TOTAL VALUE OF RESERVES		<u><u>213,441</u></u>	<u><u>213,441</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 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
c. Correction of Error/s relating to a Previous Reporting Period			
<p>In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.</p>			
<p>These amounted to the following Equity Adjustments:</p>			
- Adjustments to Opening Equity - 1/7/10 (relating to adjustments for the 30/6/10 reporting year end and prior periods)		-	-
- Adjustments to Closing Equity - 30/6/11 (relating to adjustments for the 30/6/11 year end)		-	-
Total Prior Period Adjustments - Prior Period Errors		-	-

Hunters Hill Council

Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
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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 2012, 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. 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 25th day of September 2012

25 September 2012

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

Mayor,

Audit Report - Year Ended 30 June 2012

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2012 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

I.1 Operating Result

The operating result for the year was a deficit of \$1.121 million as compared with \$1.265 million 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.

	2012	% of	2011	% of	Increase
	\$000	Total	\$000	Total	(Decrease)
					\$000
Revenues before capital items					
Rates & annual charges	8,919	71%	8,510	75%	409
User charges, fees & other revenues	2,186	17%	1,540	14%	646
Grants & contributions provided for operating purposes	1,002	8%	828	7%	174
Interest & investment revenue	522	4%	525	5%	(3)
	12,629	100%	11,403	100%	1,226
Expenses					
Employee benefits & costs	4,835	34%	4,474	34%	361
Materials, contracts & other expenses	6,479	45%	5,644	43%	835
Depreciation, amortisation & impairment	2,921	20%	2,856	22%	65
Borrowing costs	57	0%	76	1%	(19)
	14,292	100%	13,050	100%	1,242
Surplus/(Deficit) before capital items	(1,663)		(1,647)		(16)
Grants & contributions provided for capital purposes	542		382		160
Net Surplus/(Deficit) for the year	(1,121)		(1,265)		144

The above table shows an overall increase of \$144,000 from the previous year. Rates and annual charges increased by \$409,000 and represented 68% of Council's revenue.

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.

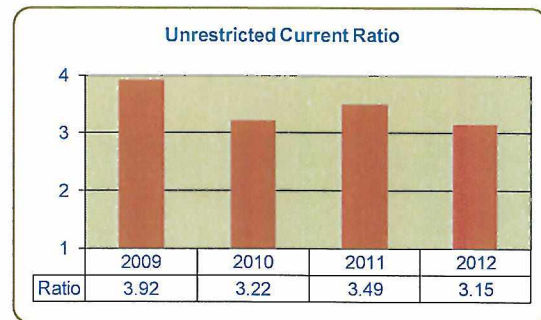
	2012	2011
<i>Funds were provided by:-</i>	\$000	\$000
Operating Result (as above)	(1,121)	(1,265)
Add back non funding items:-		
- Depreciation, amortisation & impairment	2,921	2,856
- Book value of non current assets sold	93	217
	1,893	1,808
Transfers from externally restricted assets (net)	189	216
Transfers from internal reserves (net)	354	0
Net Changes in current/non current assets & liabilities	169	45
	2,605	2,069
<i>Funds were applied to:-</i>		
Purchase and construction of assets	(1,731)	(1,370)
Principal repaid on loans	(378)	(358)
Transfers to externally restricted assets (net)	0	0
Transfers to internal reserves (net)	0	(422)
	(2,109)	(2,150)
Increase/(Decrease) in Available Working Capital	496	(81)

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 \$5.090 million representing a factor of 3.15 to 1.



2.2 Available Working Capital – (Working Funds)

A more meaningful financial indicator specific to local government is the level of **Available Working Capital**. Net Current Assets are adjusted by eliminating both external and internal restrictions held for future purposes.

At the close of the year the Available Working Capital of Council stood at \$2.345 million as detailed below;

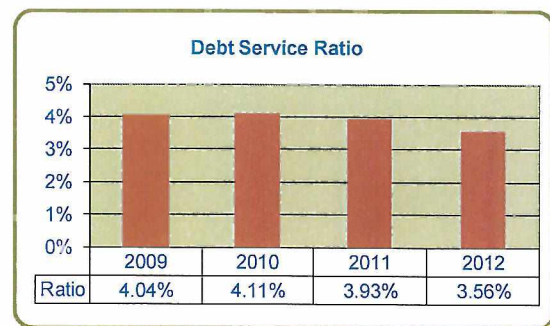
	2012	2011	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	5,301	5,576	(275)
Add: Payables & provisions not expected to be realised in the next 12 months included above	2,833	2,715	118
Adjusted Net Current Assets	8,134	8,291	(157)
Add: Budgeted & expected to pay in the next 12 months			
- Borrowings	399	378	21
- Employees leave entitlements	694	646	48
- Deposits & retention moneys	381	340	41
Less: Externally restricted assets	(3,044)	(3,233)	189
Less: Internally restricted assets	(4,219)	(4,573)	354
Available Working Capital as at 30 June	2,345	1,849	496

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 2012 was sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (repayment of loans) was 3.56%.

Principal and interest paid was \$435,000 leaving total debt as at 30 June 2012 at \$669,000.



2.4 Summary

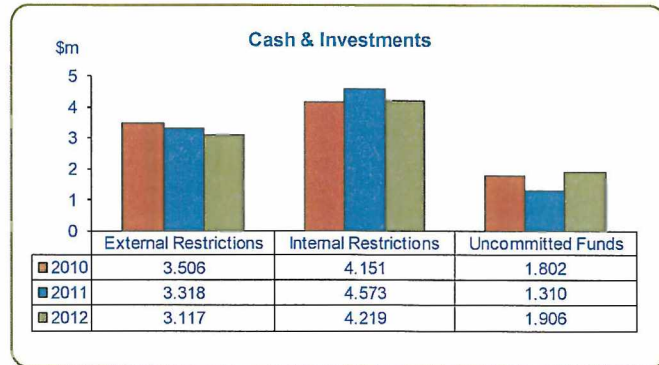
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$9.242 million as compared with \$9.201 million and \$9.459 million at the close of financial years 2011 and 2010 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 (\$112,000), unexpended development contributions under Section 94 (\$1.186 million), unexpended grants and contributions (\$67,000), domestic waste management charges (\$407,000) and special rate levies (\$1.345 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 \$4.219 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$1.906 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 increased by \$41,000 to \$9.242 million at the close of the year.

In addition to operating activities which contributed net cash of \$2.052 million were the proceeds from the sale of assets (\$135,000). Cash outflows other than operating activities were used to repay loans (\$378,000) and to purchase and construct assets (\$1.768 million).

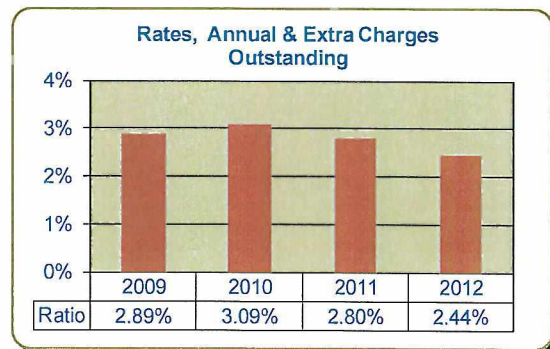
4. RECEIVABLES

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

Net rates and annual charges levied during the year totalled \$8.919 million and represented 67.72% of Council's total revenues. Including arrears, the total rates and annual charges collectible was \$9.140 million of which \$8.942 million (97.83%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$224,000 at the end of the year and represented 2.44% of those receivables.



4.3 Other Receivables

Receivables (other than rates & annual charges) totalled \$967,000 and mainly consisted of user charges and fees (\$391,000) and amounts due from other levels of government (\$525,000).

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.571 million.

A cash reserve of \$566,000 was held at year end representing 36% 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 \$2.369 million and were fully funded by cash and investments held in reserves.

6. MANAGEMENT LETTER

An audit management letter addressing the findings from our interim audit was issued on 13 June 2012 and this included our recommendations on possible ways to strengthen and/or improve procedures.

7. CONCLUSION

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

Yours faithfully,

HILL ROGERS SPENCER STEER



BRETT HANGER
Partner

Hunters Hill Council

SPECIAL SCHEDULES
for the year ended 30 June 2012

**“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 2012

Contents

Page

Special Schedules¹

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

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 2012

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	1,231	-	-	(1,231)
Administration	3,055	211	-	(2,844)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	427	-	-	(427)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	250	7	-	(243)
Other	-	-	-	-
Total Public Order & Safety	677	7	-	(670)
Health	111	23	16	(72)
Environment				
Noxious Plants and Insect/Vermin Control	11	-	-	(11)
Other Environmental Protection	12	8	-	(4)
Solid Waste Management	1,732	1,909	-	177
Street Cleaning	413	3	-	(410)
Drainage	322	143	31	(148)
Stormwater Management	-	-	-	-
Total Environment	2,490	2,063	31	(396)
Community Services and Education				
Administration & Education	345	29	-	(316)
Social Protection (Welfare)	12	-	-	(12)
Aged Persons and Disabled	163	102	-	(61)
Children's Services	71	49	-	(22)
Total Community Services & Education	591	180	-	(411)
Housing and Community Amenities				
Public Cemeteries	-	-	-	-
Public Conveniences	1	-	-	(1)
Street Lighting	210	33	-	(177)
Town Planning	1,036	267	103	(666)
Other Community Amenities	39	156	-	117
Total Housing and Community Amenities	1,286	456	103	(727)
Water Supplies	-	-	-	-
Sewerage Services	-	-	-	-

Hunters Hill Council

Special Schedule No. 1 - Net Cost of Services (continued) for the financial year ended 30 June 2012

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	540	47	-	(493)
Museums	-	-	-	-
Art Galleries	36	36	-	-
Community Centres and Halls	330	308	13	(9)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	113	62	-	(51)
Sporting Grounds and Venues	97	24	-	(73)
Swimming Pools	26	-	-	(26)
Parks & Gardens (Lakes)	911	692	157	(62)
Other Sport and Recreation	75	-	-	(75)
Total Recreation and Culture	2,128	1,169	170	(789)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	50	53	-	3
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	50	53	-	3
Transport and Communication				
Urban Roads (UR) - Local	2,046	807	27	(1,212)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads (SRR) - 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	38	201	-	163
Footpaths	523	-	-	(523)
Aerodromes	-	-	-	-
Other Transport & Communication	65	135	298	368
Total Transport and Communication	2,672	1,143	325	(1,204)
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	1	1	-	-
Total Economic Affairs	1	1	-	-
Totals – Functions	14,292	5,306	645	(8,341)
General Purpose Revenues⁽²⁾		7,220		7,220
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT⁽¹⁾	14,292	12,526	645	(1,121)

(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 2012

\$'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	378	669	1,047		378			57		669	669
Other	-	-	-							-	-
Total Loans	378	669	1,047	-	378	-	-	57	-	669	669
Other Long Term Debt											
Ratepayers Advances	-	-	-							-	-
Government Advances	-	-	-							-	-
Finance Leases	-	-	-							-	-
Deferred Payments	-	-	-							-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	378	669	1,047	-	378	-	-	57	-	669	669

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 2012

\$'000	Actual ⁽¹⁾ 11/12	Forecast 12/13	Forecast 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16
(i) OPERATING BUDGET					
Income from continuing operations	13,171	13,049	13,552	13,902	14,349
Expenses from continuing operations	14,292	14,330	14,534	14,040	15,605
Operating Result from Continuing Operations	<u>(1,121)</u>	<u>(1,281)</u>	<u>(982)</u>	<u>(138)</u>	<u>(1,256)</u>
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	862	455	847	442	209
Replacement/Refurbishment of Existing Assets	1,000	1,210	1,181	1,574	1,573
Total Capital Budget	<u>1,862</u>	<u>1,665</u>	<u>2,028</u>	<u>2,016</u>	<u>1,782</u>
Funded by:					
– Loans	-	-	-	-	-
– Asset sales	134	121	99	95	169
– Reserves	159	-	-	-	-
– Grants/Contributions	635	574	744	529	299
– Recurrent revenue	934	970	1,185	1,392	1,314
– Other	<u>1,862</u>	<u>1,665</u>	<u>2,028</u>	<u>2,016</u>	<u>1,782</u>

Notes:

(1) From 11/12 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.

(4) Financial Projections should be in accordance with Council's Integrated Planning & Reporting framework.