



SPECIAL SCHEDULES

ANNEXURE 3



COBAR SHIRE COUNCIL



SPECIAL SCHEDULES

2015/2016



COBAR SHIRE COUNCIL

Cobar Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2016



**COBAR SHIRE
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Cobar Shire Council

Special Schedules for the year ended 30 June 2016

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¹ Special Schedules are not audited (with the exception of Special Schedule 8).

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 (NOW), and
 - the Office of Local Government (OLG).
- (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.

Cobar Shire Council

Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	709	3	-	(706)
Administration	1,790	709	-	(1,081)
Public order and safety				
Fire service levy, fire protection, emergency services	272	568	422	718
Beach control	-	-	-	-
Enforcement of local government regulations	92	-	-	(92)
Animal control	1	26	-	25
Other	-	-	-	-
Total public order and safety	365	594	422	651
Health	240	19	-	(221)
Environment				
Noxious plants and insect/vermin control	131	164	-	33
Other environmental protection	-	-	(60)	(60)
Solid waste management	529	720	-	191
Street cleaning	-	-	-	-
Drainage	-	-	-	-
Stormwater management	10	-	-	(10)
Total environment	670	884	(60)	154
Community services and education				
Administration and education	-	-	-	-
Social protection (welfare)	11	-	-	(11)
Aged persons and disabled	2,835	2,843	-	8
Children's services	1,723	1,762	-	39
Total community services and education	4,569	4,605	-	36
Housing and community amenities				
Public cemeteries	99	20	-	(79)
Public conveniences	91	-	-	(91)
Street lighting	-	-	-	-
Town planning	219	68	72	(79)
Other community amenities	242	98	26	(118)
Total housing and community amenities	651	186	98	(367)
Water supplies	3,012	3,391	-	379
Sewerage services	623	838	-	215

Cobar Shire Council

Special Schedule 1 – Net Cost of Services (continued)
for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	440	157	–	(283)
Museums	555	105	–	(450)
Art galleries	–	–	–	–
Community centres and halls	530	228	–	(302)
Performing arts venues	–	–	–	–
Other performing arts	9	–	–	(9)
Other cultural services	–	–	–	–
Sporting grounds and venues	509	19	–	(490)
Swimming pools	498	81	–	(417)
Parks and gardens (lakes)	299	–	–	(299)
Other sport and recreation	–	–	–	–
Total recreation and culture	2,840	590	–	(2,250)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	5	5	–	–
Other mining, manufacturing and construction	–	–	–	–
Total mining, manufacturing and const.	5	5	–	–
Transport and communication				
Urban roads (UR) – local	(168)	–	663	831
Urban roads – regional	1,072	–	–	(1,072)
Sealed rural roads (SRR) – local	–	–	–	–
Sealed rural roads (SRR) – regional	–	400	–	400
Unsealed rural roads (URR) – local	5,044	–	–	(5,044)
Unsealed rural roads (URR) – regional	1,373	–	–	(1,373)
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	6	–	–	(6)
Footpaths	142	–	–	(142)
Aerodromes	262	108	134	(20)
Other transport and communication	3,837	6,123	–	2,286
Total transport and communication	11,568	6,631	797	(4,140)
Economic affairs				
Camping areas and caravan parks	36	135	–	99
Other economic affairs	784	800	–	16
Total economic affairs	820	935	–	115
Totals – functions	27,862	19,390	1,257	(7,215)
General purpose revenues ⁽¹⁾		8,928		8,928
Share of interests – joint ventures and associates using the equity method	–	–	–	–
NET OPERATING RESULT ⁽²⁾	27,862	28,318	1,257	1,713

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

Cobar Shire Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose)
for the year ended 30 June 2016

\$'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	263	1,984	2,247	-	663	-	-	112	174	1,410	1,584
Other	-	-	-	-	-	-	-	-	-	-	-
Total loans	263	1,984	2,247	-	663	-	-	112	174	1,410	1,584
Other long term debt											
Ratepayers advances	-	-	-	-	-	-	-	-	-	-	-
Government advances	-	-	-	-	-	-	-	-	-	-	-
Finance leases	78	226	304	-	78	-	-	18	83	143	226
Deferred payments	-	-	-	-	-	-	-	-	-	-	-
Total long term debt	78	226	304	-	78	-	-	18	83	143	226
Total debt	341	2,210	2,551	-	741	-	-	130	257	1,553	1,810

Notes: excludes (i) internal loans and (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).

Cobar Shire Council

Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	168	194
b. Engineering and supervision	127	121
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	76	114
d. Maintenance expenses	191	200
– Reservoirs		
e. Operation expenses	4	10
f. Maintenance expenses	70	44
– Pumping stations		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	–	–
i. Maintenance expenses	–	–
– Treatment		
j. Operation expenses (excluding chemical costs)	1,388	1,218
k. Chemical costs	162	134
l. Maintenance expenses	484	258
– Other		
m. Operation expenses	–	–
n. Maintenance expenses	–	–
o. Purchase of water	–	–
3. Depreciation expenses		
a. System assets	342	330
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	3,012	2,623

Cobar Shire Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
Income		
6. Residential charges		
a. Access (including rates)	689	661
b. Usage charges	2,258	2,262
7. Non-residential charges		
a. Access (including rates)	1	2
b. Usage charges	–	–
8. Extra charges	–	–
9. Interest income	66	18
10. Other income	–	–
10a. Aboriginal Communities Water and Sewerage Program	–	–
11. Grants		
a. Grants for acquisition of assets	14	–
b. Grants for pensioner rebates	–	14
c. Other grants	–	794
12. Contributions		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	363	589
13. Total income	3,391	4,340
14. Gain (or loss) on disposal of assets	–	–
15. Operating result	379	1,717
15a. Operating result (less grants for acquisition of assets)	365	1,717

Cobar Shire Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
B Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	–	–
d. Plant and equipment	–	–
17. Repayment of debt	–	–
18. Totals	<u>–</u>	<u>–</u>
Non-operating funds employed		
19. Proceeds from disposal of assets	–	–
20. Borrowing utilised	–	–
21. Totals	<u>–</u>	<u>–</u>
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	1,848	1,841
b. Residential (unoccupied, ie. vacant lot)	128	130
c. Non-residential (occupied)	400	394
d. Non-residential (unoccupied, ie. vacant lot)	18	19
23. Number of ETs for which developer charges were received	– ET	– ET
24. Total amount of pensioner rebates (actual dollars)	\$ 24,194	\$ 24,194

Cobar Shire Council

Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
25. Cash and investments			
a. Developer charges	12	–	12
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	2,252	–	2,252
26. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	54	–	54
c. User charges	469	–	469
d. Other	–	–	–
27. Inventories	34	–	34
28. Property, plant and equipment			
a. System assets	168	11,881	12,049
b. Plant and equipment	–	–	–
29. Other assets	–	–	–
30. Total assets	<u>2,989</u>	<u>11,881</u>	<u>14,870</u>
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	162	–	162
33. Borrowings	17	–	17
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
35. Total liabilities	<u>179</u>	<u>–</u>	<u>179</u>
36. NET ASSETS COMMITTED	<u>2,810</u>	<u>11,881</u>	<u>14,691</u>
EQUITY			
37. Accumulated surplus			14,182
38. Asset revaluation reserve			509
39. TOTAL EQUITY			<u>14,691</u>
Note to system assets:			
40. Current replacement cost of system assets			27,420
41. Accumulated current cost depreciation of system assets			(15,371)
42. Written down current cost of system assets			<u>12,049</u>

Cobar Shire Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	47	39
b. Engineering and supervision	70	129
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	–	–
b. Maintenance expenses	37	81
– Pumping stations		
c. Operation expenses (excluding energy costs)	–	–
d. Energy costs	3	4
e. Maintenance expenses	39	52
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	108	94
g. Chemical costs	9	5
h. Energy costs	–	–
i. Effluent management	33	43
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	–	–
m. Maintenance expenses	–	–
3. Depreciation expenses		
a. System assets	367	367
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	713	814

Cobar Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
Income		
6. Residential charges (including rates)	621	598
7. Non-residential charges		
a. Access (including rates)	–	–
b. Usage charges	165	72
8. Trade waste charges		
a. Annual fees	–	–
b. Usage charges	4	–
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	–	–
10. Interest income	36	36
11. Other income	–	–
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	163	–
b. Grants for pensioner rebates	12	11
c. Other grants	–	–
13. Contributions		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	–	–
14. Total income	<u>1,001</u>	<u>717</u>
15. Gain (or loss) on disposal of assets	–	–
16. Operating result	<u>288</u>	<u>(97)</u>
16a. Operating result (less grants for acquisition of assets)	125	(97)

Cobar Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	-	-
b. New assets for growth	-	-
c. Renewals	-	-
d. Plant and equipment	-	-
18. Repayment of debt	-	-
19. Totals	<u>-</u>	<u>-</u>
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised	-	-
22. Totals	<u>-</u>	<u>-</u>
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	1,605	1,607
b. Residential (unoccupied, ie. vacant lot)	52	57
c. Non-residential (occupied)	159	158
d. Non-residential (unoccupied, ie. vacant lot)	7	8
24. Number of ETs for which developer charges were received	- ET	- ET
25. Total amount of pensioner rebates (actual dollars)	\$ 20,846	\$ 20,431

Cobar Shire Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
26. Cash and investments			
a. Developer charges	87	–	87
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	1,932	–	1,932
27. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	102	–	102
c. User charges	–	–	–
d. Other	–	–	–
28. Inventories	–	–	–
29. Property, plant and equipment			
a. System assets	127	8,701	8,828
b. Plant and equipment	–	–	–
30. Other assets	–	–	–
31. Total assets	<u>2,248</u>	<u>8,701</u>	<u>10,949</u>
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	32	–	32
34. Borrowings	2	–	2
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
36. Total liabilities	<u>34</u>	<u>–</u>	<u>34</u>
37. NET ASSETS COMMITTED	<u>2,214</u>	<u>8,701</u>	<u>10,915</u>
EQUITY			
38. Accumulated surplus			3,661
39. Asset revaluation reserve			7,254
40. TOTAL EQUITY			<u>10,915</u>
Note to system assets:			
41. Current replacement cost of system assets			17,643
42. Accumulated current cost depreciation of system assets			(8,815)
43. Written down current cost of system assets			<u>8,828</u>

Cobar Shire Council

Notes to Special Schedules 3 and 5

for the year ended 30 June 2016

Administration ⁽¹⁾

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment losses (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) including capital contributions for water supply or sewerage services received by Council under Section 565 of the *Local Government Act*.

Notes:

⁽¹⁾ Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

⁽²⁾ To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Cobar Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings – non-specialised	290	15	40	23	5,878	12,854	19%	50%	19%	11%	1%
	Buildings – specialised	2,180	109	225	106	19,189	37,526	14%	34%	29%	13%	10%
	Sub-total	2,470	124	265	129	25,067	50,380	15.3%	38.1%	26.4%	12.5%	7.7%
Other structures	Other structures	96	96	10	5	1,454	2,399	12%	38%	13%	33%	4%
	Sub-total	96	96	10	5	1,454	2,399	12.0%	38.0%	13.0%	33.0%	4.0%
Roads	Sealed roads	3,853	3,435	286	362	98,094	114,501	8%	28%	35%	26%	3%
	Unsealed roads	11,486	13,287.12	4,640	2,457	97,415	120,792	4%	30%	35%	20%	11%
	Bridges	10	10	15	5	3,395	4,882	0%	89%	0%	11%	0%
	Footpaths	–	–	240	140	2,945	4,319	20%	6%	70%	4%	0%
	Kerb & Guttering	96	94	25	35	6,552	9,441	25%	25%	25%	24%	1%
	Bicycle Paths	–	–	5	1	141	153	0%	25%	70%	5%	0%
	Rural Drainage	120	120	250	100	1,123	2,441	10%	10%	70%	5%	5%
	Bulk Earthworks	–	–	–	–	14,031	14,031	100%	0%	0%	0%	0%
Sub-total	15,565	16,947	5,461	3,100	223,696	270,560	11.6%	27.9%	33.1%	21.1%	6.3%	

Cobar Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply	Water supply network	21,000	14,000	1,029	422	11,425	26,628	2%	1%	2%	3%	92%
	Sub-total	21,000	14,000	1,029	422	11,425	26,628	2.0%	1.0%	2.0%	3.0%	92.0%
Sewerage	Sewerage network	2,668	518	257	83	8,580	17,268	3%	40%	46%	8%	3%
	Sub-total	2,668	518	257	83	8,580	17,268	3.0%	40.0%	46.0%	8.0%	3.0%
Stormwater	Stormwater drainage	323	323	41	10	4,805	6,450	0%	15%	65%	15%	5%
	Sub-total	323	323	41	10	4,805	6,450	0.0%	15.0%	65.0%	15.0%	5.0%
	TOTAL – ALL ASSETS	42,121	32,007	7,063	3,749	275,027	373,685	10.8%	27.8%	31.0%	18.0%	12.4%

Notes:

a Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Cobar Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2016

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals ⁽¹⁾	4,607	82.99%	65.89%	71.34%
Depreciation, amortisation and impairment	5,551			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	42,121	15.73%	10.35%	17.38%
Carrying value of infrastructure assets	267,723			
3. Asset maintenance ratio				
Actual asset maintenance	3,749	0.53	0.42	0.53
Required asset maintenance	7,063			
4. Capital expenditure ratio				
Annual capital expenditure	7,650	1.14	1.19	0.67
Annual depreciation	6,740			

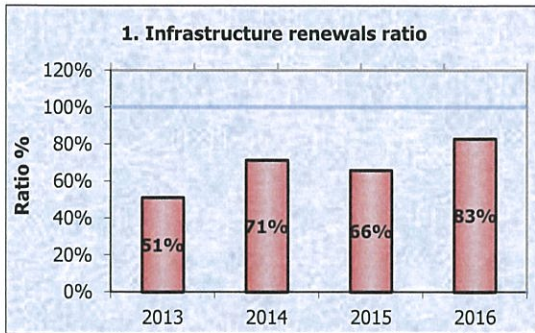
Notes

* All asset performance indicators are calculated using the asset classes identified in the previous table.

⁽¹⁾ Asset renewals represent the replacement and/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.

Cobar Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2016



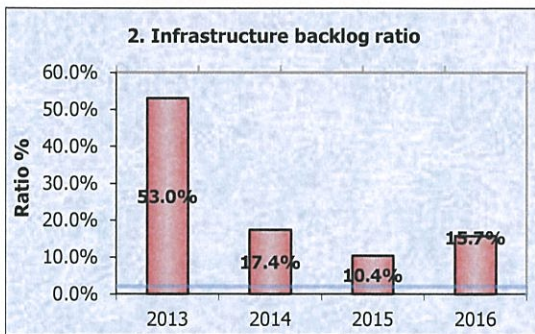
Purpose of asset renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

2015/16 Ratio	82.99%
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Benchmark: — Minimum $\geq 100.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark



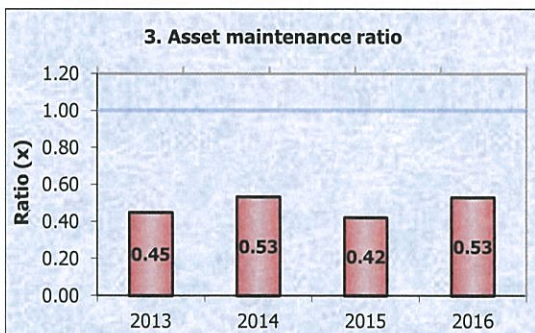
Purpose of infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

2015/16 Ratio	15.73%
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Benchmark: — Maximum $< 2.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark



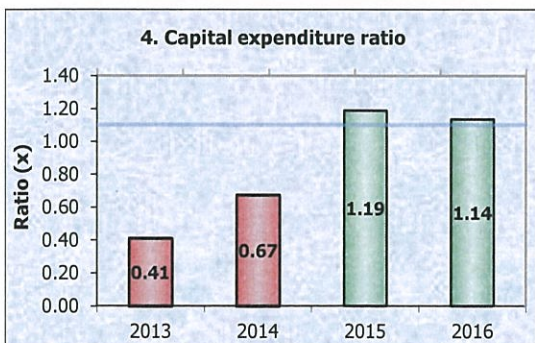
Purpose of asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

2015/16 Ratio	0.53 x
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Benchmark: — Minimum > 1.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of capital expenditure ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

2015/16 Ratio	1.14 x
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Benchmark: — Minimum > 1.10
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark

Cobar Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2016

\$ '000	Water 2016	Sewer 2016	General ⁽¹⁾ 2016
Infrastructure asset performance indicators by fund			
1. Infrastructure renewals ratio			
Asset renewals ⁽²⁾	135.09%	0.00%	85.59%
Depreciation, amortisation and impairment			
prior period:	0.00%	0.00%	83.02%
2. Infrastructure backlog ratio			
Estimated cost to bring assets to a satisfactory standard	183.81%	31.10%	7.45%
Carrying value of infrastructure assets			
prior period:	61.16%	7.37%	8.17%
3. Asset maintenance ratio			
Actual asset maintenance	0.41	0.32	0.56
Required asset maintenance			
prior period:	0.29	0.47	0.44
4. Capital expenditure ratio			
Annual capital expenditure	0.00	0.00	1.27
Annual depreciation			
prior period:	0.00	0.00	1.40

Notes

- (1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.
- (2) Asset renewals represent the replacement and/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.

Cobar Shire Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	3,615	3,698
Plus or minus adjustments ⁽²⁾	b	(4)	8
Notional general income	c = (a + b)	3,611	3,706
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.40%	1.80%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	—	—
Plus special variation amount	h = d x (c - g)	—	—
Or plus rate peg amount	i = c x e	87	67
Or plus Crown land adjustment and rate peg amount	j = c x f	—	—
Sub-total	k = (c + g + h + i + j)	3,698	3,773
Plus (or minus) last year's carry forward total	l	0	(0)
Less valuation objections claimed in the previous year	m	—	—
Sub-total	n = (l + m)	0	(0)
Total permissible income	o = k + n	3,698	3,773
Less notional general income yield	p	3,698	3,771
Catch-up or (excess) result	q = o - p	(0)	2
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	—	—
Less unused catch-up ⁽⁵⁾	s	—	—
Carry forward to next year	t = q + r - s	(0)	2

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.

INDEPENDENT AUDITOR'S REPORT ON SPECIAL SCHEDULE NO. 8 OF COBAR SHIRE COUNCIL

Scope

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No.8) of Cobar Shire Council for the year ended 30 June 2017.

Responsibility of Council for Special Schedule No. 8

The Council is responsible for the preparation and fair presentation of Special Schedule No. 8 in accordance with the Local Government Code of Practice and Financial Reporting (Guidelines) Update No. 24. 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 Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on Special Schedule No. 8 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 Special Schedule No. 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 8. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of Special Schedule No. 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No.8.

Because of the inherent limitations of an audit, together with the inherent limitations of internal controls, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.

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.

Audit Opinion

In our opinion, Special Schedule No. 8 of Cobar Shire Council for 2016/17 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of Council.

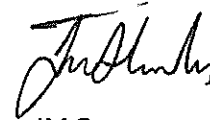
Basis of Accounting

Without modifying this opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.



LUKA GROUP

2 River Street
Dubbo
Dated: 28 October 2016



JM SHANKS
PARTNER