

Eurobodalla Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2014



Eurobodalla Shire Council

Special Schedules

for the financial year ended 30 June 2014

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¹ Special Schedules are not audited (with the exception of Special Schedule 9).

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.

Eurobodalla Shire Council

Special Schedule No. 1 - Net Cost of Services
for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	1,321	759	-	(562)
Administration	(454)	971	112	1,537
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	1,572	620	1,118	166
Beach Control	307	-	-	(307)
Enforcement of Local Govt. Regulations	548	289	-	(259)
Animal Control	237	57	-	(180)
Total Public Order & Safety	2,664	966	1,118	(580)
Health	368	116	-	(252)
Environment				
Noxious Plants and Insect/Vermin Control	379	269	-	(110)
Other Environmental Protection	1,544	1,410	80	(54)
Solid Waste Management	7,945	9,226	16	1,297
Street Cleaning	291	-	-	(291)
Drainage	-	-	-	-
Stormwater Management	1,679	444	28	(1,207)
Total Environment	11,838	11,349	124	(365)
Community Services and Education				
Administration & Education	704	311	-	(393)
Social Protection (Welfare)	982	774	-	(208)
Aged Persons and Disabled	3,408	3,485	-	77
Children's Services	1,785	1,443	-	(342)
Total Community Services & Education	6,879	6,013	-	(866)
Housing and Community Amenities				
Public Cemeteries	130	167	-	37
Public Conveniences	658	-	-	(658)
Street Lighting	490	51	-	(439)
Town Planning	3,500	913	-	(2,587)
Other Community Amenities	2,041	1,180	10	(851)
Total Housing and Community Amenities	6,819	2,311	10	(4,498)
Water Supplies	15,272	15,124	710	562
Sewerage Services	17,964	17,969	1,052	1,057

Eurobodalla Shire Council

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

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	1,643	179	69	(1,395)
Community Centres and Halls	428	132	18	(278)
Other Cultural Services	143	34	-	(109)
Sporting Grounds and Venues	2,113	275	27	(1,811)
Swimming Pools	1,055	2	-	(1,053)
Parks & Gardens (Lakes)	4,121	731	106	(3,284)
Other Sport and Recreation	-	(2)	199	197
Total Recreation and Culture	9,503	1,351	419	(7,733)
Mining, Manufacturing and Construction				
Building Control	655	628	-	(27)
Other Mining, Manufacturing & Construction	(30)	-	-	30
Total Mining, Manufacturing and Const.	625	628	-	3
Transport and Communication				
Urban Roads (UR) - Local	5,103	634	1,220	(3,249)
Urban Roads - Regional	1,210	1,035	-	(175)
Sealed Rural Roads (SRR) - Local	5,783	880	849	(4,054)
Sealed Rural Roads (SRR) - Regional	1,465	1,948	-	483
Unsealed Rural Roads (URR) - Local	831	-	-	(831)
Bridges on UR - Local	7	-	-	(7)
Bridges on SRR - Local	1,108	76	-	(1,032)
Bridges on URR - Local	126	-	-	(126)
Parking Areas	570	140	341	(89)
Footpaths	782	73	295	(414)
Aerodromes	489	307	-	(182)
Other Transport & Communication	616	51	221	(344)
Total Transport and Communication	18,090	5,144	2,926	(10,020)
Economic Affairs				
Camping Areas & Caravan Parks	3,330	3,682	-	352
Other Economic Affairs	2,961	886	-	(2,075)
Total Economic Affairs	6,291	4,568	-	(1,723)
Totals – Functions	97,180	67,269	6,471	(23,440)
General Purpose Revenues ⁽²⁾	(160)	26,828		26,988
NET OPERATING RESULT ⁽¹⁾	97,020	94,097	6,471	3,548

(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) & Interest on overdue Rates & Annual Charges

Eurobodalla Shire Council

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

for the financial year ended 30 June 2014

\$'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)											
Other State Government	1,033	5,271	6,304	-	923	100	4	7	884	4,397	5,281
Financial Institutions	12,811	46,386	59,197	13,007	12,706	-	-	3,703	12,307	47,191	59,498
Total Loans	13,844	51,657	65,501	13,007	13,629	100	4	3,710	13,191	51,588	64,779
Total Debt	13,844	51,657	65,501	13,007	13,629	100	4	3,710	13,191	51,588	64,779

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).

Eurobodalla Shire Council

Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	4,118	3,162
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	62	79
b. Maintenance expenses	44	3
- Mains		
c. Operation expenses	1,083	985
d. Maintenance expenses	889	833
- Reservoirs		
e. Operation expenses	108	120
f. Maintenance expenses	140	74
- Pumping Stations		
g. Operation expenses (excluding energy costs)	78	155
h. Energy costs	526	547
i. Maintenance expenses	81	124
- Treatment		
j. Operation expenses (excluding chemical costs)	445	490
k. Chemical costs	227	249
l. Maintenance expenses	47	29
- Other		
m. Operation expenses	389	761
n. Maintenance expenses	33	1
3. Depreciation expenses		
a. System assets	6,055	5,903
b. Plant and equipment	15	14
4. Miscellaneous expenses		
a. Interest expenses	622	642
g. Tax Equivalents Dividends (actually paid)	31	15
5. Total expenses	14,993	14,186

Eurobodalla Shire Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
Income		
6. Residential charges		
a. Access (including rates)	4,223	2,989
b. Usage charges	7,439	6,447
7. Non-residential charges		
a. Access (including rates)	426	311
b. Usage charges	2,173	1,825
8. Extra charges	-	-
9. Interest income	333	274
10. Other income	360	263
11. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	201	199
12. Contributions		
a. Developer charges	590	541
b. Developer provided assets	120	42
13. Total income	<u>15,865</u>	<u>12,891</u>
14. Gain (or loss) on disposal of assets	(310)	(1,197)
15. Operating Result	<u>562</u>	<u>(2,492)</u>
15a. Operating Result (less grants for acquisition of assets)	562	(2,492)

Eurobodalla Shire Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	516	762
b. New Assets for Growth	276	272
c. Renewals	1,501	1,572
d. Plant and equipment	7	45
17. Repayment of debt		
a. Loans	630	637
18. Transfer to sinking fund	3	-
19. Totals	2,934	3,288
Non-operating funds employed		
20. Proceeds from disposal of assets	39	38
21. Borrowing utilised		
a. Loans	-	402
23. Totals	39	440
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	18,479	18,290
b. Residential (unoccupied, ie. vacant lot)	1,281	1,355
c. Non-residential (occupied)	972	977
d. Non-residential (unoccupied, ie. vacant lot)	79	80
25. Number of ETs for which developer charges were received	52 ET	48 ET
26. Total amount of pensioner rebates (actual dollars)	\$ 363,296	\$ 362,478

Eurobodalla Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2014

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/> YES	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/> YES	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.

Eurobodalla Shire Council

Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2014

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	132	-	132
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	10,167	-	10,167
31. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	-	-	-
c. User Charges	-	-	-
d. Other	3,182	-	3,182
32. Inventories	59	-	59
33. Property, plant and equipment			
a. System assets	-	279,102	279,102
b. Plant and equipment	-	5,126	5,126
34. Other assets	166	-	166
35. Total assets	13,706	284,228	297,934
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	7	-	7
38. Borrowings			
a. Loans	5,972	2,649	8,621
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	5,979	2,649	8,628
41. NET ASSETS COMMITTED	7,727	281,579	289,306
EQUITY			
42. Accumulated surplus			147,010
43. Asset revaluation reserve			142,296
44. TOTAL EQUITY			289,306
Note to system assets:			
45. Current replacement cost of system assets			411,621
46. Accumulated current cost depreciation of system assets			(132,519)
47. Written down current cost of system assets			279,102

Eurobodalla Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	3,510	3,158
b. Engineering and Supervision	-	-
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	865	910
b. Maintenance expenses	428	479
- Pumping Stations		
c. Operation expenses (excluding energy costs)	989	963
d. Energy costs	443	458
e. Maintenance expenses	683	742
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	1,839	1,177
g. Chemical costs	340	293
h. Energy costs	498	514
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	412	433
- Other		
l. Operation expenses	164	242
m. Maintenance expenses	7	-
3. Depreciation expenses		
a. System assets	6,239	5,674
b. Plant and equipment	14	27
4. Miscellaneous expenses		
a. Interest expenses	1,383	1,484
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalent Dividends (actually paid)	46	38
5. Total expenses	17,860	16,592

Eurobodalla Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
Income		
6. Residential charges (including rates)	15,245	14,686
7. Non-residential charges		
a. Access (including rates)	1,476	1,413
b. Usage charges	608	498
8. Trade Waste Charges		
a. Annual Fees	40	38
b. Usage charges	104	104
9. Extra charges	-	-
10. Interest income	404	459
11. Other income	80	83
12. Grants		
a. Grants for acquisition of assets	-	(1,565)
b. Grants for pensioner rebates	190	187
13. Contributions		
a. Developer charges	481	465
b. Developer provided assets	571	227
c. Other contributions	2	33
14. Total income	19,201	16,628
15. Gain (or loss) on disposal of assets	(152)	(1,335)
16. Operating Result	1,189	(1,299)
16a. Operating Result (less grants for acquisition of assets)	1,189	266

Eurobodalla Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	1,222	835
b. New Assets for Growth	1,725	627
c. Renewals	1,452	2,493
d. Plant and equipment	42	20
18. Repayment of debt		
a. Loans	4,963	4,614
19. Transfer to sinking fund	-	-
20. Totals	9,404	8,589
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	1,041	819
23. Transfer from sinking fund	-	-
24. Totals	1,041	819
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	17,012	16,862
b. Residential (unoccupied, ie. vacant lot)	1,130	1,197
c. Non-residential (occupied)	1,012	992
d. Non-residential (unoccupied, ie. vacant lot)	73	74
26. Number of ETs for which developer charges were received	50 ET	49 ET
27. Total amount of pensioner rebates (actual dollars)	\$ 342,346	\$ 341,624

Eurobodalla Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies
for the financial year ended 30 June 2014

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> YES	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> YES	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.

Eurobodalla Shire Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2014

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	999	-	999
b. Special purpose grants	983	-	983
c. Accrued leave	-	-	-
d. Unexpended loans	758	-	758
e. Sinking fund	-	-	-
f. Other	10,580	-	10,580
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	-	-	-
c. User Charges	-	-	-
d. Other	150	-	150
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	238,738	238,738
b. Plant and equipment	-	2,195	2,195
35. Other assets	1,133	-	1,133
36. Total Assets	14,603	240,933	255,536
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	34	-	34
39. Borrowings			
a. Loans	3,309	17,573	20,882
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	3,343	17,573	20,916
42. NET ASSETS COMMITTED	11,260	223,360	234,620
EQUITY			
42. Accumulated surplus			108,759
44. Asset revaluation reserve			125,861
45. TOTAL EQUITY			234,620
Note to system assets:			
46. Current replacement cost of system assets			397,979
47. Accumulated current cost depreciation of system assets			(159,239)
48. Written down current cost of system assets			238,740

Eurobodalla Shire Council

Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2014

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.

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) incl. 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.

Eurobodalla Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Actual ⁽³⁾ Maintenance 2013/14	Written Down Value (WDV) ⁽⁴⁾	Assets in Condition as a % of WDV ^{(4), (5)}				
						1	2	3	4	5
Buildings	Council Offices / Administration Centres		244	132	14,110		50%	50%		0%
	Council Public Halls	70	127	8	3,776		60%	40%		0%
	Operational	205	415	29	15,433		40%	40%	20%	0%
	Bush Fire Facilities	280	70	58	2,551		60%	40%		0%
	Community Centres	570	59	6	1,835	20%	60%	20%		0%
	Sporting Facilities	970	288	29	10,416	20%	80%			0%
	Swimming Pool Centres	66	29	10	72		60%	30%	10%	0%
	Public Toilets		132	1	3,572		80%	10%	10%	0%
	Parks and Reserves	795	11	114	1,322		60%	40%		0%
	Caravan Parks/Camp Grounds	515	142	15	8,346		100%			0%
	Bus Shelters		5	8	382	60%		40%		0%
	sub total	3,471	1,522	410	61,815	4.3%	62.3%	27.8%	5.6%	0.0%
Other Structures	Other Structures		132	433	5,649		100%			0%
	Not incl. in Buildings - Waste			982	1,520		80%	20%		0%
	sub total	-	132	1,415	7,169	0.0%	95.8%	4.2%	0.0%	0.0%

Eurobodalla Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Actual ⁽³⁾ Maintenance 2013/14	Written Down Value (WDV) ⁽⁴⁾	Assets in Condition as a % of WDV ^{(4), (5)}				
						1	2	3	4	5
Roads	Sealed Roads Surface Urban	1,943	1,505	1,926	6,643	43%	34%	6%	7%	10%
	Sealed Roads Surface Rural	1,511	1,511	571	4,176	73%	15%	3%	2%	7%
	Sealed Roads Surface Regional	16	16	281	1,294	40%	40%	5%	9%	6%
	Sealed Roads Structure Urban	28,976	3,725	132	114,951	43%	34%	6%	7%	10%
	Sealed Roads Structure Rural	8,670	126	101	66,152	73%	15%	3%	2%	7%
	Sealed Roads Structure Regional	253	152	50	23,258	40%	40%	5%	9%	6%
	Unsealed Roads	6,447	589	777	53,086		30%	30%	40%	0%
	Bridges	3,550	280	141	23,422	45%	47%	6%	2%	0%
	Footpaths	259	259	92	14,027	5%	35%	55%	5%	0%
	Cycle ways	271	326	61	10,113	5%	55%	35%	5%	0%
	Kerb and Gutter				39,980	5%	55%	20%	20%	0%
	Road Furniture		240	217	5,113	5%	55%	30%	10%	0%
	Carparks	1,000	946	136	12,247		43%	43%	14%	0%
	sub total	52,896	9,675	4,485	374,462	34.0%	34.5%	14.4%	12.1%	5.0%
Water Supply Network	Dams/Weirs		19	44	17,900		100%			0%
	Mains	1,500	1,522	889	205,684	10%	15%	50%	25%	0%
	Reservoirs		245	140	31,408		100%			0%
	Pumping Station/s		113	114	2,168		80%	20%		0%
	Treatment	650	112	47	19,513		100%			0%
	Telemetry	40	147		5		40%	40%	20%	0%
	sub total	2,190	2,158	1,234	276,678	7.4%	36.7%	37.3%	18.6%	0.0%
Sewerage Network	Mains		1,021	428	138,415	10%	30%	55%	5%	0%
	Pumping Station/s	1,200	715	690	19,448	10%	40%	40%	10%	0%
	Treatment		473	412	71,015	20%	60%	20%		0%
	Telemetry	40	182		356		40%	40%	20%	0%
	sub total	1,240	2,391	1,530	229,234	13.1%	40.2%	42.9%	3.9%	0.0%

Eurobodalla Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Written Down Value (WDV) ⁽⁴⁾	Assets in Condition as a % of WDV ^{(4), (5)}				
						1	2	3	4	5
Stormwater Drainage	Drainage Roads	705	130	123	8,292		100%			0%
	Drainage Works	11,985	302	134	51,823	5%	60%	15%	20%	0%
	sub total	12,690	432	257	60,115	4.3%	65.5%	12.9%	17.2%	0.0%
Open Space/ Recreational Assets	Swimming Pools	3,500	150	94	1,154			70%	30%	0%
	Other Open Space Recreational	4,400	1,234	834	21,987	10%	10%	60%	10%	10%
	Other - Waterways	1,670	83	114	8,438		10%	80%	10%	0%
	sub total	9,570	1,467	1,042	31,579	7.0%	9.6%	65.7%	10.7%	7.0%
	TOTAL - ALL ASSETS	82,057	17,777	10,373	1,041,052	17.8%	39.4%	29.0%	11.8%	2.0%

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard."
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- (5). **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

Eurobodalla Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2014

\$ '000	Amounts 2014	Indicator 2014	Prior Periods	
			2013	2012
Infrastructure Asset Performance Indicators Consolidated				
1. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building and Infrastructure) ⁽¹⁾	<u>11,775</u>	48.81%	48.77%	76.46%
Depreciation, Amortisation & Impairment	<u>24,123</u>			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	<u>82,057</u>	0.08	0.08	0.03
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	<u>1,043,875</u>			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	<u>10,373</u>	0.58	0.87	0.70
Required Asset Maintenance	<u>17,777</u>			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	<u>23,387</u>	0.86	0.77	1.03
Annual Depreciation	<u>27,095</u>			

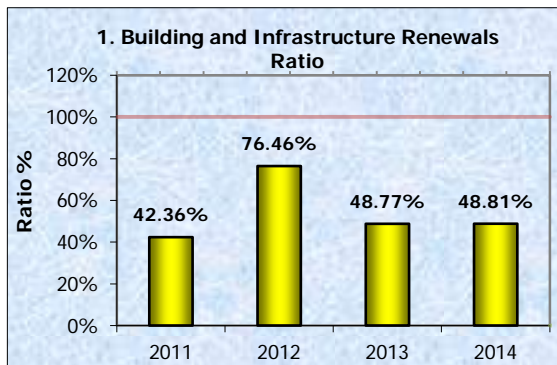
Notes

⁽¹⁾ 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.

⁽²⁾ Written down value

Eurobodalla Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued) for the financial year ended 30 June 2014



— Minimum 100.00%

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

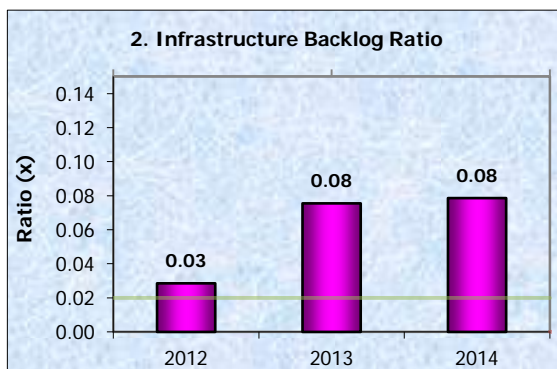
Purpose of Asset Renewals Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 48.81%

This indicator assesses Council's rate at which buildings and infrastructure assets are being renewed against the rate at which they are depreciating. A ratio of 1:1 indicates that the amount spent on asset renewals equals the amount of depreciation. Council's ratio of 48.81% indicates that there is an infrastructure backlog.



— Maximum .02

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

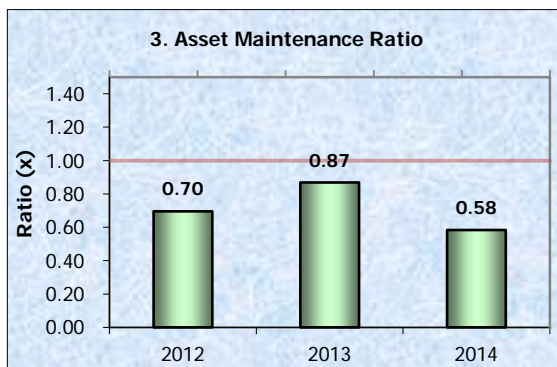
Purpose of Infrastructure Backlog Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 0.08 x

Council acknowledges it's Infrastructure Backlog ratio is below TCorp's benchmark. Council is continually focusing on asset expenditure but like all other NSW Council's faces a large impost associated with asset backlogs and maintenance. Council will continue to focus on this area of expenditure.



— Minimum 1.00

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

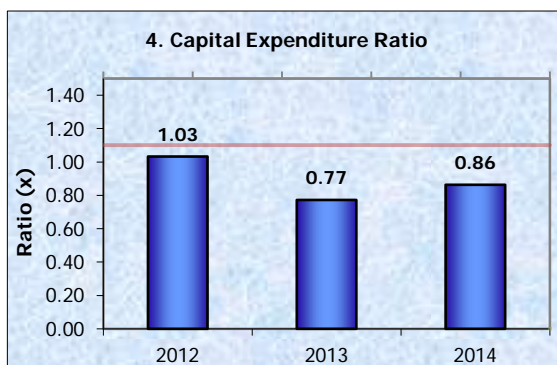
Purpose of Asset Maintenance Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 0.58 x

Council acknowledges it's Asset Maintenance ratio is below TCorp's benchmark. Council is continually focusing on asset expenditure but like all other NSW Council's faces a large impost associated with asset backlogs and maintenance. Council will continue to focus on this area of expenditure



— Minimum 1.10

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

Purpose of Capital Expenditure Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 0.86 x

Council's spend on Capital expenditure is below TCorps benchmark of 1.1, reflecting higher depreciation than the capital expenditure program on new assets and the renewal of existing assets.

Eurobodalla Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2014

\$ '000	Water 2014	Sewer 2014	General ⁽¹⁾ 2014
Infrastructure Asset Performance Indicators By Fund			
1. Building and Infrastructure Renewals Ratio			
<u>Asset Renewals (Building and Infrastructure)⁽¹⁾</u>	27.59%	32.07%	67.23%
Depreciation, Amortisation & Impairment			
2. Infrastructure Backlog Ratio			
<u>Estimated Cost to bring Assets to a Satisfactory Condition</u>	0.01	0.01	0.15
Total value ⁽³⁾ of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets			
3. Asset Maintenance Ratio			
<u>Actual Asset Maintenance</u>	0.57	0.64	0.58
Required Asset Maintenance			
4. Capital Expenditure Ratio			
<u>Annual Capital Expenditure</u>	0.38	0.71	1.13
Annual Depreciation			

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

⁽²⁾ 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.

⁽³⁾ Written down value

Eurobodalla Shire Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$'000	Actual ⁽¹⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18
(i) OPERATING BUDGET					
Income from continuing operations	100,568	96,142	98,074	95,276	95,339
Expenses from continuing operations	97,020	96,380	96,518	97,718	98,049
Operating Result from Continuing Operations	<u>3,548</u>	<u>(238)</u>	<u>1,556</u>	<u>(2,442)</u>	<u>(2,710)</u>
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	13,762	18,407	16,778	9,388	6,981
Replacement/Refurbishment of Existing Assets	13,411	17,305	17,462	18,228	13,408
Total Capital Budget	<u>27,173</u>	<u>35,712</u>	<u>34,240</u>	<u>27,616</u>	<u>20,389</u>
Funded by:					
– Loans	5,591	4,421	7,051	7,400	2,500
– Asset sales	751	1,507	488	727	421
– Grants/Contributions	6,471	1,003	3,375	375	75
– Recurrent revenue	14,360	28,781	23,326	19,114	17,393
	<u>27,173</u>	<u>35,712</u>	<u>34,240</u>	<u>27,616</u>	<u>20,389</u>

Notes:

(1) From 13/14 Income Statement.

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

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.

Eurobodalla Shire Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2015

\$'000		Calculation 2013/14	Calculation 2014/15
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	22,442	23,260
Plus or minus Adjustments ⁽²⁾	b	54	98
Notional General Income	c	22,496	23,358
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d		
or Rate peg percentage	e	3.40%	2.30%
or Crown land adjustment incl. rate peg percentage	f		
less expiring Special variation amount	g	-	-
plus Special variation amount	h = c x d	-	-
or plus Rate peg amount	i = c x e	765	537
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	23,261	23,895
plus (or minus) last year's Carry Forward Total	l	3	4
less Valuation Objections claimed in the previous year	m	-	-
sub-total	n = (l + m)	3	4
Total Permissible income	o = k + n	23,264	23,899
less Notional General Income Yield	p	23,260	23,894
Catch-up or (excess) result	q = o - p	4	5
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	-	-
less Unused catch-up ⁽⁵⁾	s	-	(3)
Carry forward to next year	t = q + r - s	4	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.

EUROBODALLA SHIRE COUNCIL

Special Schedule No. 9

Independent Auditors' Report to the Council for the Year ended 30 June 2015

Report on Special Schedule No. 9

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Eurobodalla Shire Council for the year ending 30 June 2015.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. 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. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities

Our responsibility is to express an opinion on Special Schedule No. 9 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. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, 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. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, 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. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

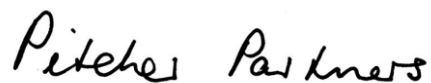
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

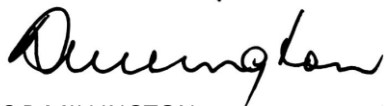
In our opinion, Special Schedule No. 9 of Eurobodalla Shire Council for the year ending 30 June 2015 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our 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 for the year ending 30 June 2015 is presented fairly. As a result, the schedule may not be suitable for another purpose.



PITCHER PARTNERS



C R MILLINGTON
Partner

Sydney, 5 November 2014