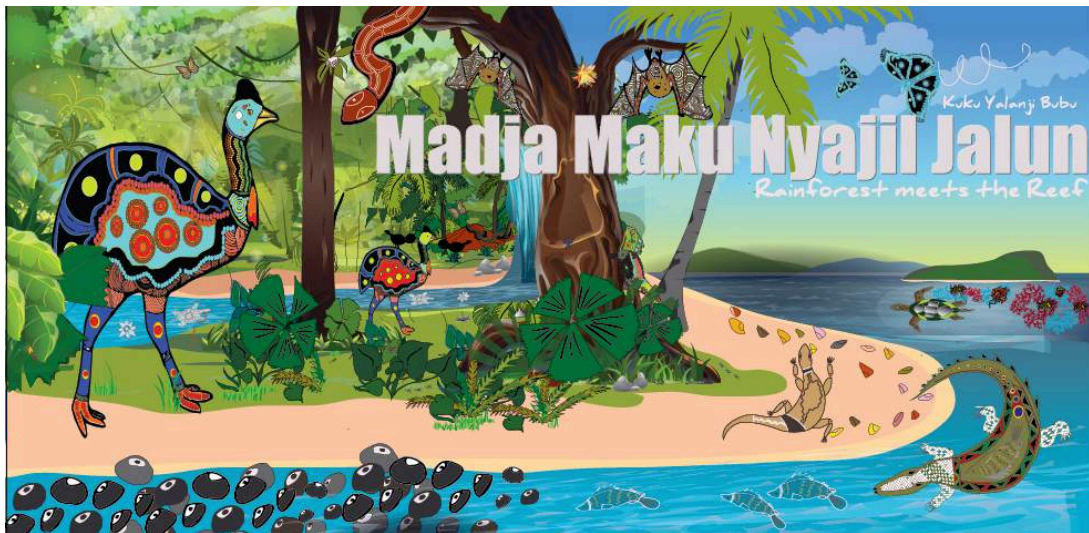


DOUGLAS SHIRE COUNCIL
ANNUAL BUDGET
BUDGETED FINANCIAL STATEMENTS AND SUPPORTING INFORMATION

2016 - 2017



Douglas Shire Council would like to show its appreciation by acknowledging local indigenous artists Lenice Schonenberger, Loretta Pierce (Lenoy) and Ronald Bamboo for providing the cover artwork entitled '**Daintree Ferry**'.

Table of Contents

1.	BUDGETED STATEMENT OF COMPREHENSIVE INCOME _____	1
2.	BUDGETED STATEMENT OF FINANCIAL POSITION _____	2
3.	BUDGETED STATEMENT OF CASH FLOWS _____	3
4.	BUDGETED STATEMENT OF CHANGES IN EQUITY _____	4
5.	LONG TERM FINANCIAL FORECAST _____	5
6.	MEASURES OF FINANCIAL SUSTAINABILITY _____	6
7.	BUDGETED SOURCES AND APPLICATION OF CAPITAL FUNDING _____	7
8.	BUDGETED MOVEMENT IN RESERVES AND FUNDED DEPRECIATION _____	7
9.	BUDGETED RATES AND UTILITY CHARGES _____	7
10.	CAPITAL WORKS PROGRAM _____	8

Douglas Shire Council - Budgeted Statement of Comprehensive Income

For the period ending 30 June 2017

	2016/17	2017/18	2018/19
	\$	\$	\$
Operating Revenue			
Rates and utility charges	30,740,135	31,963,594	33,235,744
Less: Pensioner remissions / Rebates	(366,466)	(381,051)	(396,217)
Net rates and utility charges	<u>30,373,670</u>	<u>31,582,542</u>	<u>32,839,527</u>
Fees and charges	4,698,303	4,834,554	4,974,756
Grants, subsidies, contributions and donations	1,411,949	1,440,188	1,468,992
Interest received	903,790	903,790	903,790
Other operating revenue	635,907	635,907	635,907
TOTAL OPERATING REVENUE	<u>38,023,619</u>	<u>39,396,981</u>	<u>40,822,972</u>
Operating Expenses			
Employee benefits	13,179,685	13,443,279	13,712,144
Materials and services	16,028,243	16,332,779	16,643,102
Depreciation and amortisation	10,501,189	10,711,212	10,925,437
Finance costs	214,000	207,657	199,354
TOTAL OPERATING EXPENDITURE	<u>39,923,116</u>	<u>40,694,927</u>	<u>41,480,037</u>
Operating Surplus / (Deficit)	<u>(1,899,498)</u>	<u>(1,297,947)</u>	<u>(657,066)</u>
Capital Income			
Grants, subsidies, contributions and donations	5,895,075	5,700,000	700,000
TOTAL CAPITAL INCOME	<u>5,895,075</u>	<u>5,700,000</u>	<u>700,000</u>
Net Result	<u>3,995,577</u>	<u>4,402,053</u>	<u>42,934</u>
TOTAL COMPREHENSIVE INCOME	<u>3,995,577</u>	<u>4,402,053</u>	<u>42,934</u>

Douglas Shire Council - Budgeted Statement of Financial Position

For the period ending 30 June 2017

	2016/17	2017/18	2018/19
	\$	\$	\$
Current Assets			
Cash assets and equivalents	18,484,314	15,092,293	15,442,293
Receivables	3,905,977	3,905,977	3,905,977
Inventory	104,441	104,441	104,441
	<u>22,494,732</u>	<u>19,102,711</u>	<u>19,452,711</u>
Non-Current Assets			
Property, plant and equipment	316,117,963	320,452,251	320,003,594
Intangibles	810,143	810,143	810,143
	<u>316,928,106</u>	<u>321,262,394</u>	<u>320,813,737</u>
TOTAL ASSETS	<u>339,422,838</u>	<u>340,365,105</u>	<u>340,266,449</u>
Current Liabilities			
Trade and other payables	4,975,683	4,975,683	4,975,683
Borrowings	132,286	141,591	151,247
Provisions	4,908,140	1,580,640	1,580,640
	<u>10,016,109</u>	<u>6,697,914</u>	<u>6,707,570</u>
Non-Current Liabilities			
Borrowings	1,747,920	1,606,329	1,455,082
Provisions	3,122,611	3,122,611	3,122,611
	<u>4,870,531</u>	<u>4,728,940</u>	<u>4,577,693</u>
TOTAL LIABILITIES	<u>14,886,640</u>	<u>11,426,854</u>	<u>11,285,263</u>
NET COMMUNITY ASSETS	<u>324,536,198</u>	<u>328,938,251</u>	<u>328,981,186</u>
Community Equity			
General reserves	4,419,646	4,317,193	4,667,193
Accumulated surplus / (deficit)	320,116,552	324,621,058	324,313,993
TOTAL COMMUNITY EQUITY	<u>324,536,198</u>	<u>328,938,251</u>	<u>328,981,186</u>

Douglas Shire Council - Budgeted Statement of Cash Flows

For the period ending 30 June 2017

	2016/17	2017/18	2018/19
	\$	\$	\$
Cash flows from operating activities			
Receipts			
Net rates and utility charges	30,373,670	31,582,542	32,839,527
Fees and charges	4,698,303	4,834,554	4,974,756
Grants, subsidies, contributions and donations	1,411,949	1,440,188	1,468,992
Interest received	903,790	903,790	903,790
Other operating revenue	635,907	635,907	635,907
	<u>38,023,619</u>	<u>39,396,981</u>	<u>40,822,972</u>
Payments			
Employee benefits	(13,179,685)	(13,443,279)	(13,712,144)
Materials and services	(16,028,243)	(16,332,779)	(16,643,102)
Finance costs	(214,000)	(207,657)	(199,354)
	<u>(29,421,928)</u>	<u>(29,983,715)</u>	<u>(30,554,600)</u>
Net cash inflow (outflow) from operating activities	<u>8,601,691</u>	<u>9,413,265</u>	<u>10,268,371</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property plant and equipment	110,000	110,000	110,000
Grants, subsidies, contributions and donations	5,895,075	5,700,000	700,000
	<u>6,005,075</u>	<u>5,810,000</u>	<u>810,000</u>
Payments			
Payments for property, plant and equipment	(14,905,500)	(18,383,000)	(10,486,780)
Payments for intangible assets	(77,500)	(100,000)	(100,000)
	<u>(14,983,000)</u>	<u>(18,483,000)</u>	<u>(10,586,780)</u>
Net cash inflow (outflow) from investing activities	<u>(8,977,925)</u>	<u>(12,673,000)</u>	<u>(9,776,780)</u>
Cash flows from financing activities			
Receipts			
Proceeds from borrowings	0	0	0
Payments			
Repayment of borrowings	(123,579)	(132,286)	(141,591)
Net cash inflow (outflow) from financing activities	<u>(123,579)</u>	<u>(132,286)</u>	<u>(141,591)</u>
Net increase (decrease) in cash and cash equivalents held	<u>(499,813)</u>	<u>(3,392,021)</u>	<u>350,000</u>
Cash and cash equivalents at the beginning of the financial year	18,984,127	18,484,314	15,092,293
Cash and cash equivalents at the end of the financial year	<u>18,484,314</u>	<u>15,092,293</u>	<u>15,442,293</u>

Douglas Shire Council - Budgeted Statement of Changes in Equity

For the period ending 30 June 2017

	2016/17	2017/18	2018/19
	\$	\$	\$
GENERAL RESERVES			
Balance as at 1 July	4,919,459	4,419,646	4,317,193
Transfers to and from reserves			
Transfers to reserves	800,000	800,000	800,000
Transfers from reserves	(1,299,813)	(902,453)	(450,000)
Total transfers to and from reserves	<u>(499,813)</u>	<u>(102,453)</u>	<u>350,000</u>
Balance as at 30 June	<u>4,419,646</u>	<u>4,317,193</u>	<u>4,667,193</u>
ACCUMULATED SURPLUS / (DEFICIT)			
Balance as at 1 July	315,621,162	320,116,552	324,621,058
Net result	3,995,577	4,402,053	42,934
Total comprehensive income for the year	<u>3,995,577</u>	<u>4,402,053</u>	<u>42,934</u>
Transfers to and from reserves			
Transfers to reserves	(800,000)	(800,000)	(800,000)
Transfers from reserves	1,299,813	902,453	450,000
Total transfers to and from reserves	<u>499,813</u>	<u>102,453</u>	<u>(350,000)</u>
Balance as at 30 June	<u>320,116,552</u>	<u>324,621,058</u>	<u>324,313,993</u>
TOTAL COMMUNITY EQUITY	<u>324,536,198</u>	<u>328,938,251</u>	<u>328,981,186</u>

Douglas Shire Council - Long Term Financial Forecast

For the period ending 30 June 2017

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue										
Rates and utility charges	30,373,670	31,582,542	32,839,527	34,146,540	35,136,790	36,155,757	37,204,274	38,283,197	39,393,410	40,535,819
Fees and charges	4,698,303	4,834,554	4,974,756	5,119,024	5,231,642	5,346,738	5,464,367	5,584,583	5,707,444	5,833,007
Grants, subsidies, contributions and donations	1,411,949	1,440,188	1,468,992	1,498,372	1,528,339	1,558,906	1,590,084	1,621,886	1,654,323	1,687,410
Interest received	903,790	903,790	903,790	903,790	903,790	903,790	903,790	903,790	903,790	903,790
Other operating revenue	635,907	635,907	635,907	635,907	635,907	635,907	635,907	635,907	635,907	635,907
TOTAL OPERATING REVENUE	38,023,619	39,396,981	40,822,972	42,303,632	43,436,468	44,601,098	45,798,421	47,029,363	48,294,874	49,595,933
Operating Expenses										
Employee benefits	13,179,685	13,443,279	13,712,144	13,986,387	14,266,115	14,551,437	14,842,466	15,139,315	15,442,101	15,750,943
Materials and services	16,028,243	16,332,779	16,643,102	16,959,321	17,281,548	17,609,898	17,944,486	18,285,431	18,632,854	18,986,878
Depreciation and amortisation	10,501,189	10,711,212	10,925,437	11,143,945	11,366,824	11,594,161	11,826,044	12,062,565	12,303,816	12,549,892
Finance costs	214,000	207,657	199,354	190,697	180,808	170,456	159,320	147,496	134,477	120,631
TOTAL OPERATING EXPENDITURE	39,923,116	40,694,927	41,480,037	42,280,351	43,095,295	43,925,952	44,772,316	45,634,807	46,513,249	47,408,345
Operating Surplus / (Deficit)	(1,899,498)	(1,297,947)	(657,066)	23,282	341,173	675,146	1,026,106	1,394,556	1,781,625	2,187,588
Capital Income										
Grants, subsidies, contributions and donations	5,895,075	5,700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
TOTAL CAPITAL INCOME	5,895,075	5,700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Net Result	3,995,577	4,402,053	42,934	723,282	1,041,173	1,375,146	1,726,106	2,094,556	2,481,625	2,887,588
Sources of capital funding										
Funded depreciation	8,001,691	8,813,265	9,668,371	10,567,227	11,107,997	11,594,161	11,826,044	12,062,565	12,303,816	12,549,892
Constrained works reserve	912,868	652,453	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Daintree ferry reserve	345,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Public art reserve	41,945	0	0	0	0	0	0	0	0	0
Proceeds from sale of assets	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capital grants	5,695,075	5,500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
General revenue	0	3,289,568	0	0	0	75,146	426,106	794,556	1,181,625	1,587,588
Total sources of capital funding	15,106,579	18,615,286	10,728,371	11,627,227	12,167,997	12,729,307	13,312,150	13,917,121	14,545,441	15,197,480
Application of capital funding										
Principal repayments on loans	123,579	132,286	141,591	151,247	162,136	173,488	185,624	198,448	212,467	227,313
Capital Works expenditure	14,983,000	18,483,000	10,586,780	11,475,980	12,005,861	12,555,819	13,126,526	13,718,673	14,332,974	14,970,167
Total application of capital funding	15,106,579	18,615,286	10,728,371	11,627,227	12,167,997	12,729,307	13,312,150	13,917,121	14,545,441	15,197,480
COMMUNITY ASSETS										
Total Assets	339,422,838	340,365,105	340,266,449	340,838,484	340,541,520	341,743,178	343,283,660	345,179,768	347,448,926	348,933,201
Total Liabilities	14,886,640	11,426,854	11,285,263	11,134,016	9,795,880	9,622,392	9,436,768	9,238,320	9,025,853	7,622,540
TOTAL COMMUNITY EQUITY	324,536,198	328,938,251	328,981,186	329,704,468	330,745,640	332,120,786	333,846,892	335,941,448	338,423,073	341,310,661

Douglas Shire Council - Measures of Financial Sustainability

For the period ending 30 June 2017

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	%	%	%	%	%	%	%	%	%	%

Council's expected performance at 30 June against key financial ratios and targets:

Ratio	How the measure is calculated	Target										
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	(5.00)	(3.29)	(1.61)	0.06	0.79	1.51	2.24	2.97	3.69	4.41
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	56.08	68.99	78.00	90.11	90.83	90.97	91.02	91.21	91.33	91.37
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Not greater than 60%	(20.01)	(19.48)	(20.01)	(20.49)	(23.84)	(24.39)	(24.93)	(25.44)	(25.94)	(28.79)

Basis of Preparation

The financial sustainability ratios are prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013 issued by the Department of Local Government, Community Recovery and Resilience.

Douglas Shire Council - Budgeted Sources and Application of Capital Funding

For the period ending 30 June 2017

	2016/17	2017/18	2018/19
	\$	\$	\$
Sources of capital funding			
Funded depreciation	8,001,691	8,813,265	9,668,371
* Constrained works reserve	912,868	652,453	200,000
Daintree ferry reserve	345,000	250,000	250,000
Public art reserve	41,945	0	0
Proceeds from sale of assets	110,000	110,000	110,000
Capital grants	5,695,075	5,500,000	500,000
General revenue	0	3,289,568	0
Total sources of capital funding	15,106,579	18,615,286	10,728,371
Application of capital funding			
Principal repayments on loans	123,579	132,286	141,591
Capital Works expenditure	14,983,000	18,483,000	10,586,780
Total application of capital funding	15,106,579	18,615,286	10,728,371
<i>* Application of funds from Constrained works reserve</i>			
Road / Transport Network	650,000		
Public Spaces	16,112		
Parking	9,065		
Water	237,691		
	<u>912,868</u>		

Douglas Shire Council - Budgeted Movement in Reserves and Funded Depreciation

For the period ending 30 June 2017

	2016/17	2017/18	2018/19
	\$	\$	\$
RESERVES			
Constrained works reserve			
Balance as at 1 July	1,169,931	457,063	4,610
Transfers to reserve	200,000	200,000	200,000
Transfers from reserve	(912,868)	(652,453)	(200,000)
Balance as at 30 June	<u>457,063</u>	<u>4,610</u>	<u>4,610</u>
Daintree ferry reserve			
Balance as at 1 July	3,707,583	3,962,583	4,312,583
Transfers to reserve	600,000	600,000	600,000
Transfers from reserve	(345,000)	(250,000)	(250,000)
Balance as at 30 June	<u>3,962,583</u>	<u>4,312,583</u>	<u>4,662,583</u>
Public art reserve			
Balance as at 1 July	41,945	0	0
Transfers to reserve	0	0	0
Transfers from reserve	(41,945)	0	0
Balance as at 30 June	<u>0</u>	<u>0</u>	<u>0</u>
FUNDED DEPRECIATION			
Balance as at 1 July	0	0	0
Add: Additions	8,001,691	8,813,265	9,668,371
Less: Utilisation	(8,001,691)	(8,813,265)	(9,668,371)
Balance as at 30 June	<u>0</u>	<u>0</u>	<u>0</u>

Douglas Shire Council - Budgeted Rates and Utility Charges - Value of Change

For the period ending 30 June 2017

	2015/16	2016/17	Change	Change
	\$	\$	\$	%
Rates and utility charges	29,502,548	30,740,135	1,237,587	4.19

Basis of Preparation

This information is provided in accordance with the requirements of the *Local Government Regulation 2012*.

The change in \$ amount / percentage includes rates and utility charges levied on additional assessments, connections and services added since the previous financial year and a revised estimate of the value of utility charges for water consumption.

Douglas Shire Council - Capital Works Program

For the period ending 30 June 2017

	New/ Renewal/ Upgrade (N/R/U)	2016/17 \$
Buildings and Other Structures		
Mossman Library Painting	R	85,000
Mossman Show Grounds - Paint and Re-Seal Grandstand	R	25,000
Mossman Administration Building - External Painting	R	50,000
Port Douglas Community Hall - Paint Outside of Building	R	70,000
Port Douglas Community Hall - Replace Ceiling Lights	R	25,000
Fire Hoses for Mossman Van Park	U	30,000
Fire Hoses for Wonga Van Park	U	30,000
Wonga Van Park - Electrical Supply Upgrade	U	95,000
Daintree Ferry - LED Sign for Ticket Office	U	35,000
Port Douglas Sugar Wharf - Hand Rail for Rock Wall	N	15,000
		460,000
Plant and Equipment		
Printer / Scanner Refresh Program	R	10,000
Network / Phones / Infrastructure Refresh Program	N	28,000
Additional Software Licences	N	7,500
Security Camera Systems	N	18,000
Access Logging Software for On-Call / Scada Officers	N	5,000
Community Enterprise Suite Software Decommissioning	N	40,000
Phone System - Collaborative Edge (Jabber)	N	25,000
Daintree Cash Registers & Wi-Fi Refresh	R	60,000
Fleet Replacement as Per Program	R	400,000
Replace Tip Truck	R	225,000
Quick Spray Unit for Polaris	N	15,000
		833,500
Roads/Transport Network		
Reseal Program	R	1,200,000
Bridge Renewal Program	R	650,000
Footpath Renewal Program	R	100,000
Kerb and Channel Renewal Program	R	100,000
Gravel Roads Renewal Program	R	500,000
Warner Street Port Douglas - Upgrade Footpath between Grant and Wharf Streets	R	30,000
Mowbray River Fishing Platform	R	100,000
Renew Road and Footpath on Port Douglas Road (Service Road) from Atoll Street to the Southern End of the Service Road	R	170,000
Connect Two Sections of Existing Concrete Roadway on the North side of Cowrie Range on The Bloomfield Tract	U	422,000
Flagstaff Hill Scenic Lookout Upgrade	U	75,000
Stewarts Creek Road - Widening at narrow one lane section, chainage 3.110	U	10,000
Flagstaff Hill Walking Track	N	150,000
Daintree Gateway Development Stage 3	U	250,000
Upgrade to Power Supply for Dixie Park and Rex Smeal Park	U	35,000
Improvements to Macrossan Street	R	100,000
Installation of Water Bubbler / Bottle Filler x 2 in Front Street / Raintrees Area	N	25,000
Installation of Street Art in Macrossan Street and Front Street	N	55,000
Upgrade Footpath between Foxton Bridge and North Mossman	U	80,000
		4,052,000
Public Spaces		
Playground Renewal Program	R	25,000
Electric BBQ Renewal Program	R	12,000
Park Shelter Renewal Program	R	15,000
Shade Sail Upgrades	R	50,000
Port Douglas Cemetery Beam	N	20,000
Disability Access to Four Mile Beach at The Lifeguard Hut	N	30,000
Concept Investigation for Wangetti Trail	N	25,000
		177,000
Disaster Management		
Automatic Water Level Gauge at Barratt Creek, Daintree	N	30,000
		30,000

Douglas Shire Council - Capital Works Program

For the period ending 30 June 2017

	New/ Renewal/ Upgrade (N/R/U)	2016/17 \$
Water		
Gas Chlorination Project Whyanbeel Water Treatment Plant (WTP)	U	170,000
Secure Water Infrastructure	U	15,000
Upgrade of Control Systems At Mossman WTP	U	30,000
Replace Pumps and Motors at Craiglie Water Pump Station	R	36,500
Refurbish Craiglie Water Pump Station Building	R	40,000
Fit New Control Valves to Daintree WTP	U	15,000
Replace Daintree WTP Service Water Pumps and Prefilter System	R	12,000
Replace Daintree Compressed Air Dryer System and Wago Air Valve Control Systems	R	20,000
Replace Whyanbeel Compressed Air Dryer System and Air Valve Control Systems	R	17,000
Replace Whyanbeel Back Wash Water Filter System and Residual Pumps	R	16,000
Investigate Back Wash Water Discharge and Re-Use Options at Mossman WTP	U	45,000
Replace Wago Compressed Air Valve Control Systems at Mossman WTP	R	11,000
Chlorination Project Daintree WTP	U	100,000
Daintree WTP Bank Stabilisation Adjacent to Raw Water Reservoir	U	130,000
Drinking Water Storage - Investigate and Implement Integrity Sealing Options for all Water Storage / Reservoirs in the Water Supply Schemes	U	150,000
Replacement of Craiglie Reservoir Roof	R	120,000
Replacement of Johnson Screen and Renew Remaining Raceway	R	50,000
Replacement of Water Supply Mains	R	80,000
Replacement of Aging Asbestos Cement Water Mains	R	80,000
Upgrade of Mowbray River Road Water Mains	U	80,000
Daintree Intake - Safe Access for Workers to Maintain and Monitor Intake	U	30,000
20ML Reservoir - Crees Road, Port Douglas	N	5,000,000
Water Supply Security - Mossman Supply Scheme	N	310,000
		6,557,500
Wastewater		
Mossman Wastewater Treatment Plant (WWTP) - Inlet Works, Screening and Grit Removal	U	190,000
Mossman WWTP - Upgrade of Plant to meet Flow Requirements in EHP Licence and Quality Requirements for Recycled Water	N	200,000
Mossman WWTP - River Bank Stabilisation (Junction South Mossman and Mossman Rivers)	U	880,000
Port Douglas SBR Process Control Systems and Entire Aeration System	R	30,000
Sewer Pump Stations - Pump Replacement	R	50,000
Sewer Pump Stations - Switchboard, Soft Starters, VSD's, Telemetry, Flow Monitoring and Infrastructure Connection Upgrade	R	150,000
Sewer Pump Stations - Replace Pump Station Safety Lids	R	35,000
Sewer Reticulation - Manhole Rehabilitation and Sealing	R	80,000
Sewer Reticulation - CCTV Investigation, Sewer Relining of Reticulation System and Refurbishment of House Connection Branches	R	1,000,000
		2,615,000
Solid Waste Disposal		
Cow Bay Transfer Station - Site office Renewal	R	50,000
Cow Bay Transfer Station - Traffic Ramp Upgrade	U	61,000
Killaloe Transfer Station - Additional Surveillance	U	17,000
Killaloe Transfer Station - Recycle Shop Drop Off Point	N	20,000
Killaloe Transfer Station - Construction of an Enclosed Shed for Cardboard Storage	N	50,000
Daintree Transfer Station - Reinstatement of Boundary Fence	R	10,000
Installation of Additional Public Place Recycling Bins	N	30,000
Feasibility and Design - Cape Tribulation Transfer Station	N	20,000
		258,000
Total Capital Works		14,983,000