

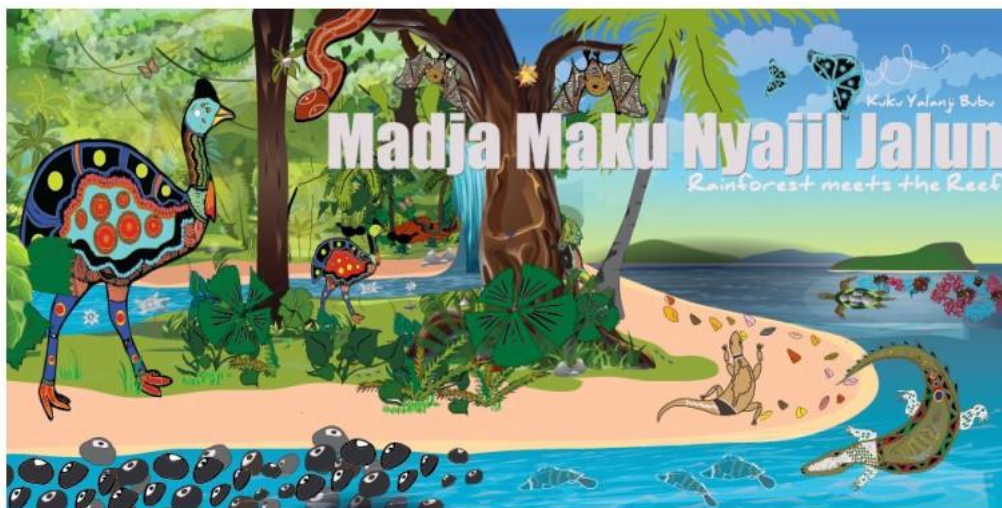


DOUGLAS SHIRE COUNCIL ANNUAL BUDGET

2018 - 2019

BUDGETED FINANCIAL STATEMENTS AND
SUPPORTING INFORMATION

DOUGLAS
SHIRE COUNCIL



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**"

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Douglas Shire Council - Budgeted Statement of Income and Expenditure

For the period ending 30 June 2019

	2018/19	2019/20	2020/21
	\$	\$	\$
Operating Revenue			
Rates and utility charges	34,522,491	35,878,230	36,921,295
Less: Pensioner remissions / Rebates	(434,144)	(451,423)	(463,792)
Net rates and utility charges	<u>34,088,348</u>	<u>35,426,808</u>	<u>36,457,502</u>
Fees and charges	5,408,334	5,619,259	5,742,883
Grants and subsidies	2,102,043	2,144,084	2,186,966
Interest received	842,895	842,895	842,895
Other operating revenue	876,284	876,284	876,284
TOTAL OPERATING REVENUE	<u>43,317,904</u>	<u>44,909,330</u>	<u>46,106,530</u>
Operating Expenses			
Employee benefits	14,428,112	14,687,819	14,981,575
Materials and services	17,428,359	17,602,643	17,954,695
Depreciation and amortisation	12,132,286	12,496,255	12,871,143
Finance costs	86,700	88,434	90,203
TOTAL OPERATING EXPENDITURE	<u>44,075,458</u>	<u>44,875,150</u>	<u>45,897,616</u>
Operating Surplus / (Deficit)	<u>(757,554)</u>	<u>34,180</u>	<u>208,914</u>
Capital Income			
Grants and subsidies	3,819,250	1,000,000	1,000,000
Contributions from developers	250,000	250,000	250,000
TOTAL CAPITAL INCOME	<u>4,069,250</u>	<u>1,250,000</u>	<u>1,250,000</u>
Net Result	<u>3,311,696</u>	<u>1,284,180</u>	<u>1,458,914</u>
TOTAL COMPREHENSIVE INCOME	<u>3,311,696</u>	<u>1,284,180</u>	<u>1,458,914</u>

Douglas Shire Council - Budgeted Statement of Financial Position

For the period ending 30 June 2019

	2018/19	2019/20	2020/21
	\$	\$	\$
Current Assets			
Cash assets and equivalents	19,077,087	17,839,522	17,118,978
Receivables	3,647,918	3,647,918	3,647,918
Inventory	97,728	97,728	97,728
	<u>22,822,733</u>	<u>21,585,168</u>	<u>20,864,624</u>
Non-Current Assets			
Property, plant and equipment	342,788,207	344,924,035	347,103,491
Intangibles	0	0	0
	<u>342,788,207</u>	<u>344,924,035</u>	<u>347,103,491</u>
TOTAL ASSETS	<u>365,610,940</u>	<u>366,509,202</u>	<u>367,968,116</u>
Current Liabilities			
Trade and other payables	4,821,683	4,821,683	4,821,683
Borrowings	0	0	0
Provisions	2,175,868	1,789,951	2,511,962
	<u>6,997,551</u>	<u>6,611,634</u>	<u>7,333,645</u>
Non-Current Liabilities			
Borrowings	0	0	0
Provisions	1,812,038	1,812,038	1,090,027
	<u>1,812,038</u>	<u>1,812,038</u>	<u>1,090,027</u>
TOTAL LIABILITIES	<u>8,809,589</u>	<u>8,423,672</u>	<u>8,423,672</u>
NET COMMUNITY ASSETS	<u>356,801,351</u>	<u>358,085,530</u>	<u>359,544,444</u>
Community Equity			
General reserves	6,737,565	5,500,000	4,750,000
Accumulated surplus / (deficit)	350,063,786	352,585,530	354,794,444
TOTAL COMMUNITY EQUITY	<u>356,801,351</u>	<u>358,085,530</u>	<u>359,544,444</u>

Douglas Shire Council - Budgeted Statement of Cash Flow

For the period ending 30 June 2019

	2018/19	2019/20	2020/21
	\$	\$	\$
Cash flows from operating activities			
Receipts			
Net rates and utility charges	34,088,348	35,426,808	36,457,502
Fees and charges	5,408,334	5,619,259	5,742,883
Grants, subsidies, contributions and donations	2,102,043	2,144,084	2,186,966
Interest received	842,895	842,895	842,895
Other operating revenue	876,284	876,284	876,284
	<u>43,317,904</u>	<u>44,909,330</u>	<u>46,106,530</u>
Payments			
Employee benefits	(14,428,112)	(14,687,819)	(14,981,575)
Materials and services	(17,428,359)	(17,602,643)	(17,954,695)
Finance costs	(86,700)	(88,434)	(90,203)
	<u>(31,943,172)</u>	<u>(32,378,895)</u>	<u>(33,026,473)</u>
Net cash inflow (outflow) from operating activities	<u>11,374,732</u>	<u>12,530,435</u>	<u>13,080,057</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property plant and equipment	510,000	110,000	110,000
Grants, subsidies, contributions and donations	4,069,250	1,250,000	1,250,000
	<u>4,579,250</u>	<u>1,360,000</u>	<u>1,360,000</u>
Payments			
Payments for property, plant and equipment	(16,399,000)	(15,028,000)	(15,060,600)
Payments for intangible assets	(100,000)	(100,000)	(100,000)
	<u>(16,499,000)</u>	<u>(15,128,000)</u>	<u>(15,160,600)</u>
Net cash inflow (outflow) from investing activities	<u>(11,919,750)</u>	<u>(13,768,000)</u>	<u>(13,800,600)</u>
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities	<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents held	<u>(545,018)</u>	<u>(1,237,565)</u>	<u>(720,543)</u>
Cash and cash equivalents at the beginning of the financial year	19,622,105	19,077,087	17,839,522
Cash and cash equivalents at the end of the financial year	<u>19,077,087</u>	<u>17,839,522</u>	<u>17,118,978</u>

Douglas Shire Council - Budgeted Statement of Changes in Equity

For the period ending 30 June 2019

	2018/19	2019/20	2020/21
	\$	\$	\$
GENERAL RESERVES			
Balance as at 1 July	7,282,583	6,737,565	5,500,000
Transfers to and from reserves			
Transfers to reserves	250,000	400,000	400,000
Transfers from reserves	(795,018)	(1,637,565)	(1,150,000)
Total transfers to and from reserves	<u>(545,018)</u>	<u>(1,237,565)</u>	<u>(750,000)</u>
Balance as at 30 June	<u>6,737,565</u>	<u>5,500,000</u>	<u>4,750,000</u>
ACCUMULATED SURPLUS / (DEFICIT)			
Balance as at 1 July	346,207,072	350,063,786	352,585,530
Net result	3,311,696	1,284,180	1,458,914
Total comprehensive income for the year	<u>3,311,696</u>	<u>1,284,180</u>	<u>1,458,914</u>
Transfers to and from reserves			
Transfers to reserves	(250,000)	(400,000)	(400,000)
Transfers from reserves	795,018	1,637,565	1,150,000
Total transfers to and from reserves	<u>545,018</u>	<u>1,237,565</u>	<u>750,000</u>
Balance as at 30 June	<u>350,063,786</u>	<u>352,585,530</u>	<u>354,794,444</u>
TOTAL COMMUNITY EQUITY	<u>356,801,351</u>	<u>358,085,530</u>	<u>359,544,444</u>

Douglas Shire Council - Long Term Financial Forecast

For the period ending 30 June 2019

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue										
Rates and utility charges	34,088,348	35,426,808	36,457,502	37,516,438	38,604,388	39,722,149	40,870,536	42,050,388	43,262,569	44,507,963
Fees and charges	5,408,334	5,619,259	5,742,883	5,869,226	5,998,349	6,130,313	6,265,180	6,403,014	6,543,880	6,687,845
Grants and subsidies	2,102,043	2,144,084	2,186,966	2,230,705	2,275,319	2,320,825	2,367,242	2,414,587	2,462,878	2,512,136
Interest received	842,895	842,895	842,895	842,895	842,895	842,895	842,895	842,895	842,895	842,895
Other operating revenue	876,284	876,284	876,284	876,284	876,284	876,284	876,284	876,284	876,284	876,284
TOTAL OPERATING REVENUE	43,317,904	44,909,330	46,106,530	47,335,548	48,597,235	49,892,466	51,222,136	52,587,167	53,988,506	55,427,123
Operating Expenses										
Employee benefits	14,428,112	14,687,819	14,981,575	15,281,206	15,586,831	15,898,567	16,216,538	16,540,869	16,871,687	17,209,120
Materials and services	17,428,359	17,602,643	17,954,695	18,313,789	18,680,065	19,053,666	19,434,740	19,823,435	20,219,903	20,624,301
Depreciation and amortisation	12,132,286	12,496,255	12,871,143	13,257,277	13,654,995	14,064,645	14,486,585	14,921,182	15,368,816	15,829,880
Finance costs	86,700	88,434	90,203	92,007	93,847	95,724	97,638	99,591	101,582	103,613
TOTAL OPERATING EXPENDITURE	44,075,458	44,875,150	45,897,616	46,944,279	48,015,738	49,112,603	50,235,501	51,385,076	52,561,988	53,766,915
Operating Surplus / (Deficit)	(757,554)	34,180	208,914	391,268	581,498	779,863	986,635	1,202,092	1,426,518	1,660,208
Capital Income										
Grants and subsidies	3,819,250	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Contributions from developers	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TOTAL CAPITAL INCOME	4,069,250	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Net Result	3,311,696	1,284,180	1,458,914	1,641,268	1,831,498	2,029,863	2,236,635	2,452,092	2,676,518	2,910,208
Sources of capital funding										
Funded depreciation	11,374,732	12,380,435	12,871,143	13,257,277	13,654,995	14,064,645	14,486,585	14,921,182	15,368,816	15,829,880
Constrained works reserve	795,018	1,445,620	1,000,000	600,000	400,000	300,000	250,000	250,000	300,000	300,000
Daintree ferry reserve	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Proceeds from sale of assets	510,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capital grants	3,819,250	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General revenue	0	0	29,457	120,634	215,749	314,932	418,317	526,046	638,259	755,104
Total sources of capital funding	16,499,000	15,128,000	15,160,600	15,237,911	15,530,744	15,939,577	16,414,902	16,957,228	17,567,075	18,144,984
Application of capital funding										
Capital Works expenditure	16,499,000	15,128,000	15,160,600	15,237,911	15,530,744	15,939,577	16,414,902	16,957,228	17,567,075	18,144,984
Total application of capital funding	16,499,000	15,128,000	15,160,600	15,237,911	15,530,744	15,939,577	16,414,902	16,957,228	17,567,075	18,144,984
COMMUNITY ASSETS										
Total Assets	365,610,940	366,509,202	367,968,116	368,887,373	370,718,871	372,748,734	374,985,369	376,579,288	379,255,806	382,166,014
Total Liabilities	8,809,589	8,423,672	8,423,672	7,701,661	7,701,661	7,701,661	7,701,661	6,843,488	6,843,488	6,843,488
TOTAL COMMUNITY EQUITY	356,801,351	358,085,530	359,544,444	361,185,712	363,017,210	365,047,073	367,283,708	369,735,800	372,412,318	375,322,526

Douglas Shire Council - Measures of Financial Sustainability

For the period ending 30 June 2019

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	%	%	%	%	%	%	%	%	%	%

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%	(1.75)	0.08	0.45	0.83	1.20	1.56	1.93	2.29	2.64	3.00
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	99.00	90.43	90.46	90.48	90.56	90.57	90.59	90.63	90.93	90.95
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Not greater than 60%	(32.35)	(29.31)	(26.98)	(27.32)	(26.75)	(26.59)	(26.71)	(28.65)	(29.00)	(29.52)

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 2019

	2018/19	2019/20	2020/21
	\$	\$	\$
Sources of capital funding			
Funded depreciation	11,374,732	12,380,435	12,871,143
* Constrained works reserve	795,018	1,445,620	1,000,000
Daintree ferry reserve	0	150,000	150,000
Public art reserve	0	41,945	0
Proceeds from sale of assets	510,000	110,000	110,000
Capital grants	3,819,250	1,000,000	1,000,000
General revenue	0	0	29,457
Total sources of capital funding	16,499,000	15,128,000	15,160,600
Application of capital funding			
Capital Works expenditure	16,499,000	15,128,000	15,160,600
Total application of capital funding	16,499,000	15,128,000	15,160,600
* Application of funds from Constrained works reserve			
Water	600,000		
Wastewater	195,018		
	795,018		

Douglas Shire Council - Budgeted Movement in Reserves

For the period ending 30 June 2019

	2018/19	2019/20	2020/21
	\$	\$	\$
RESERVES			
Constrained works reserve			
Balance as at 1 July	3,240,638	2,695,620	1,500,000
Transfers to reserve	250,000	250,000	250,000
Transfers from reserve	(795,018)	(1,445,620)	(1,000,000)
Balance as at 30 June	2,695,620	1,500,000	750,000
Daintree ferry reserve			
Balance as at 1 July	4,000,000	4,000,000	4,000,000
Transfers to reserve	0	150,000	150,000
Transfers from reserve	0	(150,000)	(150,000)
Balance as at 30 June	4,000,000	4,000,000	4,000,000
Public art reserve			
Balance as at 1 July	41,945	41,945	0
Transfers to reserve	0	0	0
Transfers from reserve	0	(41,945)	0
Balance as at 30 June	41,945	0	0

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

For the period ending 30 June 2019

	2017/18	2018/19	Change	Change
	\$	\$	\$	%
Rates and utility charges	32,986,105	34,522,491	1,536,386	4.66

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 2019

		New/ Renewal/ Upgrade (N/R/U)	2018/19 \$
Water Reticulation			
Mowbray River Road Mains Renewal	R		275,000
Rex Creek Intake Aerial Trunk Main	R		50,000
Killaloe Transfer Station Water Main Renewal	R		220,000
Mossman - Whyanbeel Water Mains Interconnection Phase 3	U		500,000
Daintree Bore Completion Works Phase 2	N		125,000
			1,170,000
Water Treatment			
Craiglie Reservoir Roof Replacement	R		1,305,000
Mossman Water Treatment Plant Ultra Filtration Cartridges	R		560,000
Mossman Water Treatment Plant Ultra Violet Unit	R		400,000
Daintree Water Treatment Plant Ultra Violet Unit	R		80,000
Whyanbeel Water Treatment Plant Ultra Violet Lamp Replacement and Service	R		120,000
Daintree Water Treatment New Scour Valves	R		12,000
Mossman Water Treatment Plant Ultra Filtration Turbidity Meter	R		14,000
Whyanbeel Water Treatment Plant Replace Control Valves	R		20,000
Design of Additional Water Extraction Site Mossman	N		150,000
			2,661,000
Sewerage			
Mossman Waste Water Treatment Plant Complete Construction of 2nd Clarifier	U		850,000
Sewer Pump Station 4E Upgrade	R		160,000
Mossman Waste Water Treatment Plant - Lagoon Lining (Option A) / Bores (Option B)	R		100,000
Port Douglas Waste Water Treatment Plant Ultra Violet Lamp Replacement and Service	R		60,000
Port Douglas & Mossman Sewer Relining/ Renewal/ Sewer Lid Replacement/ CCTV Works/ HCB Repairs and Investigations	R		350,000
Port Douglas Waste Water Treatment Plant Outfall Flow Meter	N		150,000
Sewer Pump Renewals	R		50,000
Design of Mossman Rising Main Replacement	R		50,000
			1,770,000
Resource Management			
Land Purchase	N		150,000
Capping and Well Lifts at Killaloe Landfill	N		465,000
Replacement of Leachate Storage Tank at Killaloe Landfill	R		10,000
			625,000
Civil Works			
Mudlo Street Intersection Lighting	U		135,000
Noah Creek Bridge	R/U		3,000,000
Diggers Bridge	R/U		2,680,000
Design of Ribbon Avenue Drainage	R		120,000
Principal Cycle Network - Stage 1	N		40,000
Guard Rail Program	R		100,000
Gravel Resheet Program	R		250,000
Disability Access Infrastructure Improvements	R		50,000
Upper Daintree Road Culvert Renewal	R		270,000
Renewing deck on Hutchinson Creek footbridge	R		115,000
NDRRA Activation	R		105,000
			6,865,000
Public Spaces			
Mossman Pump Track	N		150,000
Flagstaff Hill Walking Trail	R		200,000
Dog Off Leash Area - Hutchins Park, Port Douglas	N		145,000
Design of Kids Water Park/ Nature Play Activities Space (Zero depth) in Port Douglas	N		30,000
Playground Renewal Program	R		250,000
			775,000
Building Facilities			
Solar Power Generation on Council Buildings	N		50,000
Mossman Depot asbestos removal from building	R		60,000
Replace asbestos seating at Mossman Show Grounds Grandstand	R		80,000
Lou Prince Park - Install Toilet Block (uni-sex, wheel chair access)	N		100,000
Sugar Wharf Structural Repairs	R		460,000
			750,000

Douglas Shire Council - Capital Works Program

For the period ending 30 June 2019

		New/ Renewal/ Upgrade (N/R/U)	2018/19 \$
Property Services			
	Flagstaff Hill Communications Tower Refurbishment	R	250,000
	Wonga Beach Caravan Park - Electrical Outlets	R	100,000
			<u>350,000</u>
Fleet Renewal			
	Fleet Renewal Program	R	500,000
			<u>500,000</u>
Information Technology			
	IT Firewall Refresh and Intrusion Prevention - Detection Systems	R/U	55,000
	Mossman Administration UPS - Battery Replacement	R	8,000
			<u>63,000</u>
Works For Queensland			
	W4Q Round 2 - Stage 2	R	970,000
			<u>970,000</u>
Total Capital Works			<u>16,499,000</u>