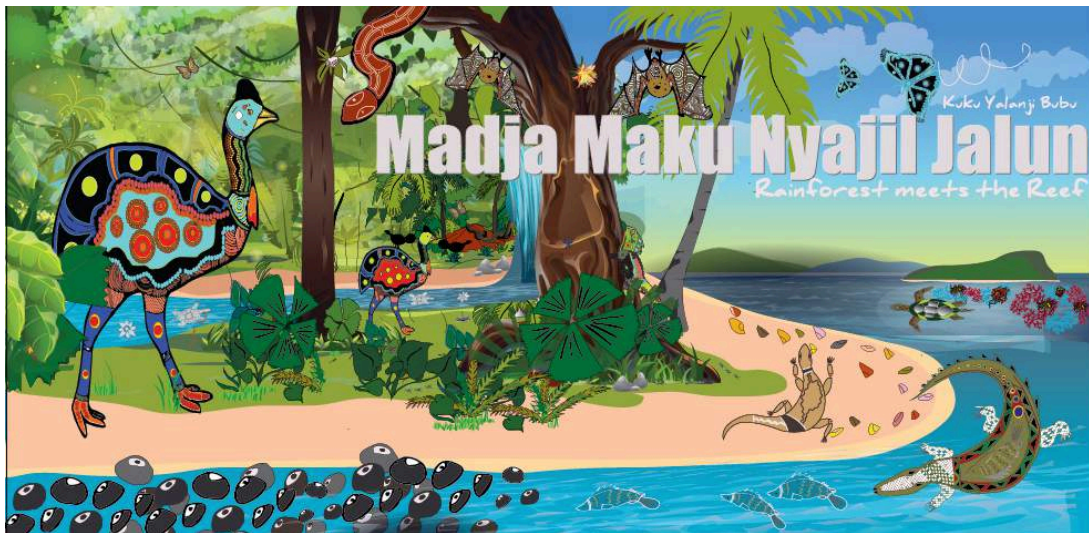


DOUGLAS SHIRE COUNCIL
ANNUAL BUDGET

BUDGETED FINANCIAL
STATEMENTS AND
SUPPORTING
INFORMATION

2017 - 2018



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 Comprehensive Income

For the period ending 30 June 2018

	2017/18	2018/19	2019/20
	\$	\$	\$
Operating Revenue			
Rates and utility charges	32,986,105	34,419,951	35,910,865
Less: Pensioner remissions / Rebates	(423,095)	(439,934)	(457,444)
Net rates and utility charges	<u>32,563,009</u>	<u>33,980,017</u>	<u>35,453,422</u>
Fees and charges	5,281,946	5,487,942	5,701,972
Grants, subsidies, contributions and donations	1,655,441	1,688,549	1,722,320
Interest received	903,790	903,790	903,790
Other operating revenue	648,327	648,327	648,327
TOTAL OPERATING REVENUE	<u>41,052,513</u>	<u>42,708,625</u>	<u>44,429,831</u>
Operating Expenses			
Employee benefits	13,885,012	14,134,943	14,389,372
Materials and services	16,810,703	16,978,810	17,148,598
Depreciation and amortisation	11,926,237	12,403,286	12,775,385
Finance costs	85,000	86,000	87,000
TOTAL OPERATING EXPENDITURE	<u>42,706,952</u>	<u>43,603,038</u>	<u>44,400,354</u>
Operating Surplus / (Deficit)	<u>(1,654,439)</u>	<u>(894,413)</u>	<u>29,477</u>
Capital Income			
Grants, subsidies, contributions and donations	8,139,421	750,000	750,000
TOTAL CAPITAL INCOME	<u>8,139,421</u>	<u>750,000</u>	<u>750,000</u>
Net Result	<u>6,484,982</u>	<u>(144,413)</u>	<u>779,477</u>
TOTAL COMPREHENSIVE INCOME	<u>6,484,982</u>	<u>(144,413)</u>	<u>779,477</u>

Douglas Shire Council - Budgeted Statement of Financial Position

For the period ending 30 June 2018

	2017/18	2018/19	2019/20
	\$	\$	\$
Current Assets			
Cash assets and equivalents	16,604,327	16,467,045	16,317,045
Receivables	4,309,829	4,309,829	4,309,829
Inventory	86,405	86,405	86,405
	<u>21,000,561</u>	<u>20,863,279</u>	<u>20,713,279</u>
Non-Current Assets			
Property, plant and equipment	322,062,372	321,684,392	322,613,868
Intangibles	434,666	434,666	434,666
	<u>322,497,038</u>	<u>322,119,058</u>	<u>323,048,534</u>
TOTAL ASSETS	<u>343,497,598</u>	<u>342,982,336</u>	<u>343,761,813</u>
Current Liabilities			
Trade and other payables	4,730,965	4,730,965	4,730,965
Borrowings	0	0	0
Provisions	2,162,898	1,792,049	2,314,531
	<u>6,893,863</u>	<u>6,523,014</u>	<u>7,045,496</u>
Non-Current Liabilities			
Borrowings	0	0	0
Provisions	2,153,303	2,153,303	1,630,821
	<u>2,153,303</u>	<u>2,153,303</u>	<u>1,630,821</u>
TOTAL LIABILITIES	<u>9,047,166</u>	<u>8,676,317</u>	<u>8,676,317</u>
NET COMMUNITY ASSETS	<u>334,450,432</u>	<u>334,306,019</u>	<u>335,085,496</u>
Community Equity			
General reserves	4,457,282	4,320,000	4,170,000
Accumulated surplus / (deficit)	329,993,150	329,986,019	330,915,496
TOTAL COMMUNITY EQUITY	<u>334,450,432</u>	<u>334,306,019</u>	<u>335,085,496</u>

Douglas Shire Council - Budgeted Statement of Cash Flows

For the period ending 30 June 2018

	2017/18	2018/19	2019/20
	\$	\$	\$
Cash flows from operating activities			
Receipts			
Net rates and utility charges	32,563,009	33,980,017	35,453,422
Fees and charges	5,281,946	5,487,942	5,701,972
Grants, subsidies, contributions and donations	1,655,441	1,688,549	1,722,320
Interest received	903,790	903,790	903,790
Other operating revenue	648,327	648,327	648,327
	<u>41,052,513</u>	<u>42,708,625</u>	<u>44,429,831</u>
Payments			
Employee benefits	(13,885,012)	(14,134,943)	(14,389,372)
Materials and services	(16,810,703)	(16,978,810)	(17,148,598)
Finance costs	(85,000)	(86,000)	(87,000)
	<u>(30,780,715)</u>	<u>(31,199,752)</u>	<u>(31,624,969)</u>
Net cash inflow (outflow) from operating activities	<u>10,271,798</u>	<u>11,508,873</u>	<u>12,804,861</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property plant and equipment	710,000	110,000	110,000
Grants, subsidies, contributions and donations	8,139,421	750,000	750,000
	<u>8,849,421</u>	<u>860,000</u>	<u>860,000</u>
Payments			
Payments for property, plant and equipment	(19,021,000)	(12,406,155)	(13,714,861)
Payments for intangible assets	(100,000)	(100,000)	(100,000)
	<u>(19,121,000)</u>	<u>(12,506,155)</u>	<u>(13,814,861)</u>
Net cash inflow (outflow) from investing activities	<u>(10,271,579)</u>	<u>(11,646,155)</u>	<u>(12,954,861)</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>219</u>	<u>(137,282)</u>	<u>(150,000)</u>
Cash and cash equivalents at the beginning of the financial year	16,604,108	16,604,327	16,467,045
Cash and cash equivalents at the end of the financial year	<u>16,604,327</u>	<u>16,467,045</u>	<u>16,317,045</u>

Douglas Shire Council - Budgeted Statement of Changes in Equity

For the period ending 30 June 2018

	2017/18	2018/19	2019/20
	\$	\$	\$
GENERAL RESERVES			
Balance as at 1 July	4,457,063	4,457,282	4,320,000
Transfers to and from reserves			
Transfers to reserves	390,000	400,000	400,000
Transfers from reserves	(389,781)	(537,282)	(550,000)
Total transfers to and from reserves	<u>219</u>	<u>(137,282)</u>	<u>(150,000)</u>
Balance as at 30 June	<u>4,457,282</u>	<u>4,320,000</u>	<u>4,170,000</u>
ACCUMULATED SURPLUS / (DEFICIT)			
Balance as at 1 July	323,508,387	329,993,150	329,986,019
Net result	6,484,982	(144,413)	779,477
Total comprehensive income for the year	<u>6,484,982</u>	<u>(144,413)</u>	<u>779,477</u>
Transfers to and from reserves			
Transfers to reserves	(390,000)	(400,000)	(400,000)
Transfers from reserves	389,781	537,282	550,000
Total transfers to and from reserves	<u>(219)</u>	<u>137,282</u>	<u>150,000</u>
Balance as at 30 June	<u>329,993,150</u>	<u>329,986,019</u>	<u>330,915,496</u>
TOTAL COMMUNITY EQUITY	<u>334,450,432</u>	<u>334,306,019</u>	<u>335,085,496</u>

Douglas Shire Council - Long Term Financial Forecast

For the period ending 30 June 2018

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenue										
Rates and utility charges	32,563,009	33,980,017	35,453,422	36,545,846	37,668,202	38,821,310	40,006,014	41,223,179	42,473,694	43,758,473
Fees and charges	5,281,946	5,487,942	5,701,972	5,827,415	5,955,618	6,086,642	6,220,548	6,357,400	6,497,263	6,640,202
Grants, subsidies, contributions and donations	1,655,441	1,688,549	1,722,320	1,756,767	1,791,902	1,827,740	1,864,295	1,901,581	1,939,612	1,978,405
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	648,327	648,327	648,327	648,327	648,327	648,327	648,327	648,327	648,327	648,327
TOTAL OPERATING REVENUE	41,052,513	42,708,625	44,429,831	45,682,144	46,967,839	48,287,809	49,642,974	51,034,277	52,462,686	53,929,198
Operating Expenses										
Employee benefits	13,885,012	14,134,943	14,389,372	14,677,159	14,970,702	15,270,116	15,575,518	15,887,029	16,204,769	16,528,865
Materials and services	16,810,703	16,978,810	17,148,598	17,491,570	17,841,401	18,198,229	18,562,194	18,933,438	19,312,106	19,698,349
Depreciation and amortisation	11,926,237	12,403,286	12,775,385	13,158,646	13,553,406	13,960,008	14,378,808	14,810,172	15,254,477	15,712,111
Finance costs	85,000	86,000	87,000	88,000	89,000	90,000	91,000	92,000	93,000	93,000
TOTAL OPERATING EXPENDITURE	42,706,952	43,603,038	44,400,354	45,415,375	46,454,509	47,518,353	48,607,520	49,722,639	50,864,353	52,032,324
Operating Surplus / (Deficit)	(1,654,439)	(894,413)	29,477	266,769	513,330	769,456	1,035,454	1,311,638	1,598,334	1,896,874
Capital Income										
Grants, subsidies, contributions and donations	8,139,421	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL CAPITAL INCOME	8,139,421	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Net Result	6,484,982	(144,413)	779,477	1,016,769	1,263,330	1,519,456	1,785,454	2,061,638	2,348,334	2,646,874
Sources of capital funding										
Funded depreciation	10,131,798	11,358,873	12,654,861	13,158,646	13,553,406	13,960,008	14,378,808	14,810,172	15,254,477	15,712,111
Constrained works reserve	249,781	387,282	400,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Daintree ferry reserve	140,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Proceeds from sale of assets	710,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capital grants	7,889,421	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
General revenue	0	0	0	70,062	217,998	371,674	531,272	696,983	869,000	1,048,124
Total sources of capital funding	19,121,000	12,506,155	13,814,861	14,188,708	14,731,404	15,291,682	15,870,080	16,467,155	17,083,477	17,720,235
Application of capital funding										
Capital Works expenditure	19,121,000	12,506,155	13,814,861	14,188,708	14,731,404	15,291,682	15,870,080	16,467,155	17,083,477	17,720,235
Total application of capital funding	19,121,000	12,506,155	13,814,861	14,188,708	14,731,404	15,291,682	15,870,080	16,467,155	17,083,477	17,720,235
COMMUNITY ASSETS										
Total Assets	343,497,598	342,982,336	343,761,813	344,256,100	345,519,430	347,038,886	348,824,340	350,885,978	352,715,105	355,361,979
Total Liabilities	9,047,166	8,676,317	8,676,317	8,153,835	8,153,835	8,153,835	8,153,835	8,153,835	7,634,628	7,634,628
TOTAL COMMUNITY EQUITY	334,450,432	334,306,019	335,085,496	336,102,265	337,365,595	338,885,051	340,670,505	342,732,143	345,080,477	347,727,351

Douglas Shire Council - Measures of Financial Sustainability

For the period ending 30 June 2018

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	%	%	%	%	%	%	%	%	%	%

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%	(4.03)	(2.09)	0.07	0.58	1.09	1.59	2.09	2.57	3.05	3.52
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	65.54	81.91	90.56	90.63	90.70	90.75	90.78	90.79	90.82	90.84
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Not greater than 60%	(29.12)	(28.54)	(27.09)	(27.70)	(27.36)	(27.23)	(27.30)	(27.57)	(29.00)	(29.60)

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 2018

	2017/18	2018/19	2019/20
	\$	\$	\$
Sources of capital funding			
Funded depreciation	10,131,798	11,358,873	12,654,861
* Constrained works reserve	249,781	387,282	400,000
Daintree ferry reserve	140,000	150,000	150,000
Proceeds from sale of assets	710,000	110,000	110,000
Capital grants	7,889,421	500,000	500,000
General revenue	0	0	0
Total sources of capital funding	19,121,000	12,506,155	13,814,861
Application of capital funding			
Capital Works expenditure	19,121,000	12,506,155	13,814,861
Total application of capital funding	19,121,000	12,506,155	13,814,861
* Application of funds from Constrained works reserve			
Water	249,781		
	249,781		

Douglas Shire Council - Budgeted Movement in Reserves and Funded Depreciation

For the period ending 30 June 2018

	2017/18	2018/19	2019/20
	\$	\$	\$
RESERVES			
Constrained works reserve			
Balance as at 1 July	457,063	457,282	320,000
Transfers to reserve	250,000	250,000	250,000
Transfers from reserve	(249,781)	(387,282)	(400,000)
Balance as at 30 June	457,282	320,000	170,000
Daintree ferry reserve			
Balance as at 1 July	4,000,000	4,000,000	4,000,000
Transfers to reserve	140,000	150,000	150,000
Transfers from reserve	(140,000)	(150,000)	(150,000)
Balance as at 30 June	4,000,000	4,000,000	4,000,000
FUNDED DEPRECIATION			
Balance as at 1 July	0	0	0
Add: Additions	10,131,798	11,358,873	12,654,861
Less: Utilisation	(10,131,798)	(11,358,873)	(12,654,861)
Balance as at 30 June	0	0	0

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

For the period ending 30 June 2018

	2016/17	2017/18	Change	Change
	\$	\$	\$	%
Rates and utility charges	30,775,296	32,986,105	2,210,809	7.18

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 2018

	New/ Renewal/ Upgrade (N/R/U)	2017/18 \$
Water Reticulation		
Phase 1 Implementation of water supply security	U	250,000
Upgrade 80mm AC to 100mm DICL program (Wharf St)	R	40,000
		290,000
Sewerage		
Construction of 2nd clarifier at Mossman WWTP	U	400,000
Sewer pump stations switchboard and pipework upgrade	R	100,000
Sewer Relining - Port Douglas	R	500,000
Safety Lids Port Douglas WWTP Inlet Works and Outflow - Supply and fit	R	25,000
Aeration Blowers - Supply/Overhaul	R	25,000
PD WWTP Belt Press & Conveyors (Supply, conveyors, air compressor, batching system, dosing system, belt press, shed, switchboard)	R	740,000
Mixers Mossman WWTP Aerators 1 & 2 - Supply & installation	R	35,000
Manhole sealing and Rehabilitation Program	R	80,000
Sheraton Mirage Flow Meter Installation	U	100,000
		2,005,000
Water Treatment		
Back wash water discharge package plant at Mossman WTP	R	731,000
Mossman WTP Back wash water filter system	R	30,000
Design of Craiglie Roof	R	30,000
20Mi Reservoir - Port Douglas; Crees Road	N	8,400,000
EBS prefilters	R	240,000
52 cartridges for Mossman WTP	R	360,000
Network protection valving associated with new Craiglie Reservoir	N	25,000
Replace turbidity meters at Daintree WTP	R	15,000
Replace raw water pre filters at Daintree WTP	R	25,000
Backwash water filter replacement at DWTP	R	10,000
Replace UF filter cartridges at DWTP	R	25,000
Replace valve control systems at Whyanbeel WTP	R	10,000
Replace Marrs Creek Scour Valve	R	20,000
Phase 2 Rex Creek Intake - Johnson screens	R	500,000
Finalise additional water extraction site design	N	100,000
Whyanbeel WTP Genset relocation	U	60,000
Mossman WTP Gas Chlorination Plant structural strengthening and weatherproofing works	N	65,000
		10,646,000
Resource Management		
Transfer Station Upgrade & Signage	U/R	106,000
		106,000
Civil Works		
Reseal program	R	1,200,000
Kerb & Channel program	R	200,000
Footpath renewal program	R	80,000
Gravel resheet program	R	250,000
Underground drainage pipe replacement investigation	R	100,000
North of Ferry road line re-marking	R	40,000
Port St pavement reconstruction	R	50,000
Cape Tribulation traffic calming and associated drainage works	U	60,000
Warner St drainage and footpath works - Design	U	75,000
Kulki National Park intersection works	U	100,000
Maintenance to Zig Zag track	R	32,000
Level 4 Condition Culvert (3 x 2700CSP) 8042 Forest Creek Road	R	230,000
Level 4 condition Culverts (2 x 2100 CSP) 8021 Upper Daintree Road	R	155,000
Jack St New footpath	N	210,000
Teamster's Park maintenance for RV parking	U	60,000
William St Footpath	N	120,000
Lot 96 Fishermens	U	75,000
Gorge Road reconstruction	R	50,000
NDRRA - Trigger point	R	100,000
		3,187,000
Public Spaces		
Port Douglas disability ramp construction	N	40,000
Playground renewal program	R	50,000
Shade sail upgrades	R	50,000
George Davis Park renewal	R	50,000
Mossman Rugby League Club lighting design (Showgrounds)	R	50,000
Automated irrigation at Port Douglas Sports Complex	U	30,000
Extensions to Flagstaff Walking Track	N	220,000
Reinstallation of Historic Flagstaff	R	40,000
Streetscape Master Plans for Macrossan St & Front St	R	100,000
		630,000

Douglas Shire Council - Capital Works Program

For the period ending 30 June 2018

	New/ Renewal/ Upgrade (N/R/U)	2017/18 \$
Building Facilities		
Mossman Administration donga roof	U	90,000
Mossman Depot - replace roofing iron on main depot roof - Stage 1	R	60,000
Mossman Library - Replace all internal lighting fittings and tubes	R	45,000
Mossman Depot - Fire alarm system	U	15,000
Mossman Shire Hall - install smoke detectors	U	30,000
Port Douglas Sugar Wharf - Prepare engineering report (headstock & pylons)	R	40,000
Mossman Nursery / Mossman Depot - Hazardous chemical storage facility	U	60,000
Daintree Ferry (North side) - install public toilet	U	48,000
Sugar Wharf - Reinstate old door and replace access ramp	R	100,000
Mossman Depot - Lunchroom	U	100,000
Daintree Ferry - land based boom gates	N	50,000
		638,000
Property Services		
Wonga Beach Caravan Park - construction of reception/office/meeting room	N	120,000
Diwan Community Facility - Cricket Club shed maintenance/upgrade	U	60,000
Diwan Sound Shell	R	120,000
Dab Arts Centre - replace timber floor boards	R	20,000
Mossman Pool - Sport & Rec Masterplan	U	50,000
Mossman Pool - regrout tiles, repair water leaks & sand filter	R	200,000
Port Douglas Sports Complex - Sport & Rec Masterplan	U	30,000
Port Douglas Sports Complex - upgrade kitchen	U	60,000
Port Douglas Waterfront - Masterplan for Lot 96 & surrounding areas	N	80,000
Flagstaff Hill Communications Tower - roof replacement, external painting	R	40,000
Port Douglas Sports Complex - refurbish outside of building	R	24,000
Port Douglas Sports Complex - refurbish change rooms (tiles, partitions, etc)	R	16,000
		820,000
Fleet Renewal		
Fleet renewal program	R	500,000
Quick spray unit renewals	R	25,000
		525,000
Information Technology		
Local Environment Refresh - MM Computer Room expires Aug 2018	R	160,000
Admin - UPS Replace Batteries	R	8,000
Port Douglas Community Centre - UPS & New cabinet	U	16,000
Daintree Ferry - online ticketing, automated toll booths/boom gates	R	90,000
		274,000
Total Capital Works		19,121,000