

Adelaide Cemeteries Authority

Financial report
for the year ended
30 June 2021



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To the Chief Executive Adelaide Cemeteries Authority

Opinion

I have audited the financial report of Adelaide Cemeteries Authority for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Cemeteries Authority as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair of the Board, Chief Executive Officer and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Adelaide Cemeteries Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive and the Board of Directors for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board of Directors is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 32(4) of the *Public Corporations Act 1993*, I have audited the financial report of the Adelaide Cemeteries Authority for the financial year ended 30 June 2021.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

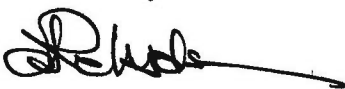
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 Adelaide Cemeteries Authority's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and Chief Finance Officer about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson
Auditor-General
24 September 2021

Certification of the Financial Report

We certify that the:

- financial statements of the Adelaide Cemeteries Authority:
 - are in accordance with the accounts and records of the Authority;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Adelaide Cemeteries Authority at the end of the financial year and the results of its operation and cash flows for the financial year.
- internal controls employed by the Adelaide Cemeteries Authority for the financial year over its financial reporting and its preparation of financial statements have been effective.



Mr Tristan Just

Chair of the Board

Date 24/9/2021



Mr Robert Pitt
Chief Executive Officer

Date 24/9/2021



Mr Pep Piscioneri
Chief Financial Officer

Date 24/9/2021

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2021

	Note No.	2021 S'000	2020 S'000
Income			
Fees and Charges	4	12,810	10,376
Investment Income	6	1,167	7
Other Income	7	320	416
Total Income		14,297	10,799
Expenses			
Employee Benefits	8	5,231	5,500
Supplies and Services	9	5,386	4,337
Depreciation and Amortisation	16 & 17	1,399	1,036
Borrowing costs	10	20	40
Net Loss from Disposal of Assets	5	94	2
Other Expenses	11	204	-
Total Expenses		12,334	10,915
Net revenue from providing services		1,963	(116)
Revenue from/ payments to SA Government			
Income Tax Equivalent		588	-
Net Result		1,375	(116)
Other Comprehensive Income			
Changes in property, plant and equipment asset revaluation surplus		-	(7,470)
Total Other Comprehensive Income		-	(7,470)
Total Comprehensive Result		1,375	(7,586)

The Net Result and the Comprehensive Result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Adelaide Cemeteries Authority

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note No.	2021 S'000	2020 S'000
Current Assets			
Cash	12	1,048	930
Receivables	13	2,162	1,653
Inventories	14	1,178	647
Investments	15	-	-
Total Current Assets		4,388	3,230
Non-Current Assets			
Receivables	13	1,352	1,660
Investments	15	6,824	5,357
Property, Plant and Equipment	16	32,784	32,597
Intangible Assets	17	11	16
Total Non-Current Assets		40,971	39,630
Total Assets		45,359	42,860
Current Liabilities			
Payables	18	2,197	1,606
Employee Benefits	19	516	469
Provisions	20	17	16
Unearned Revenue	21	324	531
Interment Right Lease Liability	22	214	198
Borrowings	23	225	440
Total Current Liabilities		3,493	3,260
Non-Current Liabilities			
Payables	18	42	42
Employee Benefits	19	429	431
Provisions	20	39	30
Unearned Revenue	21	7,858	6,814
Interment Right Lease Liability	22	2,815	2,750
Borrowings	23	-	225
Total Non-Current Liabilities		11,183	10,292
Total Liabilities		14,676	13,552
Net Assets		30,683	29,308
Equity			
Retained Earnings		16,371	14,996
Asset Revaluation Surplus		14,232	14,232
Reserves		80	80
Total Equity		30,683	29,308
The Total Equity is attributable to the SA Government as owner.			
Unrecognised Contractual Commitments	24		

The above statement should be read in conjunction with the accompanying notes.

Adelaide Cemeteries Authority

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2021

	Note No.	West Terrace Cemetery Heritage Reserve \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2019		80	21,702	18,420	40,202
Adjustments on initial adoption of AASB 16		-	-	(3,308)	(3,308)
Balance at 1 July 2019		80	21,702	15,112	36,894
Revaluation loss on Land, Building and Infrastructure		-	(7,470)	-	(7,470)
Total net result for 2019-20		-	-	(116)	(116)
Balance at 30 June 2020		80	14,232	14,996	29,308
Total net result for 2020-21		-	-	1,375	1,375
Balance at 30 June 2021		80	14,232	16,371	30,683

All changes in Equity are attributable to the SA Government as owner.

Adelaide Cemeteries Authority

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Cash Flows from Operating Activities			
Cash Inflows			
Fees and Charges		14,890	12,374
Other Receipts		320	416
Cash generated from operations		15,210	12,790
Cash Outflows			
Employee Benefits Payments		(5,204)	(5,311)
Payments for Supplies and Services		(5,499)	(4,435)
Interest Paid		(20)	(40)
Net GST Remitted to the Australian Taxation Office		(631)	(602)
Cash used in operations		(11,354)	(10,388)
Net Cash provided by Operating Activities		3,856	2,402
Cash Flows from Investing Activities			
Cash Inflows			
Proceeds from Sale of Investments		-	1,000
Proceeds from Sale of Plant and Equipment		68	7
Cash generated from Investing Activities		68	1,007
Cash Outflows			
Purchase of Investments		(300)	-
Purchase of Intangibles		(11)	(20)
Purchase of Property, Plant and Equipment		(3,055)	(2,395)
Cash used in Investing Activities		(3,366)	(2,415)
Net Cash (used in) Investing Activities		(3,298)	(1,408)
Cash Flows from Financing Activities			
Cash Outflows			
Repayment of Borrowings		(440)	(388)
Cash used in Financing Activities		(440)	(388)
Net Cash provided by Financing Activities		(440)	(388)
Net (decrease)/Increase in Cash		118	606
Cash at 1 July		930	324
Cash at 30 June	12	1,048	930

The above statement should be read in conjunction with the accompanying notes.

**NOTES TO &
FORMING PART OF
THE FINANCIAL
STATEMENTS**

Adelaide Cemeteries Authority

NOTE INDEX

Objectives of the Adelaide Cemeteries Authority	Note 1
Significant Accounting Policies	Note 2
New and revised Accounting Standards and Policies	Note 3
Income Notes	
Fees and Charges	Note 4
Net Gain/(Loss) from Disposal of Assets	Note 5
Investment Income	Note 6
Other Income	Note 7
Expense Notes	
Employee Benefits	Note 8
Remuneration of Employees	Note 8
Supplies and Services	Note 9
Borrowing Costs	Note 10
Other Expenses	Note 11
Asset Notes	
Cash	Note 12
Receivables	Note 13
Inventories	Note 14
Investments	Note 15
Property, Plant and Equipment	Note 16
Intangible Assets	Note 17
Liability Notes	
Payables	Note 18
Employee Benefits	Note 19
Provisions	Note 20
Unearned Revenue	Note 21
Interment Right Lease Liability	Note 22
Borrowings	Note 23
Other Notes	
Unrecognised Contractual Commitments	Note 24
Remuneration of Board Members	Note 25
Financial Risk Management/Financial Instruments	Note 26

Note 1 Objectives of the Adelaide Cemeteries Authority

The Adelaide Cemeteries Authority (Authority) serves the Government and people of South Australia by achieving excellence in the provision of cemetery, cremation and memorialisation services. The Authority was established in July 2001 pursuant to the *Adelaide Cemeteries Authority Act 2001*. The primary functions of the Authority are to operate and manage the public cemeteries and facilities at Enfield, Cheltenham, West Terrace (Adelaide) and the cemetery at Smithfield which was purchased subsequent to the establishment of the Authority.

Note 2 Significant Accounting Policies

a) Basis of Preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards

The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity. Australian Accounting Standards and interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the Authority.

The financial statements are prepared on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is otherwise disclosed.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing activities, which is recoverable from or payable to the ATO, is classified as part of operating cash flows.

Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle have been classified as current.

b) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or Accounting Policy Statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

c) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

d) Taxation

In accordance with Treasurer's Instruction 22 Tax Equivalent Payments, the Authority is required to pay to the SA Government an income tax equivalent. The income tax liability is based on the State Taxation Equivalent Regime, which applies the accounting profit method. This requires that the corporate income tax rate be applied to the net profit.

The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and the emergency services levy.

e) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years. Events include the following:

1. The Minister for Infrastructure and Transport executed a contract on the 3rd of September 2021 on behalf of the Authority for the construction of a new building to replace existing facilities at Enfield Memorial Park that provide for funeral services, lounge and cremation services. The total budget for this new facility is \$25m, for which an approved SAFA loan facility is in place.
2. The Department of Environment and Water transferred a parcel of land to the Authority at no cost, which is adjacent to Smithfield Memorial Park. The title was issued in July 2021.

f) Assets

Non Current Assets Acquisition and Recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. All non-current tangible assets with a value equal to or in excess of \$5 000 are capitalised.

Depreciation and Amortisation

All non-current assets, having a limited useful life, are systematically depreciated or amortised over their useful lives in a manner that reflects the consumption of their service potential.

Depreciation and amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets:

Class of Asset	Useful Life (years)
Buildings	40 - 100
Infrastructure Improvements	25 - 80
Plant and Equipment	4 - 15
Intangibles	3 - 5

Adelaide Cemeteries Authority

Revaluation of Non-Current Assets

All non-current tangible assets are valued at fair value; and revaluation of non-current assets or group of assets is performed at least every six years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation as at the revaluation date is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses. Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Fair value measurement - Non-financial assets

In determining fair value, the Authority has taken into account the characteristic of the asset and the asset's highest and best use. The Authority's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Authority did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1.5 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Intangible Assets

Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The authority holds only intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control, and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of the expenditure is greater than or equal to \$5 000. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

g) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating arrangements arising from contractual or statutory sources and are disclosed at their nominal value - Note 24

The authority is not aware of any contingent assets or liabilities. The Australian Tax Office has issued a draft GST determination 2021/D2 in relation to GST on burial rights. The draft ruling requires retrospective application. At 30 June 2021, it remains uncertain whether the draft GST determination will be released as is or if it will be amended to provide clarity over GST historically collected.

h) Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and infrastructure to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

The West Terrace cemetery heritage reserve represents heritage donations and contributions received as well as transfers from retained earnings for the purposes of heritage works at West Terrace Cemetery.

i) Impact of Covid-19 pandemic on the Authority

The Covid-19 pandemic had no material financial impact on the Authority during 2020-21.

Note 3 New and Revised Accounting Standards and Policies

The Authority did not voluntarily change any of its accounting policies during 2020-21

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ending 30 June 2021. The Authority has assessed the impact of the new and amended standards and interpretations and these have no material impact to the Authority.

Note 4 Fees and Charges

	2021	2020
	\$'000	\$'000
Burial and Memorial Interment Right	9,086	6,552
Burial	1,928	2,048
Cremation	944	877
Reflection Room and Lounge	240	397
Memorial	507	514
Monumental	272	284
Refunds	(167)	(296)
Total Fees and Charges	12,810	10,376

Burial and memorial interment right lease liabilities

Interment rights are considered to be leases, with the Authority acting as lessor, in accordance with the requirements of AASB 16 on the basis that the Interment Right holder (lessee) is able to:

- obtain economic benefits from using a defined asset (land); and
- direct the asset's use in accordance with the requirements of a predetermined protective right (i.e. operating policies)

Burial and Memorial Interment Right Finance Lease Accounting

Leases with a term at inception of 50 years or more are accounted for as finance leases, on the basis that the risks and rewards retained by the lessor (the Authority) through its residual interest in the asset are not considered to be significant when measured at inception.

The asset associated with the finance lease (i.e. land) is derecognised at the inception of the lease. Land is derecognised based on the average square meters of a burial plot, being two-meters squared, multiplied by the fair value of the land— refer Note 16. The derecognised value of the asset will be recognised as a cost of sales through profit and loss – refer Note 9.

Burial and Memorial Interment Right Operating Lease Accounting

Leases with a term at inception of less than 50 years are accounted for as operating leases. Revenue from interment site fees received will be recognised as lease income over the term of the lease on a straight-line basis. For at-need sales, income will be recognised from the time of sale.

The unearned proportion of the operating lease interment right is recognised as a lease liability – refer Note 22.

The effect of renewals/extensions will be considered at the time of renewal, as the occurrence of a renewal on any particular lease cannot be predicted. If the renewal extends the lease term above 50 years from the time of renewal, the lease will be accounted for as a finance lease.

Revenue recognition

Fees and Charges

Burial fees, cremation fees, reflection room fees and monumental fees are recognised upon delivery of the service to the clients.

Interment Right Finance Lease Revenue

In accordance with AASB 16, income associated with finance leases is recognised using the effective income method. This income is recognised upon delivery of the service which, for finance lease arrangements, is effectively on receipt.

Interment Right Operating Lease Revenue

Revenue is recognised over time as and when the interment right lease is delivered to the lease holder.

Note 5 Net Gain/(Loss) from Disposal of Assets

	2021	2020
	\$'000	\$'000
Plant and Equipment		
Proceeds from disposal	68	7
Net Book Value of Assets Disposed	(166)	(9)
Net Gain/(Loss) from Disposal of Plant and Equipment	(98)	(2)

Note 6 Investment Income

	2021	2020
	\$'000	\$'000
Net realised gain/(loss) on unitised fund investment designated as fair value through profit and loss	26	83
Net unrealised gain/(loss) on unitised fund investment value designated as fair value through profit and loss	1,141	(76)
Total Investment Income	1,167	7

Adelaide Cemeteries Authority

Note 7 Other Income

	2021	2020
	\$'000	\$'000
Cemetery Record Processing Charges	271	259
Fuel Tax Credit Received	8	8
Grants	23	90
Interest	-	1
Insurance Proceeds	8	31
Property Rental	-	14
Sundry	10	13
Total Other Income	320	416

Note 8 Employee Benefits

	2021	2020
	\$'000	\$'000
Salaries and Wages	4,034	4,165
Annual Leave	357	342
Long Service Leave	98	138
Workers Compensation	12	49
Employment On-costs - Superannuation	415	432
Employment On-costs - Payroll Tax	221	239
Board Fees (refer Note 25)	102	100
Other Employee Related Expenses	(8)	35
Total Employee Benefits	5,231	5,500

Key Management Personnel

Key management personnel of the Authority include the Minister, the Board, the Chief Executive Officer and the four members of the Executive Team. Total compensation for key management personnel was \$832,000 in 2020-21 and \$896 000 in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the Parliamentary Remuneration Act 1990.

Related Party Transactions with key management personnel and other related parties

The Authority is a statutory authority established pursuant to the *Adelaide Cemeteries Authority Act 2001* and is a wholly owned and controlled entity of the Crown.

Related parties of the Authority include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant transactions with Key Management Personnel and other related parties are as follows:

Department of Infrastructure and Transport project management fees for 2020-21 total \$120 347, there are no other individually significant transactions.

Remuneration of Employees	2021	2020
	No.	No.
The number of employees whose remuneration received or receivable fall within the following bands:		
\$154 001 to \$174 000	-	-
\$174 001 to \$194 000	2	1
\$194 001 to \$214 000	-	-
\$214 001 to \$234 000	1	1
Total Number of Employees	3	2

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$597,000 (2020: \$409 000; 2019: \$543 000).

Adelaide Cemeteries Authority

Note 9 Supplies and Services

	2021	2020
	\$'000	\$'000
Water	420	474
Insurance	68	61
Audit Fees	45	44
Grounds Maintenance	54	42
Repairs and Maintenance	833	458
Burial Vaults and Other Cost of Sales	670	333
Advertising and Marketing	521	386
Personal Service Contractors	199	311
Monumental Mason Memorials	287	191
Fuel, Light and Power	193	227
Computing and Communication Services	182	93
Information Technology	230	414
Memorials	216	187
Waste Management Services	99	111
Security and Patrols	115	105
Other Supplies and Services	393	314
<u>Administration Expenses</u>		
Trade Discounts	464	146
Consultants (see below)	172	144
General Administration Expenses	225	296
Total Supplies and Services	5,386	4,337

The number and value of consultancies paid/payable (included in supplies and services) that fall within the following bands:	No.	2021 \$'000	No.	2020 \$'000
Equal or Less Than \$10 000	14	49	9	37
Above \$10 000	6	123	10	107
Total Paid/Payable to the Consultants Engaged	20	172	19	144

Note 10 Borrowing Costs

	2021	2020
	\$'000	\$'000
Interest paid/payable on short-term and long-term borrowings	20	40
Total Borrowing Costs	20	40

Note 11 Other Expenses

	2021	2020
	\$'000	\$'000
Impairment losses non-financial assets	204	-
Total Other Expenses	204	-

Note 12 Cash

	2021	2020
	\$'000	\$'000
Cash at Bank	1,048	929
Cash on Hand	-	1
Total Cash	1,048	930

Adelaide Cemeteries Authority

Note 13 Receivables

	2021	2020
	\$'000	\$'000
Current		
Receivables	2,040	1,546
Prepayments	105	93
Accrued Revenues	17	14
Total Current Receivables	2,162	1,653
Non-Current		
Receivables	1,352	1,660
Total Non-Current Receivables	1,352	1,660
Total Receivables	3,514	3,313

Receivables include amounts receivable from trade, prepayment and other accruals.

Trade receivables arise in the normal course of selling goods and services to the public. Trade receivables are generally receivable within 30 days after the issue of a statement or the goods/services have been provided under a contractual arrangement. The Authority sells burial and memorial sites in advance of an interment to clients under a contractual arrangement providing a three-year repayment option. However, the right of an interment is not granted to the client until the site is fully paid.

Note 14 Inventories

	2021	2020
	\$'000	\$'000
Burial Vaults	293	245
Burial Crypts	795	360
Burial and Memorial sites	90	42
Total Inventories	1,178	647

Inventory is measured at cost using the first in first out method.

Note 15 Investments

	2021	2020
	\$'000	\$'000
Unitised Funds with Funds SA	6,824	5,357
Total Investments	6,824	5,357

The Authority measures the unitised funds invested with Funds SA at fair value in accordance AASB 9 – Financial Instruments. Unrealised and realised gains and losses are reflected in the Statement of Comprehensive Income as fair value through profit and loss.

Note 16 Property, Plant and Equipment

	2021	2020
	\$'000	\$'000
Land and Buildings		
Land at fair value	3,780	3,780
Derecognised Land	(159)	(149)
Buildings at fair value	17,677	16,734
Accumulated Depreciation	(6,367)	(6,088)
Total Land and Buildings	14,931	14,277
Infrastructure		
Infrastructure at fair value	32,055	31,557
Accumulated Depreciation	(17,975)	(17,280)
Total Infrastructure	14,080	14,277
Plant and Equipment		
Plant and Equipment at cost (deemed fair value)	5,955	5,420
Accumulated Depreciation	(3,853)	(3,364)
Total Plant and Equipment	2,102	2,056
Capital Works in Progress		
Capital Works in Progress at cost (deemed fair value)	1,671	1,987
Total Capital Works in Progress	1,671	1,987
Total Property, Plant and Equipment	32,784	32,597

Valuation of Land and Buildings

Land, Buildings and Infrastructure were valued at fair value by independent valuer Liquid Pacific Holding Pty Ltd as at 30 June 2020. The valuer arrived at fair value based on recent market transactions for similar land in the area taking into account zoning and restricted use.

The valuer used depreciated replacement cost for buildings and infrastructure due to there not being an active market for such buildings and infrastructure. The depreciated replacement cost considered the specialised nature of the assets, including the restricted use of the assets; the size, condition and location. The valuation was based on an assessment of cost, useful life and asset condition.

16.1 Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, and plant and equipment during 2020-21

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2020	3,631	10,646	14,277	2,056	1,987	32,597
Additions	-	-	-	-	2,745	2,745
Disposals	-	-	-	(150)	-	(150)
Transfers between asset classes	-	943	499	821	(3,062)	(799)
Impairment losses	-	-	-	(204)	-	(204)
Derecognition of Land (AASB 16)	(10)	-	-	-	-	(10)
Depreciation	-	(279)	(696)	(420)	-	(1,395)
Revaluation increment / (Decrement)	-	-	-	-	-	-
Carrying amount at 30 June 2021	3,621	11,310	14,080	2,102	1,671	32,784

The balance of WIP Transfers between asset classes of \$(799) relates to transfer of Cheltenham Mausoleum Crypts to inventory.

Note 17 Intangible Assets

	2021	2020
	\$'000	\$'000
Intangible Assets		
Intangible Assets	11	20
Less: Accumulated Amortisation	-	(4)
Total Intangible Assets	11	16

Reconciliation of Intangible Assets

The following table shows the movement of intangible assets during 2020-21

	Intangible Assets \$'000
Carrying amount at 30 June 2020	16
Additions	11
Disposals	(16)
Amortisation	-
Carrying amount at 30 June 2021	11

Note 18 Payables

	2021	2020
	\$'000	\$'000
Current		
Creditors	1569	922
Accrued Expenditure	371	435
GST Payable	97	62
Employment On-costs	77	68
Other Payables	83	119
Total Current Payables	2,197	1,606
Non-Current		
Employment On-costs	42	42
Total Non-Current Payables	42	42
Total Payables	2,239	1,648

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 20 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature. The net amount of GST recoverable from the ATO is included as part of payables. Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

Adelaide Cemeteries Authority

Note 19 Employee Benefits		
	2021	2020
	\$'000	\$'000
Current		
Accrued Salaries and Wages	137	90
Annual Leave	297	297
Long Service Leave	82	82
Total Current Employee Benefits	516	469
Non-Current		
Long Service Leave	429	431
Total Non-Current Employee Benefits	429	431
Total Employee Benefits	945	900

Salaries and wages, annual leave, and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date. The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

In the unusual event where salary and wages and annual leave are payable later than 12 months, the liability will be measured at present value. No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long service leave - measurement

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The actuarial assessment performed has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 0.75% (2019-20) to 1.00% (2020-21).

The salary inflation rate for long service leave has not changed in 2020-21 at 2.5%, whilst annual leave also did not change at 2.0% 2020-21.

The net financial effect of the changes to actuarial assumptions in the current financial year is a:

- decrease in the long service leave liability of \$18 000; and
- staff benefits expense of \$18 000.

The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption being the long-term discount rate.

Note 20 Provisions		
	2021	2020
	\$'000	\$'000
Current		
Workers Compensation	17	16
Total Current Provisions	17	16
Non-Current		
Workers Compensation	39	30
Total Non-Current Provisions	39	30
Total Provisions	56	46
Movement in Provisions		
Carrying amount at 1 July	46	34
Additional provisions recognised	12	49
Reduction arising from payments	(2)	(37)
Carrying amount at 30 June	56	46

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The Authority is responsible for the payment of workers compensation claims.

Adelaide Cemeteries Authority

Note 21 Unearned Revenue

	2021	2020
	\$'000	\$'000
Current		
Prepaid Funeral Packages	274	234
Deposits Held	50	297
Total Current Unearned Revenue	324	531
Non-Current		
Prepaid Funeral Packages	7,858	6,814
Total Non-Current Unearned Revenue	7,858	6,814
Total Unearned Revenue	8,182	7,345

Prepaid funeral packages are purchased by clients for future interments which, depending on the package, include fees for burials, memorialisation, cremation and reflection room/lounge hire. The Authority deems these fees as unearned revenue as the payment has been received or is receivable from the client but the Authority has not yet provided the service.

Note 22 Interment Right Lease Liability

	2021	2020
	\$'000	\$'000
Current		
Interment Rights	214	198
Total Current Interment Right Lease Liability	214	198
Non-Current		
Interment Rights	2,815	2,750
Total Non-Current Interment Right Lease Liability	2,815	2,750
Total Interment Right Lease Liability	3,029	2,948

The lease liability relates to Interment Rights of less than 50 years in line with AASB 16 Leases. This represents a change in accounting policy effective 2019-20.

Note 23 Borrowings

	2021	2020
	\$'000	\$'000
Current		
SAFA Funding Facility	225	440
Total Current Borrowings	225	440
Non-Current		
SAFA Funding Facility	-	225
Total Non-Current Borrowings	-	225
Total Borrowings	225	665

The SAFA Fund Facility borrowing interest rate is determined by the Treasurer and was 4.4% in 2021 (4.4% in 2020).

Note 24 Unrecognised Contractual Commitments

	2021	2020
	\$'000	\$'000
Capital Commitments		
Within one year	-	653
Later than one year but not longer than five years	1,417	1,417
Total Capital Commitments	1,417	2,070
Expenditure Commitments		
Within one year	178	106
Later than one year but not longer than five years	23	100
Total Expenditure Commitments	201	206

The Authority's capital commitments are for the acquisition of a cremator and filtration system for installation the Authority's Enfield Memorial Park site.

The Authority's expenditure commitments are for commercial arrangements including security services, software, rubbish removal and environmental audit

Note 25 Remuneration of Board Members

Members that were entitled to receive remuneration for membership during 2020-21 were:

Tristan Just (Chair)
 Patricia Christie
 Joanna Andrew
 Johnathon Matthews
 Kimberley Gillan
 Luisa Greco
 Paul Di Iulio

Remuneration of Board Members

The number of members whose remuneration received falls within the following bands:

	2021	2020
\$0 - \$19 999	6	11
\$20 000 - \$39 999	1	-
Total Number of Members	7	11

Remuneration of members reflects all costs of performing Board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$102 000 (2020: \$100 000).

Note 26 Financial Risk Management/ Financial Instruments**Financial Risk Management**

Risk management is managed by the Authority and risk management policies and practices are in accordance with internal written policies approved by the Authority's Board.

The Authority's investments are held with Funds SA and operate in accordance with an annual performance plan and service level agreement. Risks associated with these investments are primarily managed through Funds SA's risk management policies and procedures.

There have been no changes in risk exposure since the last reporting period.

Categorisation of Financial Instruments

The carrying amounts of each of the following categories of financial assets and liabilities: loans and receivables; available for sale investments; and financial liabilities measured at cost are detailed below:

Maturity Analysis of Financial Instruments

Category of Financial Asset and Financial Liability	Note	2021 Carrying amount / Fair Value \$'000	2021 Contractual Maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
Financial Assets					
Cash and Cash Equivalents	12	1,048	1,048	-	-
Receivables	13	3,409	2,057	1,352	-
Investments	15	6,824	-	6,824	-
Total Financial Assets		11,281	3,105	8,176	-
Financial Liabilities at Cost					
Payables	18	1,320	1,320	-	-
Borrowings	23	225	225	-	-
Total Financial Liabilities		1,545	1,545	-	-

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost. The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 13.