

Adelaide Cemeteries Authority

Financial report
for the year ended
30 June 2018



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To the Chair of the Board Adelaide Cemeteries Authority

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 2018.

Opinion

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 2018, its financial performance and its cash flows for the year then ended in accordance with the 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- Certificate from the Chair of the Board, the Acting Chief Executive Officer and the Finance Manager.

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 have been met.

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

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

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and 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 that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- 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 Officer and the Board of Directors regarding, 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

17 September 2018

Certification of the Financial Report

We certify that the attached general purpose financial statements for the Adelaide Cemeteries Authority:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Authority; and
- present a true and fair view of the financial position of the Adelaide Cemeteries Authority as at 30 June 2018 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Adelaide Cemeteries Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Ms Ester Huxtable
Chair of the Board
4-Sep-18



Mr Michael Robertson
Acting Chief Executive Officer
4-Sep-18

Mrs Jing Holmes
Finance Manager
4-Sep-18

Adelaide Cemeteries Authority

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2018

	Note No.	2018 S'000	2017 S'000
Income			
Fees and Charges	4	10,417	10,356
Net Gain from Disposal of Assets	5	18	8
Other Income	6	240	218
Total Income		10,675	10,582
Expenses			
Employee Benefits	7	5,050	4,783
Supplies and Services	8	4,722	4,544
Depreciation and Amortisation	15 & 16	937	930
Borrowing costs	9	78	96
Total Expenses		10,787	10,353
Net revenue from providing services		(112)	229
Revenue from/ payments to SA Government			
Income Tax Equivalent Payment	10	0	69
Net Result		(112)	160
Total Comprehensive Result		(112)	160

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 2018

	Note No.	2018 S'000	2017 S'000
Current Assets			
Cash	11	776	1,021
Receivables	12	1,148	1,350
Inventories	13	986	1,036
Investments	14	5	5
Total Current Assets		2,915	3,412
Non-Current Assets			
Receivables	12	2,184	1,983
Investments	14	4,270	3,869
Property, Plant and Equipment	15	37,928	37,681
Intangible Assets	16	71	89
Total Non-Current Assets		44,453	43,622
Total Assets		47,368	47,034
Current Liabilities			
Payables	17	1,187	1,323
Employee Benefits	18	487	425
Provisions	19	15	36
Unearned Revenue	20	169	161
Borrowings	21	416	405
Total Current Liabilities		2,274	2,350
Non-Current Liabilities			
Payables	17	28	22
Employee Benefits	18	298	232
Provisions	19	22	70
Unearned Revenue	20	5,111	4,197
Borrowings	21	1,093	1,509
Total Non-Current Liabilities		6,552	6,030
Total Liabilities		8,826	8,380
Net Assets		38,542	38,654
Equity			
Asset Revaluation Surplus		22,024	22,024
Retained Earnings		16,438	16,550
Reserves		80	80
Total Equity		38,542	38,654
The Total Equity is attributable to the SA Government as owner.			
Unrecognised Contractual Commitments	22		

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 2018

	West Terrace Cemetery Heritage Reserve	Asset Revaluation Surplus	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2016	80	22,024	16,390	38,494
Net Result for 2016-17	-	-	160	160
Total comprehensive result for 2016-17	-	-	160	160
Balance at 30 June 2017	80	22,024	16,550	38,654
Net result for 2017-18	-	-	(112)	(112)
Total comprehensive result for 2017-18	-	-	(112)	(112)
Balance at 30 June 2018	80	22,024	16,438	38,542

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 2018

	Note No.	2018 \$'000	2017 \$'000
Cash Flows from Operating Activities			
Cash Inflows			
Fees and Charges		12,456	11,713
Other Receipts		240	176
Cash generated from operations		12,696	11,889
Cash Outflows			
Employee Benefits Payments		(4,971)	(4,890)
Payments for Supplies and Services		(4,930)	(4,821)
Interest Paid		(78)	(96)
Net GST Remitted to the Australian Taxation Office		(479)	(656)
Cash used in operations		(10,458)	(10,463)
Net Cash provided by Operating Activities		2,238	1,426
Cash Flows from Investing Activities			
Cash Inflows			
Proceeds from Sale of Investments		-	430
Proceeds from Sale of Plant and Equipment		70	56
Cash generated from Investing Activities		70	486
Cash Outflows			
Purchase of Investments		(400)	(810)
Purchase of Intangibles		(9)	-
Purchase of Plant and Equipment		(1,740)	(631)
Cash used in Investing Activities		(2,149)	(1,441)
Net Cash (used in) Investing Activities		(2,079)	(955)
Cash Flows from Financing Activities			
Cash Outflows			
Repayment of Borrowings		(404)	(393)
Cash used in Financing Activities		(404)	(393)
Net Cash provided by Financing Activities		(404)	(393)
Net (decrease)/Increase in Cash		(245)	78
Cash at 1 July		1,021	943
Cash at 30 June	11	776	1,021

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

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

Adelaide Cemeteries Authority

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Adelaide Cemeteries Authority

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

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements that have been prepared in accordance with the applicable Australian Accounting Standards (AASs) reduced disclosure requirements, the Treasurer's Instructions (TIs) and Accounting Policy Statements (APSS) issued pursuant to the PFAA. The APSS require certain disclosures in addition to AASs.

The Authority has applied AASs that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity.

The financial statements have been prepared based on a 12 month operating cycle and are presented in Australian currency. Values are rounded to the nearest thousand dollars unless otherwise specified.

AASs and interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the Authority.

Income and expenses have been classified according to their nature.

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

The Statement of Cash Flows has been prepared on a cash basis. Other statements are prepared on an accrual basis, and unless otherwise specified, apply the historical cost convention.

b) 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 current income tax liability relates to the income tax expense outstanding for the current period.

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

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 (ATO), 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.

The net amount of GST payable to the ATO is included as part of payables in the Statement of Financial Position.

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.

c) Events after the reporting period

There are no reportable events after the reporting period.

d) Income

Fees and Charges

Burial Fees, Interment Right Income, Memorial Income and Cremation Fees are derived from the provision of goods and services to the public. Burial Fees, Memorial Income and Cremation Fees are recognised upon delivery of the service to the clients. Interment Right Income refers to the right of interment or inurnment in a site for the grant holder and is recognised in full as the right of interment or inurnment immediately transfers to the grant holder, being consistent with industry accounting practice.

Unearned Revenue

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 2 Significant Accounting Policies (continued)

e) Assets

Receivables

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.

Collectability of trade receivables is reviewed on an ongoing basis. There is no objective evidence that the Authority will not be able to collect the debt. Hence, an allowance for doubtful debts has not been recorded at balance date.

Investments

The Authority measures the unitised funds invested with Funds SA at historical cost. The fair value of the investments as at the end of reporting period is disclosed in the Notes to the accounts. Gains and losses are only realised in the Statement of Comprehensive Income when the investments are redeemed.

Non-current investments include funds (\$4.5 million fair value) reserved for the purpose of future maintenance obligations of burial and memorial sites.

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 as follows:

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

Revaluation of Non-Current Assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is performed at least every five 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.

Non-current assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Note 2 Significant Accounting Policies (continued)

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 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.

f) Liabilities

Employee Benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term Employee Benefits are measured at present value and short-term Employee Benefits are measured at nominal amounts.

Salaries, Wages, Annual Leave and Sick Leave

The liabilities for salaries and wages are measured as amounts unpaid at the reporting date using the remuneration rates current at reporting date.

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

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 employees is estimated to be less than the annual entitlement for sick leave.

Long Service Leave

The liability for long service leave is recognised at the present value of the estimated future cash outflows up to the reporting date. This calculation is made by determining pro-rata long service leave for all employees and applying a probability factor for employees who have less than seven years of service. The amount is indexed to a long service leave taken benchmark for when cash outflows are anticipated and then discounted to present value. This valuation is consistent with the Authority's experience of employment retention and leave taken.

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.

The Authority is not aware of any contingent assets or liabilities in relation to the Authority's activities.

h) West Terrace Cemetery Heritage Reserve

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

Adelaide Cemeteries Authority

Note 3 New and Revised Accounting Standards and Policies

The Authority did not voluntarily change any of its accounting policies during 2017-18.

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 2018. The Authority has assessed the impact of the new and amended standards and interpretations below.

Reference	Title and date of Standard application	Summary	Impact on financial statements	Application date for the Authority
AASB 16	<i>Leases</i> 1 January 2019	<p>This new standard introduces a single accounting model for lessees.</p> <p>The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligations to make lease payments.</p> <p>In effect, the majority of leases currently classified as operating leases will be reported on the Statement of Financial Position.</p>	<p>This new standard is a significant departure from the past 30 years of accounting for leases. The Authority is currently assessing the impact of AASB 16, but has identified that its application would be material should the Authority deem that burial and cremation arrangements meet the definition of a lease under the standard. If these arrangements are deemed to be leases it is likely that there would be a material change to the timing of revenue recognition from some of these arrangements.</p> <p>The Authority is undertaking further work to understand the impact of this Standard, with a detailed examination of all existing arrangements required to quantify the impact.</p> <p>The Authority will make a more detailed assessment of the impact over the next six months.</p>	1 July 2019
AASB 15	<i>Revenue from Contracts with Customers</i> 1 January 2019	<p>AASB 15 is the new standard for revenue recognition and replaces AASB 111 <i>Construction Contracts</i> and AASB 118 <i>Revenue</i>.</p> <p>It establishes a comprehensive framework for determining whether, how and when revenue is recognised.</p> <p>The principle in the new standard is 'when control of a good or service transfers to a customer' rather than 'when the risk and rewards of ownership reside'.</p>	<p>The Authority is currently assessing the impact of AASB 15 and has identified there could be a potential impact on the timing of the recognition of revenue from some fees and charges.</p> <p>Presently, the Authority is unable to estimate the impact of AASB 15 on its financial statements. The Authority will make a more detailed assessment of the impact over the next six months.</p>	1 July 2019
AASB 1058	<i>Income of Not-for-Profit Entities</i> 1 January 2019	<p>This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.</p> <p>AASB 15 and 1058 will supersede the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004.</p> <p>The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation or a contribution by owners related to an asset received by the entity.</p> <p>AASB 1058 applies when a not-for-profit entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.</p>	<p>The Authority is currently assessing the impact of AASB 1058 and has identified there could be a potential impact on the timing of the recognition of certain revenue types.</p> <p>Presently, the Authority is unable to estimate the impact of AASB 1058 on its financial statements. The Authority will make a more detailed assessment of the impact over the next six months.</p>	1 July 2019

Adelaide Cemeteries Authority

Note 3 New and Revised Accounting Standards and Policies (continued)

AASB 9	<i>Financial Instruments / January 2018</i>	AASB 9 applies, with some exceptions, to all types of financial instruments and introduces a new classification model for financial assets that is more principles-based than the previous requirements in AASB 139. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.	The Authority has assessed the impact of AASB 9 and does not expect this standard to have a material impact upon the classification and valuation of its financial instruments.	1 July 2018
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Note 4 Fees and Charges

	2018 S'000	2017 S'000
Burial and Memorial Interment Right	6,126	6,180
Burial	1,920	1,845
Cremation	985	1,009
Reflection Room and Lounge	591	629
Memorial	617	487
Monumental	310	391
Refunds	(132)	(185)
Total Fees and Charges	10,417	10,356

Note 5 Net Gain from Disposal of Assets

	2018 S'000	2017 S'000
Plant and Equipment		
Proceeds from disposal	69	56
Net Book Value of Assets Disposed	(51)	(81)
Net Gain from Disposal of Plant and Equipment	18	(25)
Investments		
Proceeds from disposal	-	430
Net Book Value of Assets Disposed	-	(397)
Net Gain from Disposal of Investments	-	33
Total Assets		
Proceeds from disposal	69	486
Net Book Value of Assets Disposed	(51)	(478)
Total Net Gain from Disposal of Assets	18	8

Note 6 Other Income

	2018 S'000	2017 S'000
Cemetery Record Processing Charges	176	88
Fuel Tax Credit Received	10	43
Grants	-	59
Interest	2	1
Insurance Proceeds	33	3
Sundry	19	24
Total Other Income	240	218

Adelaide Cemeteries Authority

Note 7 Employee Benefits

	2018	2017
	\$'000	\$'000
Salaries and Wages	4,013	3,847
Annual Leave	287	285
Long Service Leave	57	67
Workers Compensation	(64)	(144)
Employment On-costs - Superannuation	401	385
Employment On-costs - Payroll Tax	214	206
Board Fees (see Note 23)	102	105
Other Employee Related Expenses	40	32
Total Employee Benefits	5,050	4,783

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 who have responsibility for the strategic direction and management of the Authority.

Total compensation for the Authority's key management personnel was \$871 000 (2017 \$815 000). Salaries and other benefits the Minister receives are excluded from this total. 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*.

Remuneration of Employees	2018	2017
	No	No
The number of employees whose remuneration received or receivable fall within the following bands:		
\$149 001 to \$159 000	2	2
\$209 001 to \$219 000	1	1
Total Number of Employees	3	3

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 \$528 000 (2017 \$515 000).

Note 8 Supplies and Services

	2018	2017
	\$'000	\$'000
Water	450	375
Insurance	61	67
Audit Fees	42	42
Vehicle Registration	25	28
Grounds Maintenance	56	47
Repairs and Maintenance	529	521
Burial Vaults and Other Cost of Sales	315	402
Advertising and Marketing	360	352
Personal Service Contractors	251	135
Monumental Mason Memorials	217	214
Fuel, Light and Power	233	208
Computing and Communication Services	117	91
Information Technology	375	464
Memorials	170	168
Other Supplies and Services	653	602
<u>Administration Expenses</u>		
Trade Discounts	236	294
Consultants (see below)	254	146
General Administration Expenses	378	388
Total Supplies and Services	4,722	4,544

The number and value of consultancies paid/payable (included in supplies and services) that fall within the following bands:	2018		2017	
	No	\$'000	No	\$'000
Equal or Less Than \$10,000	17	80	12	45
Above \$10,000	4	174	3	101
Total Paid/Payable to the Consultants Engaged	21	254	15	146

Adelaide Cemeteries Authority

Note 9 Borrowing Costs		
	2018	2017
	\$'000	\$'000
Interest paid/payable on short-term and long-term borrowings	78	96
Total Borrowing Costs	78	96

Note 10 Revenues from/ Payments to SA Government		
	2018	2017
	\$'000	\$'000
Payments to SA Government		
Income tax equivalent payment	-	69
Total payments to SA Government	-	69

Note 11 Cash		
	2018	2017
	\$'000	\$'000
Cash at Bank	775	1,020
Cash on Hand	1	1
Total Cash	776	1,021

Cash is measured at nominal amounts.

Note 12 Receivables		
	2018	2017
	\$'000	\$'000
Current		
Receivables	1,089	1,263
Prepayments	17	44
Accrued Revenues	42	43
Total Current Receivables	1,148	1,350
Non-Current		
Receivables	2,184	1,983
Total Non-Current Receivables	2,184	1,983
Total Receivables	3,332	3,333

Note 13 Inventories		
	2018	2017
	\$'000	\$'000
Burial Vaults	379	360
Burial Crypts	547	646
Burial and Memorial sites	60	30
Total Current Inventories	986	1,036

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

Adelaide Cemeteries Authority

Note 14 Investments		
	2018	2017
	\$'000	\$'000
Current		
Unitised Funds with Funds SA	5	5
Total Current Investments	5	5
Non-Current		
Unitised Funds with Funds SA	4,270	3,869
Total Non-Current Investments	4,270	3,869
Total Investments	4,275	3,874

The fair value of the unitised funds which is determined by the unit prices as at 30 June 2018 is \$6.5 million (2017 \$5.5 million).

Note 15 Property, Plant and Equipment		
	2018	2017
	\$'000	\$'000
Land and Buildings		
Land at fair value	10,820	10,820
Buildings at fair value	11,015	10,909
Accumulated Depreciation	(798)	(589)
Total Land and Buildings	21,037	21,140
Infrastructure		
Infrastructure at fair value	15,484	14,934
Accumulated Depreciation	(1,251)	(930)
Total Infrastructure	14,233	14,004
Plant and Equipment		
Plant and Equipment at cost (deemed fair value)	5,195	4,869
Accumulated Depreciation	(2,628)	(2,355)
Total Plant and Equipment	2,567	2,514
Capital Works in Progress		
Capital Works in Progress at cost (deemed fair value)	91	23
Total Capital Works in Progress	91	23
Total Property, Plant and Equipment	37,928	37,681

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 2014. 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.

Useful Life of Assets

The useful lives of infrastructure improvements, buildings and plant and equipment were reviewed and changed in May 2018. The net financial effect of these changes in 2018-19 will be a \$76,000 increase in depreciation expenditure.

Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, and plant and equipment during 2017-18.

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2017	10,820	10,320	14,004	2,514	23	37,681
Additions	-	105	548	487	68	1,208
Disposals	-	-	-	(51)	-	(51)
Depreciation	-	(208)	(319)	(383)	-	(910)
Carrying amount at 30 June 2018	10,820	10,217	14,233	2,567	91	37,928

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Note 16 Intangible Assets

	2018	2017
	\$'000	\$'000
Intangible Assets		
Intangible Assets	117	128
Less: Accumulated Amortisation	(46)	(39)
Closing Balance:	71	89

Reconciliation of Intangible Assets

The following table shows the movement of intangible assets during 2017-18.

	Intangible Assets \$'000	Total \$'000
Carrying amount at 30 June 2017	89	89
Additions	9	9
Amortisation	(27)	(27)
Carrying amount at 30 June 2018	71	71

Note 17 Payables

	2018	2017
	\$'000	\$'000
Current		
Creditors	560	762
Accrued Expenditure	272	221
GST Payable	161	162
Employment On-costs	73	61
Other Payables	121	117
Total Current Payables	1,187	1,323
Non-Current		
Employment On-costs	28	22
Total Non-Current Payables	28	22
Total Payables	1,215	1,345

Note 18 Employee Benefits

	2018	2017
	\$'000	\$'000
Current		
Accrued Salaries and Wages	114	49
Annual Leave	303	267
Long Service Leave	70	109
Total Current Employee Benefits	487	425
Non-Current		
Long Service Leave	298	232
Total Non-Current Employee Benefits	298	232
Total Employee Benefits	785	657

The salary inflation rate is 4% for long service leave liability and 3% for annual leave liability. The discount rate for the calculation of long service leave liability changed from the 2017 rate (2.6%) to 2.5%. The net financial effect of this change in the current financial year is an increase in the long service leave liability of \$1 000.

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Note 19 Provisions		
	2018	2017
	\$'000	\$'000
Current		
Workers Compensation	15	36
Total Current Provisions	15	36
Non-Current		
Workers Compensation	22	70
Total Non-Current Provisions	22	70
Total Provisions	37	106
Carrying amount at 1 July	106	252
Additional provisions recognised	(64)	(144)
Reduction arising from payments	(5)	(2)
Carrying amount at 30 June	37	106

A liability 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 2018 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). 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.

Note 20 Unearned Revenue		
	2018	2017
	\$'000	\$'000
Unearned Revenue		
Current		
Prepaid Funeral Packages	169	161
Total Current Unearned Revenue	169	161
Non-Current		
Prepaid Funeral Packages	5,111	4,197
Total Non-Current Unearned Revenue	5,111	4,197
Total Unearned Revenue	5,280	4,358

Note 21 Borrowings		
	2018	2017
	\$'000	\$'000
Borrowings		
Current		
SAFA Funding Facility	416	405
Total Current Borrowings	416	405
Non-Current		
SAFA Funding Facility	1,093	1,509
Total Non-Current Borrowings	1,093	1,509
Total Borrowings	1,509	1,914

Financial liabilities including borrowings are recognised at cost. The interest rate is determined by the Treasurer. The rate was 4.4% in 2018 (4.4% in 2017).

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Note 22 Unrecognised Contractual Commitments

	2018	2017
	\$'000	\$'000
Expenditure Commitments		
Within one year	157	207
Later than one year but not longer than five years	79	236
Total Expenditure Commitments	236	443

The Authority's expenditure commitments are for a service contract related to the implementation of Business Information System.

Note 23 Remuneration of Board Members

Members that were entitled to receive remuneration for membership during the 2018 financial year were:

Ms Ester Huxtable (Chair)
 Mrs Robyn Geraghty
 Cr Susan Clearihan
 Mr Wayne Hanson
 Mrs Patricia Christie (appointed February 2018)
 Mr Mark Ward (appointed February 2018)
 Mrs Mary Patctsos (appointed February 2018)
 Ms Catherine Schultz (Chair) (term ceased February 2018)
 Ms Deborah Black (term ceased February 2018)
 Mr Geoffrey Buckland (term ceased February 2018)

Remuneration of Board Members

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

	2018	2017
\$0 - \$9 999	4	-
\$10 000 - \$19 999	6	6
\$20 000 - \$29 999	0	1
Total Number of Members	10	7

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 (2017 \$105 000).

Amounts paid to a superannuation plan for Board members were \$9000 (2017 \$9 000).

Unless otherwise disclosed, transactions between the Authority and Board members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

Note 24 Related Party Transactions

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.

Compensation of Key Management Personnel is disclosed as note 7.

There are no individually significant transactions with Key Management Personnel and other related parties.

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Note 25 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: loan and receivables; available for sale investment; and financial liabilities measured at cost are detailed below:

Category of Financial Asset and Financial Liability	Statement of Financial Position Line Item	Fair Value		Carrying Amount	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial Assets					
Cash and Cash Equivalents	Cash	776	1,021	776	1,021
Loans and Receivables	Receivables	3,315	3,289	3,315	3,289
Available for Sale	Investments	6,510	5,473	4,275	3,874
Total Financial Assets		10,601	9,783	8,366	8,184
Financial Liabilities					
Financial Liabilities at Cost	Payables	831	911	831	911
	Borrowings	1,509	1,914	1,509	1,914
Total Financial Liabilities		2,340	2,825	2,340	2,825