



Territory and Municipal Services

2014–15 Annual Report

Volume 2





Territory and Municipal Services

Annual Report 2014–15

Volume 2: ACT Public Cemeteries Authority

Territory and Municipal Services acknowledges the Ngunnawal people as the traditional owners and custodians of the Canberra region and that the region is also an important meeting place and significant to other Aboriginal groups. We respect the Aboriginal and Torres Strait Islander people, their continuing culture, and the contribution they make to the Canberra region and the life of our city.

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Mr Shane Rattenbury, MLA
Minister for Territory and Municipal Services
ACT Legislative Assembly
London Circuit
Canberra City
ACT 2601

Dear Minister

We are pleased to present the 2014–15 annual report and financial statements of the ACT Public Cemeteries Authority including statements for Perpetual Care Trust funds for Woden, Gungahlin and Hall cemeteries.

This report has been prepared under section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements referred to in the Chief Minister's Annual Report Directions. It has been prepared in conformity with other requirements under Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report for the Authority.

We hereby certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Authority during the period 1 July 2014 to 30 June 2015 has been included.

We also hereby certify that fraud prevention has been managed in accordance with Public Sector Management Standards, Part 2.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you cause a copy of the Report to be laid before the Legislative Assembly within four months of the end of the financial year.

Diane Kargas AM
Chair

6 October 2015

Hamish Horne
Chief Executive Officer

6 October 2015



About this report

The Territory and Municipal Services (TAMS) Directorate Annual Report 2014–15 is published in two volumes.

Volume 1 contains the report of the TAMS Directorate and the annexed reports of the ACT Veterinary Surgeons Board and the Animal Welfare Authority

Volume 2 contains the annexed report of the ACT Public Cemeteries Authority.

The contents pages and alphabetical index of this document will help you navigate to specific information in the report, while the compliance statement lists the annual reporting requirements for 2014–15 and the page numbers where the information appears.

All data included in this report has been sourced from the ACT Government unless otherwise indicated.

Accessibility

TAMS is committed to making its information accessible to as many people as possible. This report is available as a printed document and as an accessible PDF on the TAMS website at www.tams.act.gov.au

If you have difficulty reading a standard print document and need alternative formats; if you are deaf or hearing impaired; or if English is not your first language; you can get help from the following services:

Canberra Blind Society: T (02) 62474580

National Relay Service: T 133677

Translating and Interpreting Service: T 131450

For other sources of information

T 132281 **Access Canberra** or visit one of Access Canberra's shopfronts at Belconnen, Dickson, Gungahlin, Tuggeranong or Woden for a range of printed publications. Alternatively, you can access one of these websites.

www.tams.act.gov.au

www.act.gov.au

www.action.act.gov.au

www.archives.act.gov.au

www.bookings.act.gov.au

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Overview of the ACT Public Cemeteries Authority

Our Responsibilities
Leadership and Planning
The Year in Review
Outlook for 2015-16

Our Responsibilities

The ACT Public Cemeteries Authority (the Authority) is an independent statutory body established under the *Cemeteries and Crematoria Act 2003* (the Act) to manage public cemeteries in the ACT. The Authority currently operates three public cemeteries at Gungahlin, Woden and Hall.

The Authority was established to ensure the equitable availability of interment options in the medium to long term for the ACT community. We operate as efficiently as possible and have a strong customer service focus.

Vision	To provide choice and be a leader in interment and memorialisation services
Mission	To provide caring and sensitive services that cater for the needs of the community
Clients and stakeholders	The community Funeral directors and stonemasons Suppliers of goods and services Our employees The ACT Government

Leadership and Planning

As the operator of Canberra's public cemeteries and crematoria, the Authority is required to effectively and efficiently manage public cemeteries and crematoria for the ACT community. The Act requires that:

- the Authority operate on a sound financial basis
- there be a governing Board of at least four, and not more than 12 members
- the Board includes at least four members who, in the Minister's opinion, represent the general community and religious denominations.

Directors are generally appointed for three year terms and may be re-appointed at the discretion of the Minister. Directors may receive remuneration, which is set by a determination of the ACT Remuneration Tribunal. The Authority's Chief Executive Officer (CEO) is a member of the Board.

The ACT Public Cemeteries Authority Board Charter sets out the role, responsibilities and authority of the Board, the chair, individual directors and the CEO within the governance framework of the ACT Government. In 2014–15 the Board was supported by five management committees.

The **Audit and Risk Committee** provides recommendations and advice to the Board on risk management activities, including internal audits.

The **People and Performance Committee** provides recommendations and advice to the Board on people and performance management and associated activities.









The **Finance Committee** provides recommendations and advice to the Board on financial management activities.

The **Special Projects Committee** provides advice to the CEO and Board on the prioritisation, planning and delivery of capital projects and procurement.

The **Legislative Review Taskforce Committee** is carrying out legislative review of the *Cemeteries and Crematoria Act 2003* and associated regulations in order to provide input into the ACT Government review in the near future.

ACT Public Cemeteries Board and Committee membership

There were seven Board meetings in the year and sub-committees generally meet four times per year.

	Name	Role and committee membership	Number of meetings held	Number of meetings attended
	Diane Kargas AM	Board chair Member all committees	26	24
	Margaret Watt	Deputy Board chair Chair People and Performance Committee	14	14
	Pamela Burton	Chair Legislative Review Taskforce	16	14
	Stephen Bartos	Chair Audit and Risk Committee Member Special Projects Committee	19	19
	Derek Roylance AM	Member People and Performance Committee	11	5
	Kathleen O'Sullivan	Chair Finance Committee	12	11
	Virginia Shaw	Chair Special Projects Committee Member Finance Committee	15	15
	Hamish Horne	CEO Member all committees	26	26

The following plans and guidelines are used to manage the business of the Authority.

The **Strategic Business Plan 2014–2017** sets out what the Authority expects to achieve each year and how it will be achieved. It includes annual action plans and timeframes for completion that are monitored by the Board at each meeting. It is reviewed annually and updated as required.

Master plans for each precinct is being developed to ensure a strategic, structured and consistent approach to development and maintenance.

Performance plans, which align with the Strategic Business Plan, are in place for all staff.

Policies and procedures have been developed to facilitate a consistent, safe approach to Authority operations and are periodically reviewed to ensure they are current, relevant and consistent with ACT Government policy.

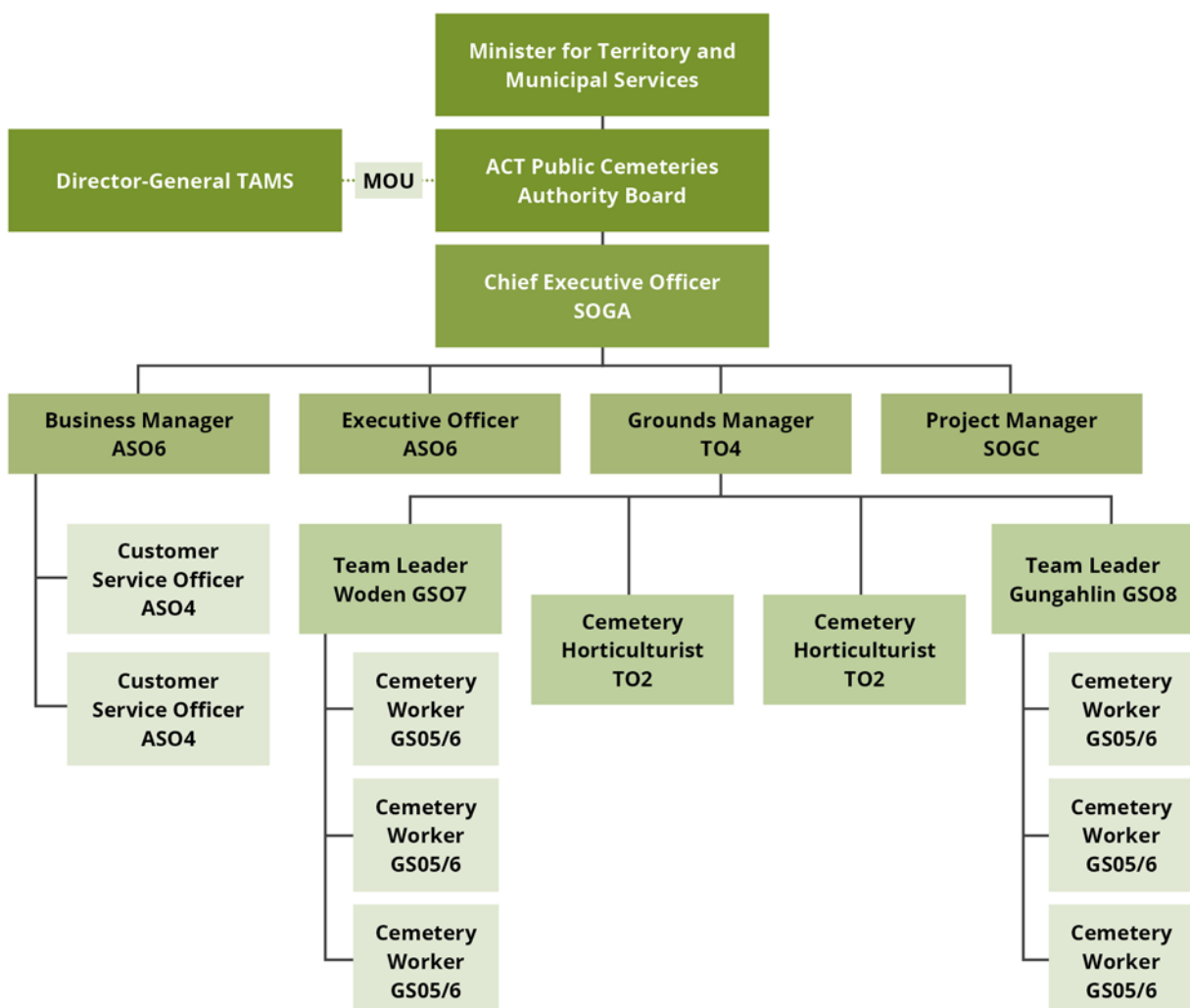
A **Strategic Asset Management Plan** details major assets, sets out criteria for acquisition, maintenance and disposal and informs the budget process including long term development requirements.

The **Disaster Recovery and Business Continuity Plan** sets out the criteria for levels of disaster and procedures for dealing with those disasters. A series of attachments include contact lists and ACT Government structures for contextual purposes.

The **Fraud and Corruption Prevention Plan** includes an Authority fraud policy, responsibilities of office holders, awareness activities and reporting arrangements.

A **Risk Management Framework and Risk Register** guides all aspects of risk management and details risk assessments carried out by the Authority and how these are being addressed.

Organisation chart



Each year the Board conducts reviews of the Authority's progress and how it aligns with the existing plans and the current and future needs of its customers. This exercise informs the updating of our strategic objectives and plans for the following year. In 2014–15 the Authority:

- progressed completion of the Gungahlin Cemetery Strategic Master Plan and commenced development of the Woden Cemetery Strategic Master Plan
- commenced the extension of the Christ the Redeemer Mausoleum at Woden Cemetery
- expanded the Authority's services by scoping a new memorial hall facility to handle larger funerals and memorial events; developed options to include an additional facility at Gungahlin; and undertook significant work towards a natural burial option at Gungahlin Cemetery
- progressed technology enhancements of our services through the introduction of online memorialisation services by installing web based kiosks at both Gungahlin and Woden cemeteries and progressed improvements to front office operations by transitioning towards new management software
- continued to foster and build strong stakeholder relationships and partnerships through continued engagement
- commenced significant improvements to current water capture and reuse systems
- continued the ongoing training and development of staff using various formats to enhance their skills and increase efficiency
- implemented significant changes to the first stage revision of the strategic plan
- continued to work with ACT Government to establish a framework for the expansion of burial capacity in the medium to long term in the ACT.

The Year in Review

In 2014–15, the principal activity of the Authority was the provision of body and ashes interments and associated services at an acceptable cost to the community in a commercial and professional manner. Cemetery services have continued to be delivered to a high standard with feedback from TAMS survey of cemetery grounds maintenance indicating that 90 percent of those surveyed said they were 'satisfied' or 'very satisfied'. Over 90 percent of respondents to the post burial visitor satisfaction survey of Woden Cemetery said they were 'satisfied' or 'very satisfied' while Gungahlin Cemetery achieved a 100 percent rating.

The Authority has continued to maintain a portion of market share equivalent to at least 35 percent of deaths (comprising 25 percent burial and 10 percent interment of cremated remains) in the ACT. It should be noted that 75 percent of families choose cremation (carried out elsewhere) rather than burial and a portion of those choose a memorial with the Authority.

The Authority continues to recycle materials both on and off-site, resulting in lower operational costs and environmental impacts.

Major works were completed during the year, which included new monumental and lawn burial areas at Gungahlin Cemetery as well as a children's lawn and ashes burial area and a babies garden. Other works substantially completed include:

- the extension of the Christ the Redeemer Mausoleum at Woden Cemetery, a \$2.5 million project expected to be completed in September 2015
- electronic maps of the cemeteries which included a grave search function (expected to be available to the public in the late 2015).

Significant projects that were started include a new head office and a natural burial ground at Gungahlin Cemetery, which consists of a forest landscape for the interment of remains that use only biodegradable materials in the grave. Planning for an extension to Woden Cemetery is also well under way as well as master plans, heritage management plans and environmental management plans for all cemeteries managed by the Authority. These are expected to be completed in 2016.



The interior of the Mausoleum at Woden Cemetery

Outlook for 2015–16

Strategic and operational priorities to be pursued in 2015–16 include:

- continuing the development of strategic master plans for Gungahlin and Woden cemeteries
- completing and opening the Christ the Redeemer Mausoleum at Woden Cemetery
- developing and introducing new service offerings in accordance with contemporary community needs including scoping a new memorial hall facility to handle larger funerals and memorial events
- progressing technology enabled innovation in services and operations to increase the efficiency and effectiveness of front office operations including improved access to information on the web and the introduction of online memorialisation services
- continuing to foster stakeholder relations and partnerships
- employing innovative solutions to reduce the cost of maintenance, with a view to enhancing perpetual care arrangements and the long term financial viability of the Authority
- continuing to develop staff skills, with an emphasis on improving the efficiency of the Authority and maintaining excellence in customer service
- reviewing the existing business and strategic plans to ensure the Authority remains a sustainable business
- implementation of natural burials as an option
- continuing working with the ACT Government towards the gazettal and subsequent development of the proposed Southern Memorial Park to maintain burial capacity in the medium to long term in the ACT.

Performance Analysis

The background of the slide is composed of several large, overlapping triangles in various shades of green (olive, forest, and light sage) and white. The triangles are arranged in a dynamic, non-representational pattern, creating a modern and abstract aesthetic.

Overview

Discussion of the Authority's performance is based on objectives set out in the *Cemeteries and Crematoria Act 2003*, ACT Government policies and legislation, the Statement of Intent and the Authority Strategic Business Plan 2014–2017.

OBJECTIVE: To ensure the equitable availability of interment options, and maintain burial capacity in the medium to long term for the ACT community.

The Authority has been working towards the establishment of a new burial ground, the Southern Memorial Park (SMP) for a number of years. Initially this project will provide capacity for south Canberra, and ultimately the entire ACT. However, this option will not be available in the short term and to address the current needs of the community the Authority has been working on a number of projects to ensure this objective is sustained. Significant progress has been made towards an extension of Woden Cemetery, to ensure that until the SMP is ready, there will be sufficient options for southern locals.

The Authority has also been working towards a natural burial ground at Gungahlin Cemetery. While Gungahlin Cemetery will have a dedicated natural burial area, the option to be buried naturally will be available at all cemeteries. This year we have created a number of new burial areas at Gungahlin Cemetery to ensure continued availability of general and denominational options. Work includes extending the Muslim portion; a new Orthodox headstone portion; a new portion containing a plaque beam, monumental lawn, family estate (lawn) and children and babies gardens. Plans have also been finalised for new monumental areas at Woden Cemetery.

Fees for standard burial options across ACT Cemeteries have been maintained within the price range of similar cemeteries across Australia.

OBJECTIVE: To operate as an efficient government business with a strong customer service focus.

The outcome of the 2013–14 year financial audit found there were some errors in Perpetual Care Trust (PCT) fund transactions. As a result a number of changes to the procedure for calculation payment to and drawdown from PCT funds were made. This also required significant adjustments be made to the prior year results. Consequently there is a variation to the budgeted outcome for 2014–15 and a significant below budget result was recorded. These changes will mean that the forward year budgets will need to be reviewed and modified to match the changed environment.

These changes have affected all areas of the Authority's finances, operating statement, balance sheet and cash flow. Figure 1 shows the effect on the operating outcomes compared to recent years.

Figure 1: Operating outcomes

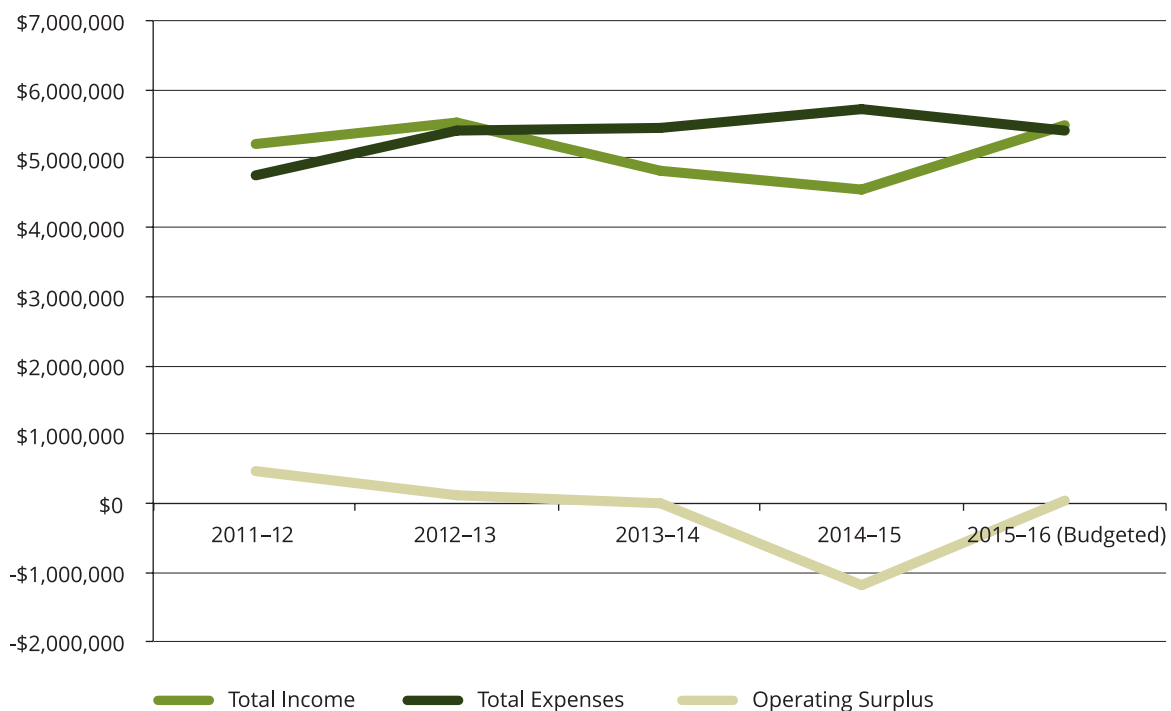


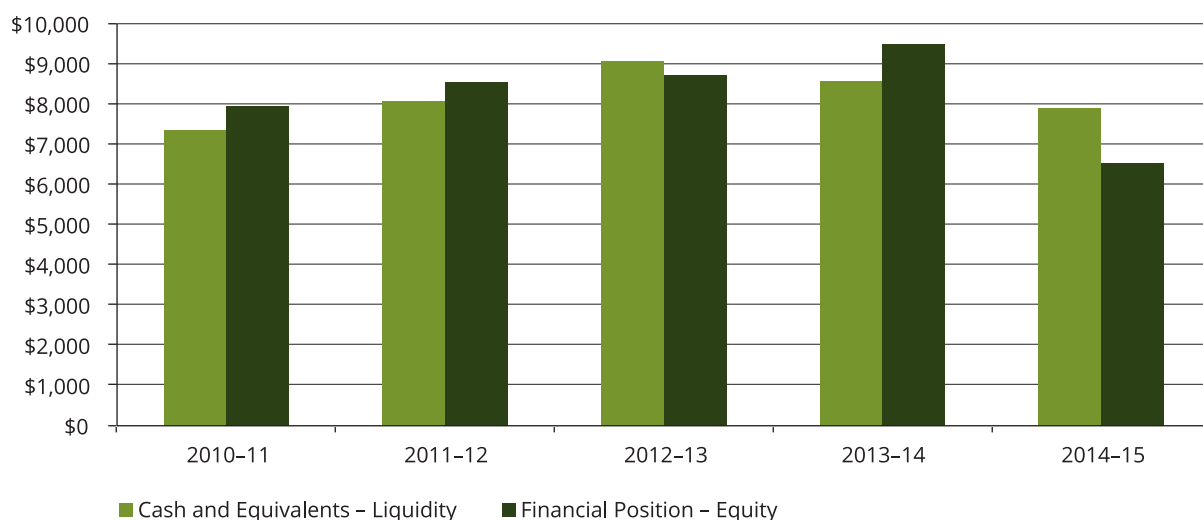
Table 1: Earning rates reflects a significant change in accounting practice in 2012-13, which saw the final step of the change to managing graves as inventory and a restructuring of PCT accounts. Both of these changes required significant movement of funds in the operating statement which produced a below budget result and a lower, below optimal earning rate percentages. The policy changes in 2014-15 resulted in a significant fall in income from PCT funds in the current and prior year. For more detailed explanation please refer to the Financial Management section.

Table 1: Earning rates

	2010-11	2011-12	2012-13	2013-14	2014-15
Return on assets	2.2%	3.3%	(0.2%)	(1.0%)	(6.5%)
Return on equity	3.5%	5.4%	(0.4%)	2.0%	(16.6)

Until 2012, both liquidity and equity had seen strong and steady growth. However, with the introduction of the PCT Guidelines from the regulator, the Authority has commenced a review of the budget. The Authority believes a review of the percentages is required in addition to an efficiency review of maintenance levels and practices and strategic investments in new options such as the memorial hall complex. The lower levels in cash in 2014-15 principally reflect additional funds paid to PCT funds and procurement activity. The fall in equity principally reflects the amount payable to PCT funds.

Figure 2: Equity and liquidity



OBJECTIVE: To adopt operating practices that safeguard the environment and the health and safety of staff and visitors.

The Authority continues to employ a number of strategies to reduce its environmental impact including recycling all organic material onsite, reducing water use and minimising run-off, and a range of other practices, such as recycling of office and general waste.

In 2015 significant improvements were made to irrigation systems and both Gungahlin and Woden Cemetery and the first stage of upgrades to water capture and storage facilities at Gungahlin were completed. This has proved very successful and when stage two is completed the reliance on potable water for irrigation of lawns will be minimal and substantial savings will be seen. Water efficiencies and cost savings will be further enhanced when an additional second class water supply from the Flemington ponds system initiated by the Environment and Planning Directorate is fully commissioned and the second stage of the water capture progress is completed. It is anticipated that both enhancements will be in place before the end of 2015. Further details can be found in the Ecologically Sustainable Development section of this report.

Our Workplace Health and Safety Committee oversees health and safety and carries out safety audits to make recommendations to management regarding issues and changes to work practices that may improve the health and safety of staff and visitors. This year research involving our field staff was conducted and resulted in a decision to procure state of the art grave shoring equipment to improve the safety of workers and the community.

We also work with TAMS work health and safety (WHS) framework to ensure all health and safety requirements are met. Staff health and safety continues to be an area of focus. At a higher level WHS is reviewed by the Board and the People and Performance Committee.

Training also continues to be a high priority. Specific training conducted during the year included asbestos awareness, manual handling, disability awareness, Grave Safe, Sun Smart and maintenance of certificates for machinery operation and statutory requirements. The majority of staff maintained an Apply First Aid qualification. More on training can be found in the human resource management section of this report.

All employees were offered immunisation against influenza and Hepatitis B with the majority taking advantage of the offer.

Governance and Accountability

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Scrutiny
Risk Management
Internal Audit
Fraud Prevention
Human Resource Management
Work Health and Safety
Ecologically Sustainable Development

Overview

The Board of the Authority is ultimately responsible to the Minister for the good governance and successful operations of the Authority. The Board takes governance of its operations seriously. In addition to the *Cemeteries and Crematoria Act 2003* and the *Financial Management Act 1996* which together, in principle, serve as its constitution the Board operates under a charter, developed by the Board. The Charter sets out the role, responsibilities and authority of the Board, the chair, individual directors and the Chief Executive Officer (CEO) within the governance framework of the ACT Government. From this flows all policies and practices of the Board and the Authority and its relationships, lines of communication, management and probity frameworks with its stakeholders which include the Minister, TAMS, Authority staff, business partners and the community.

Board directors and staff are all familiar with the underpinning concepts of transparency, accountability, responsiveness and fair play.

The principles of the ACT Public Service Respect, Equity and Diversity Framework are observed in our daily work which we hold especially important given the nature of the service we provide to the community.

The Board oversees risk management through its Audit and Risk Committee and a program of internal audits carried out by external specialists. Underpinning risk management is a Risk Register that is monitored by the Committee and informs the development of the internal audit program.

In addition to the Board, TAMS provides additional oversight and advice to the Authority in all aspects of its operations. TAMS and the Authority operate under a memorandum of understanding which sets out the reporting and authority responsibilities of each party. TAMS also provides the Authority with employee and human resources support.

Scrutiny

The following is a report on progress against recommendations made by the Auditor-General.



The exterior of the Mausoleum at Woden Cemetery

Table 2: Auditor-General's Final Report 2014

Title: Report on ACT Public Cemeteries Authority and PCTs final audit management report for the year ended 30 June 2014<http://www.audit.act.gov.au/docs2/Financial%20Audits%201314%20Report%20-%2019%20December%202014.pdf>

Recommendation	Action and status
<p>The Authority should:</p> <p>(i) request the regulator of the <i>Cemeteries and Crematoria Act 2003</i> (the Territory and Municipal Services Directorate) comprehensively review the 'perpetual care trust model' to ensure that it provides the Authority with a sound basis for the valid, consistent and transparent allocation of maintenance costs to the Trusts.</p> <p>(ii) comprehensively review its method of allocating indirect costs as maintenance costs to the Trusts to ensure that indirect costs charged to, recovered from, the Trusts are:</p> <ul style="list-style-type: none"> • are consistent with the outcome of the review of the 'perpetual care trust model'; • are transparent and independently verifiable; and • provide a reasonable basis for allocating indirect costs and can be consistently applied to all Trusts. <p>(iii) comprehensively review amounts charged to and recovered from the Trusts in prior years and correct affected balances accordingly.</p> <p>(iv) prepare comprehensive and clear accounting work papers which explain corrections made to the affected balances.</p>	<p>In progress</p> <p>The Directorate engaged an actuary to review numbers and assumptions that underpin the PCT model and provide procedures to ensure compliance. The actuary's work has been completed.</p> <p>The Directorate has developed a draft procedure for PCT calculations that has been provided to the Authority.</p>
<p>The Authority should significantly improve the procedures for the preparation of its financial statements. These procedures should include the thorough checking of the adequacy of disclosures and accuracy of information included in the financial statements.</p>	<p>In progress</p> <p>The reporting process has been reviewed and preparation procedures have been updated.</p> <p>A meeting was held to update Authority accountants in mid-February 2015 and a plan was developed and attached to papers for March meeting.</p> <p>The accountants have entered Authority data into new software which will provide far greater surety for accuracy of material presented in statements.</p>
<p>The Authority should:</p> <p>(i) assess each receivable for impairment on an annual basis as required by AASB 139: 'Financial Instruments: Recognition and Measurement'; and</p> <p>(ii) ensure that documentation supporting its assessment of impairment is included in the accounting work papers supporting the Authority's financial statements.</p>	<p>In progress</p> <p>A review has been carried out during the year in preparation of the end of financial year papers.</p>
<p>The Authority should improve its processes for calculating the revenue transferred to the Trusts by thoroughly checking the accuracy of calculations prior to transfer.</p>	<p>In progress</p> <p>Process has been reviewed and procedures updated.</p>
<p>The Authority should provide clear, concise, objective and independently verifiable explanations for major variances in the financial statements.</p>	<p>In progress</p> <p>A procedure has been implemented as part of end of year planning for the financial statements and includes a review of statements by the Directorate. Where possible explanations will be included in shell statements.</p>

Risk Management

Risk management is managed under the Authority's Risk Management Framework.

The aim of this framework is to identify and reduce risks within the Authority by implementing strategies to reduce the impact of identified risks occurring, thus avoiding cost to people and property and allowing for the ongoing continuity of business.

This framework applies to all aspects of our business including the purchase of fixed and portable assets and consumables as well as staffing and workplace health and safety, information technology and project planning.

It is the responsibility of all staff to escalate risks as they are identified to allow for more senior staff to assess potential risks and implement strategies to mitigate these risks where possible. The overall responsibility for the Risk Management Framework lies with the Board and CEO of the Authority.

The Authority's Disaster Recovery and Business Continuity Plan was reviewed and tested in 2014–15, a process that will continue biannually into the future.

The Authority's Risk Register is considered a live document in the current risk management standard format.

Internal Audit

This year the Audit and Risk Committee continued to administer the internal audit program with audits conducted by Moore Stephens, an independent audit provider.

The purpose of the Audit and Risk Committee is to provide independent assurance to the ACT Public Cemeteries Board that the ACT Cemeteries Authority has in place adequate processes to manage risk. The main role of this Committee is to provide recommendations and advice to the Board on risk management activities, including internal audits that have been carried out.

In particular the Audit and Risk Committee is responsible for:

- reviewing whether management has in place a current and comprehensive Risk Management Framework and associated procedures for effective identification and management of financial and business risks, including fraud
- reviewing whether a sound and effective approach has been followed in developing strategic risk management plans
- acting as a forum for communication between the Board and internal and external auditors
- reviewing the internal audit coverage and annual work plan
- reviewing all audit reports and providing advice to the Board on significant issues
- monitoring the implementation of internal audit recommendations
- recommending the selection of an internal auditor (excluding audit work directed by TAMS)
- periodically reviewing the performance of internal audit.

The Committee currently comprises three Board members and the CEO all of whom meet quarterly with extra meetings convened as required. Minutes of all committee meetings are agreed out of session to allow for submission to the next Board meeting.

Table 3: Membership of the Audit and Risk Committee for 2014–15

Member	Position	Meetings held	Meetings attended
Stephen Bartos	Chair	5	5
Pamela Burton	Member	5	5
Diane Kargas	Member	5	4
Hamish Horne	Member	5	5

Fraud Prevention

Plans for the management of fraud and corruption have been developed based on the TAMS model which includes business continuity and risk management plans.

The Authority's fraud policy and fraud control plans are both current.

Operating and business procedures are reviewed as required, strengthening outputs, reducing the potential for fraudulent activity and streamlining office productivity.

The Authority received no reports or allegations of fraud or corruption during 2014–15.

Human Resources Management

The day-to-day management of our employees is the responsibility of the Authority CEO.

Shared Services and TAMS Human Resources teams provide support and oversight in all workforce related matters.

The Authority is a small agency and employees have a range of skills, some are multi-skilled.

To maintain a continuous service for the community, contractors are used to ensure employees are available when necessary. Cemetery employees are deployed flexibly and move between cemeteries to maintain operational needs. Over the last decade, 100 percent of graves were prepared on time, a record that the Authority is proud of.

Employees are required to maintain minimum levels of training, which for out-of-doors staff includes certification for various types of plant and equipment, industry specific safety procedures and chemical handling. Employees are encouraged to enhance their skills where possible.

All employees have performance agreements in place which set out performance measures, areas for improvement and a tailored training program for the year. Agreements are reviewed twice a year.

In recent years structural staffing changes have been made to reflect the levels of responsibility and difficulty of work. These changes provide greater flexibility and a career path in the Authority and ultimately the ACT Government.

Table 4 shows the training that was completed by cemetery employees during 2014–15.

Table 4: Training undertaken by cemetery staff in 2014–15

Training course	Convener	No. attending
Asbestos Awareness	Capital Training Institute	9
Enter and work in confined spaces	ActewAGL	2
Manual Handling	Capital Training Institute	15
Sun Smart Info Session	Cancer Council	12
Grave Safe Course	Northern Institute – TAFE	2
Heavy Rigid Driver Licence	Transport Industry Skills Centre – Sutton Road	1
TAMS Induction Course	Territory and Municipal Services Directorate	1
Aboriginal and Torres Strait Islander Cultural Awareness	TAMS Directorate	2
DisAbility Awareness in the Workplace	TAMS Directorate	2
Respect, Equity and Diversity and Code of Conduct Training	TAMS Directorate	4
RiskMan Incident Reporting	TAMS Directorate	2
General Construction Induction – White Card	Master Builders Group Training	1
Excel 2007/2010 Intermediate	Australian Management Control Training Centre	1
CCA NSW Conference	Cemeteries and Crematoria Association of NSW	2
Cemetery Tours	CCA NSW	3

Work Health and Safety

By agreement, Authority employees are managed by the TAMS Human Resources team and with their support and that of Shared Services, we continue to be proactive in maintaining and improving workplace health and safety, taking an active role in the cemetery industry and in helping to formulate specialised industry training for our staff.

We have a work health and safety (WHS) committee, which meets quarterly, oversees the processes of health and safety inspections. WHS representatives (two) are elected by staff and are members of the WHS Committee.

The Authority has developed policy and procedure manuals to cover all aspects of cemetery work including the higher risk areas of grave digging and grounds maintenance. The policy manual clearly sets out the rights and responsibilities of all employees and provides clear guidelines on the required approach to all aspects of work. The procedure manual identifies associated hazards and risks and documents the minimum steps required to complete each specific task.

Procedures and policies are modified and updated as required to meet new conditions.

Employees have received training to meet statutory requirements and where possible enhance and advanced training will also be offered. Table 4 lists details of training undertaken by cemetery employees in 2014–15. All outdoor employees have attended training in hazard identification tailored for cemetery conditions. For the majority of the year, most held current, applying first aid certification.

The Authority has developed a WHS Risk Register which is updated as required. Quarterly safety inspections, using checklists based on the Risk Register, are carried out by appropriate teams of management and WHS staff. Remedial action plans are formulated to address shortcomings and new requirements. WHS is a permanent agenda item at staff meetings.

All employees were provided with the opportunity to have influenza and Hepatitis B immunisations.

Promotion of the Employee Assistance Program has continued via workplace posters, brochures and wallet inserts.

Employees are encouraged to return to work as soon as practicable after time off from work due to injury and allowance is made for those who have limited capacity after injury. This process is supported by the Shared Services team who provide individual case management as required.

There were 12 accident/incident reports and one new claim for workers compensation submitted during 2014–15. Sixty-six days were reported as lost and a prior year claim remains current with lost time being reported for the entire year.

Ecologically Sustainable Development

The Authority recycles the majority of organic waste products generated onsite. Materials such as leaves and clippings are composted at both Woden and Gungahlin cemeteries for reuse onsite. Log waste is chipped and used as mulch as is the organic street sweepings from the surrounding suburbs.

Waste paper and cardboard are recycled, as are toner cartridges. Serviceable but excess or superseded equipment is sold or traded in on replacements whenever possible. Non-saleable computer equipment is donated or disposed of at approved drop-off centres.

Clean fill generated from grave digging at both Woden and Gungahlin cemeteries is reused in the development of new burial areas at Gungahlin.

Canberra's main public cemeteries are principally lawn cemeteries with turf under irrigation. Ongoing water restrictions have necessitated a reduction in water use. A program to replace cool season grasses with warm season grasses to reduce water use, mowing frequency and other maintenance costs is halfway to completion and will continue over the next few years as resources are available.

Woden Cemetery is watered entirely using potable water. Hall Cemetery has no irrigation. At present approximately half the water used at Gungahlin Cemetery is from a dam and bore system, the rest is supplemented from potable water as required. Stage one of a two stage project to improve the efficacy and efficiency of water capture and recycling at Gungahlin Cemetery was completed during the year. The subsequent stage will significantly enhance storage capacity.

In association with the Environment and Planning Directorate a non-potable water supply has been plumbed into the Gungahlin Cemetery irrigation system. All structural work has been completed and the water will become available in the spring of 2015. Combined with stage two of the above project, it is expected that there will be little requirement, at Gungahlin Cemetery for potable water in normal rainfall years.

Portions of both Gungahlin and Woden cemeteries that do not contain burials or memorials are not irrigated now, nor will be for the foreseeable future. Dry grassland species have been over sown where appropriate.

Energy reduction strategies

Strategies to achieve energy reduction include:

- timers on all fixed heating and cooling equipment
- insulated curtains for when the office is closed
- regularly reminding staff to be conscious of, and to adopt energy saving options
- evaluating vehicle purchases for fuel efficiency as part of procurement procedures
- the replacement of light fittings at the Gungahlin office with LED lights.



The Liquidamber Lane memorial garden at Woden Cemetery

Table 5: Sustainable development performance for 2013–14 and 2014–15

Indicator at 30 June	Unit	2013–14	2014–15	Percentage change
Agency staff and area				
Agency staff	FTE	18	18	0%
Workplace floor area	Area (m ²)	191	191	0%
Stationary energy usage				
Electricity use	Kilowatt hours	55,986	55,595	-1%
Renewable electricity use	Kilowatt hours	0	0	N/A
Natural gas use	Mega joules	0	0	N/A
Transport fuel usage				
Total number of vehicles	Number [@]	19	19	0%
Total kilometres travelled	Kilometres [@]			N/A
Fuel use – Petrol	Kilolitres	2.5	2.1	-14%
Fuel use – Diesel	Kilolitres	14.4	16.1	12%
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	0	0	N/A
Fuel use – Compressed Natural Gas (CNG)	Kilolitres	0	0	N/A
Water usage				
Water use	Kilolitres	41,539	43,973	6%
Resource efficiency and waste				
Reams of paper purchased	Reams	104	73	-30%
Recycled content of paper purchased	Percentage	50	88	76%
Waste to landfill	Litres	73,320	54,000	-26%
Co-mingled material recycled	Litres	0	0	N/A
Paper and cardboard recycled (incl. secure paper)	Litres	22500	24720	10%
Organic material recycled	Litres	400,000 [#]	1,000,000	150%
Greenhouse gas emissions				
Emissions from stationary energy use	Tonnes CO ₂ -e	51.56	44.59	-14%
Emissions from transport	Tonnes CO ₂ -e	47.98	52.79	10%
Total emissions	Tonnes CO₂-e	99.54	97.38	-2%

[@] includes off road vehicles that do not measure kilometres travelled – not valid

[#] not measured – cemeteries have been recycling all organic waste onsite for at least 15 years but not measuring. This year has been estimated from windrowed material.

[^] estimated from organic waste collected on cemeteries sites

Financial Management

Financial Management Analysis
Statement of Performance
Capital Works
Asset Management
Financial Statements

Financial Management Analysis

The *Cemeteries and Crematoria Act 2003* (the ACT) came into force in September 2003. The Act allows for private cemeteries to operate within the ACT and requires a PCT to be established for each cemetery. Each Trust is comprised of two parts, one for current maintenance and one for future maintenance (The PCT Reserve), which is intended to provide for maintenance for each site in perpetuity. The Minister has set a percentage of income that must be paid into each fund. Following a review of the PCT fund arrangements, the PCT Fund Percentage, Reserve Percentage and Review Date (the date by which the percentages must be reviewed) were set in 2011 giving the Authority a basis on which to plan for future financial needs.

The Authority's approach to risk management provides clients with assurance that the Authority can deliver low risk/high value services. The Authority has developed a Strategic Business Plan, Risk Register, Disaster Recovery and Business Resumption Plan and Fraud and Corruption Prevention Plan. These are considered live documents and are subject to continual change.

Allocation of indirect costs to Perpetual Care Trusts

During the audit of the 2013–14 financial statements, a query was raised about the basis on which the Authority was charging indirect costs to each PCT and being subsequently reimbursed for indirect costs being charged. In summary, following the receipt of external advice the Board formed the view that there is uncertainty around the use and application of the PCT model in relation to the validity of charges for indirect costs as maintenance costs from the PCTs.

In the context of the 2014–15 financial statements, the Authority has worked with the regulator (TAMS) to ensure the correct outcome has been reached and the correct level of funds have been paid into and withdrawn from PCT funds. This has required significant prior year adjustments. These have had the effect of a restatement of prior year outcomes and a considerable change to the level of withdrawal of funds previously considered to be correct.

The Authority is confident that the requirements of the Act have been met. In addition to a review of PCT percentages that is required by the *Cemeteries and Crematoria Act 2003* for 2016, the Authority has made a recommendation to the Minister that the PCT arrangements will also be reviewed.

It should be noted that results for 2013–14 have been restated due to the current PCT treatment policy. For more information please see Note 4 in the Authority's Financial Statements.

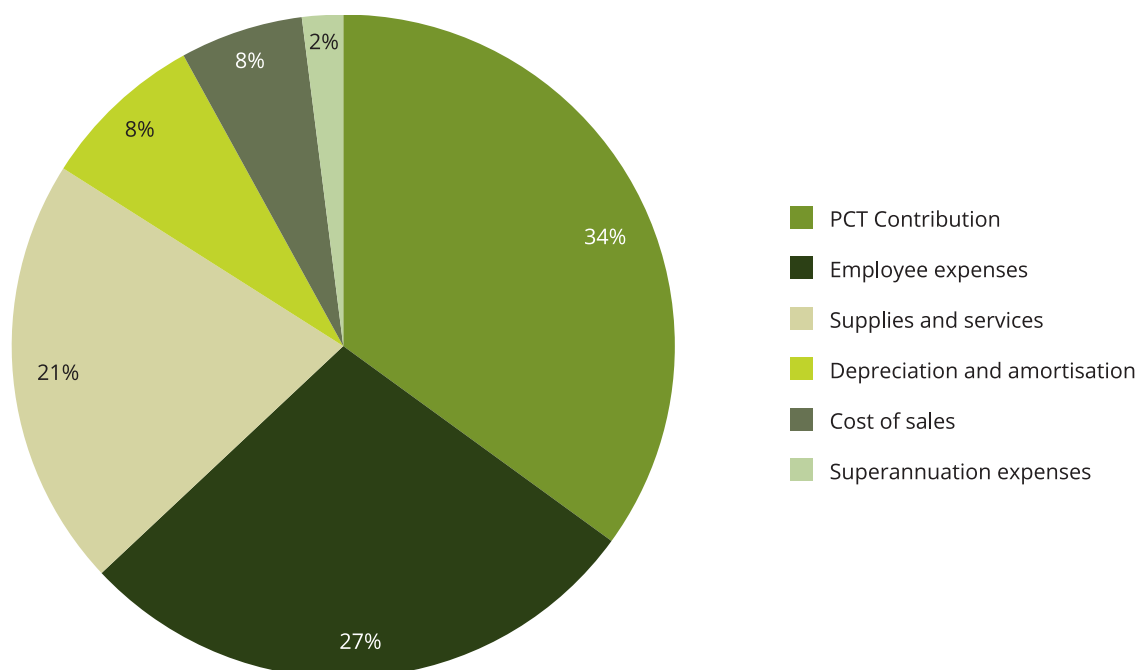
Financial performance

The following financial information is based on the forward estimates contained in the 2014–15 Statement of Intent and internal reports for 2014–15.

Components of expenditure

Figure 3 indicates the components of the Authority's expenditure for 2014–15 with the largest component of expenditure, not including PCT fund contributions, is employee expenses which represents 27 percent (\$1.546 million) of ordinary activities. Note that this figure is net of staff costs which are directly attributable to cost of sales, ground maintenance and inventory. While a larger actual proportion 34 percent (\$1.962 million), PCT Contributions are, in effect, offset against PCT drawdowns. PCT Contributions are calculated as a percentage of burial related income (as described in objectives).

Figure 3: Components of expenditure at 30 June 2015



Comparison to budget

Total expenditure of \$5.737 million was \$0.232 million, or 4.2 percent above the 2014–15 budget. This principally reflects higher than budgeted supplies and services (due to higher than budgeted water, accounting and audit), higher than budgeted cost of sales (due to improved accuracy in the direct allocations of time costs and higher levels of expenditure on new burial options) and employee expenses (significant increase in Worker's Compensation premium and additional costs for temporary staff). These were offset principally by lower than budgeted contributions to PCT funds (related to lower than expected income).

Comparison to 2013–14 actual expenditure

Total expenditure was \$0.287 million, or 5.3 percent higher than the 2013–14 actual result. This principally related to higher costs for employee expenses and supplies and services due principally to higher cost of accounting services and water for irrigation of new lawns.

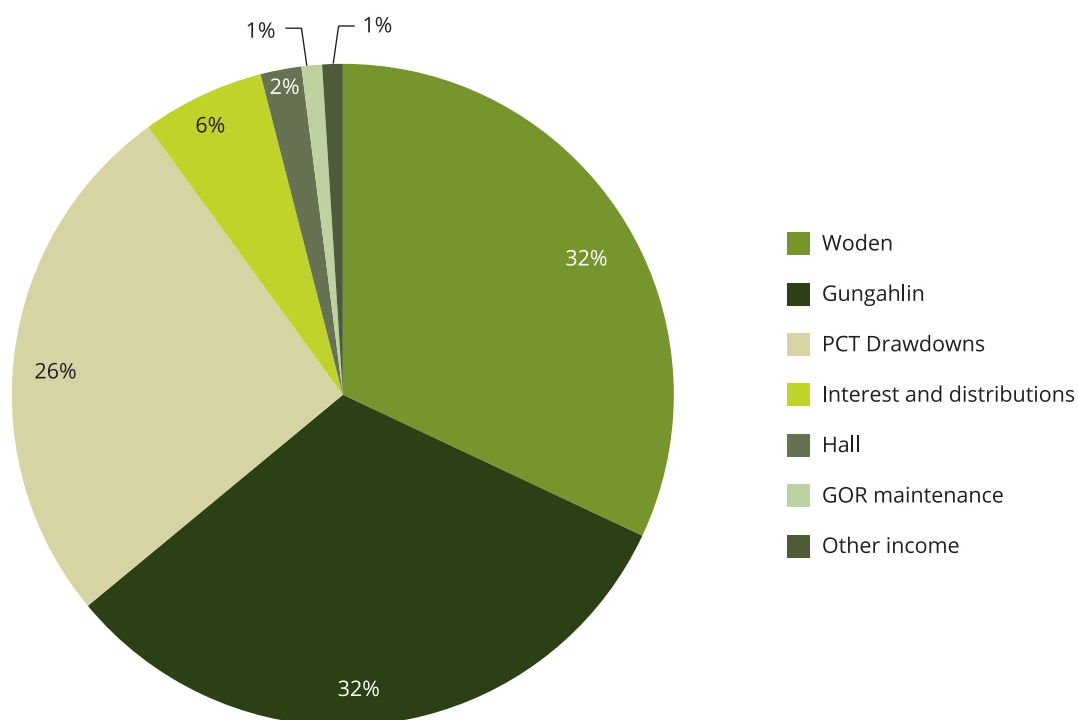
Future trends

It is expected that expenses will continue to rise annually in the short term, by approximately the Consumer Price Index. It is expected that in the short term cost of sales will increase by above CPI due to the planned installation of a number of new burial areas.

Components of income

Figure 4 indicates that for the period to 30 June 2015 the Authority received 92 percent of its total income of \$4.551 million from user charges – Non ACT Government. This comprises income from the sale of allotments and burial services to the ACT community in 2014–15 (66 percent) and drawdowns from Perpetual Care Trust (26 percent). These drawdowns are calculated using the model provided by the ACT Government for this purpose. The majority of the remainder of the Authority's income is derived from interest from investments.

Figure 4: Components of income at 30 June 2015



Note: Income for Woden, Gungahlin and Hall cemeteries is from fees described above and reported under User Charges Non-ACT Government.

Comparison to budget

Total income for the period ending 30 June 2015 was \$4.551 million, which including PCT drawdowns, was \$1.271 million lower than the 2014–15 budget of \$5.822 million. Revenue from user charges non ACT Government was below budget by 11 percent principally due a delay in the completion of the extension to the Mausoleum at Woden Cemetery and therefore unrealised sales. The total of other revenue for the period ending 30 June 2015 including earnings from investments and drawdown from Perpetual Care Trusts was below budget by 37 percent. This principally related to lower interest rates and lower principal invested resulting in lower returns and lower PCT drawdowns due to a change in the method of calculating drawdowns from PCT funds.

Comparison to 2013–14 actual income

Total income at 30 June 2015 was \$0.253 million, or 5.2 percent lower than the 2013–14 actual result. This principally represented a 70 percent decrease in other revenue which is 2013–14 resulted from an insurance claim reimbursement.

Future trends

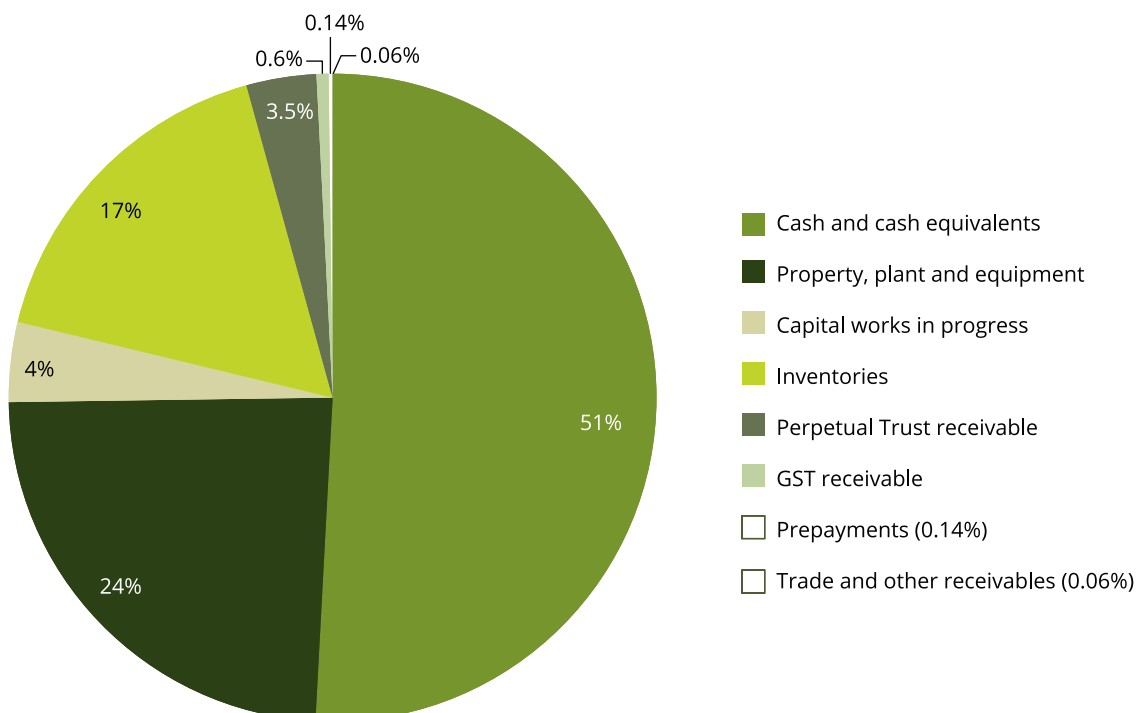
Total income for 2015–16 is budgeted to increase by 21 percent compared to 2014–15 due to increased fees driven by the need to increase revenue to meet perpetual care needs and sales of new mausoleum crypts. This will be assessed annually as it is assumed for this calculation that there will be similar numbers of burials in future.

Financial position

Components of total assets

Figure 5 below indicates that for the financial period ended 30 June 2015, the Authority held 24 percent of its assets in property, plant and equipment and 50 percent in Cash and Cash Equivalents.

Figure 5: Total assets breakdown at 30 June 2015



Note: Inventories and Cash occur in both Current Assets and Non Current Assets

Comparison to budget

The total asset position at 30 June 2015 is \$15.595 million which is 3 percent below the budgeted position of \$16,075 million. When the net effect of the movement of cash to plant property and equipment is taken into account this principally reflects the change of a receivable from PCT funds to a payable from PCT funds for amounts overdrawn in prior periods.

Comparison to 2013–14 actuals

The Authority's total asset position is consistent with the 2013-14 actual result of \$15.658 million.

Liquidity

'Liquidity' is the ability of the Authority to satisfy its short term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund short term liabilities from short-term assets. A ratio of less than 1-to-1 may indicate a reliance on the next financial year's user charges – non ACT Government to meet short-term debts. Table 6 indicates the liquidity position of the Authority.

Table 6: Current ratio of assets over liabilities

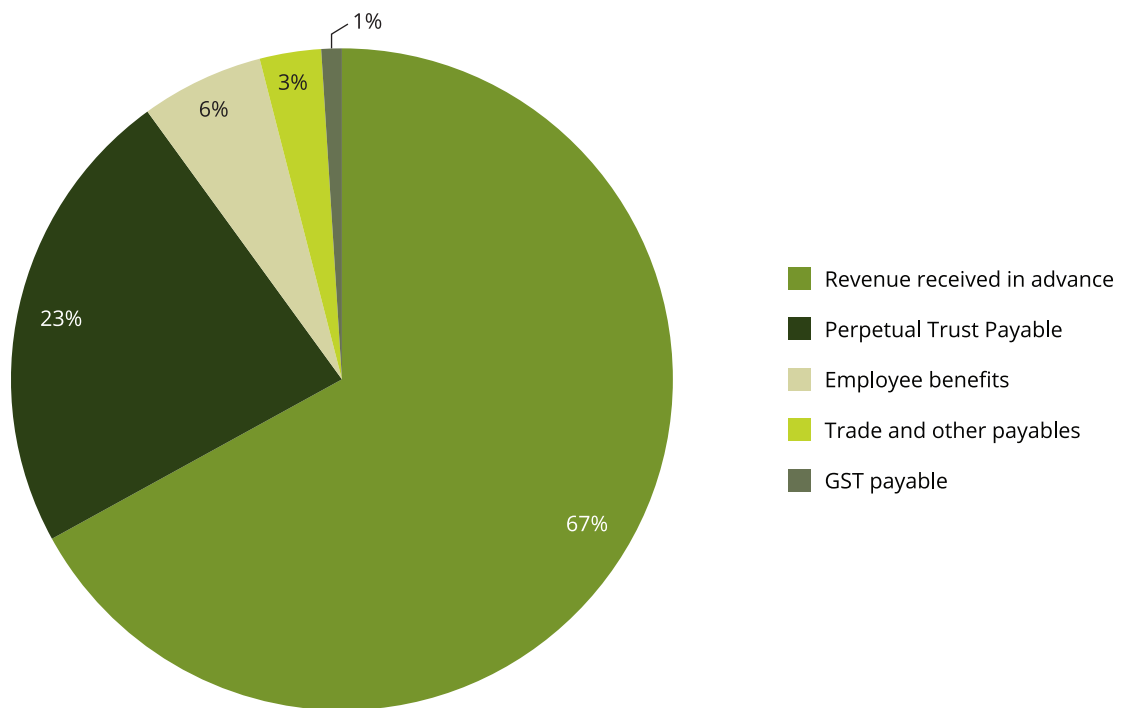
Description	Prior Year Actual \$'000s 2013–14	Current Year Budget \$'000s 2014–15	Current Year Actual \$'000s 2014–15	Forward Year Budget \$'000s 2015–16	Forward Year Budget \$'000s 2016–17	Forward Year Budget \$'000s 2017–18
Current Assets	9,310	7,219	8,590	6,431	6,273	6,288
Current Liabilities	7,976	6,960	9,064	5,662	5,674	5,686
Current Ratio	1.17	1.04	0.95	1.14	1.11	1.11

The Authority's current ratio for the financial year to 30 June 2015 is 0.95, which is below budget. This is caused by liabilities increasing at a rate higher than assets, due mainly to amounts payable to PCT's for amounts overdrawn on prior periods.

Total liabilities

Figure 6 indicates that the majority of the Authority's liabilities relate to fees received in advance (67 percent). A significant component is the PCT payable which has accrued due to the changes to calculating PCT drawdown amounts in the current and prior years.

Figure 6: Total liabilities breakdown at 30 June 2015



The Authority's liabilities for the period ended 30 June 2015 of \$9.154 million is above budget by 30 percent, which principally reflects the addition of the PCT payable.

Total liabilities are \$1.123 million higher than the 2014 actual results of \$8.031 million which reflects higher payables to the PCT's as a result of the changes to calculate drawdowns previously discussed and an increase in Revenue in Advance which reflects strong reservation sales consistent with previous years.



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

REPORT OF FACTUAL FINDINGS ACT PUBLIC CEMETERIES AUTHORITY

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the ACT Public Cemeteries Authority (the Authority) for the year ended 30 June 2015 has been reviewed.

Responsibility for the statement of performance

The Governing Board is responsible for the preparation and fair presentation of the statement of performance of the Authority in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures used to measure the results reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, I am responsible for providing a report of factual findings on the statement of performance.

This review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Authority, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets.

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No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

Electronic presentation of the statement of performance

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from this statement. If users of the statement of performance are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Authority for the year ended 30 June 2015, are not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.



Malcolm Prentice
Acting Director, Financial Audits
14 September 2015

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2015**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Authority's records and fairly reflects the service performance of the Authority for the year ended 30 June 2015 and also fairly reflects the judgements exercised in preparing it.



Diane Kargas AM
Chair
ACT Public Cemeteries Authority
8 September 2015

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2015**

NON-FINANCIAL ACCOUNTABILITY INDICATORS

Statement of Intent Accountability Indicators	Original Target 2014-15	Actual Result 2014-15	% Variance from Original Target	Explanation of Material Variances
a) Number of clients choosing to do business with Canberra Cemeteries, proportional to the number of deaths annually (ACT)	35%	34%	-3%	-
b) Level of client and stakeholder satisfaction with Canberra Cemeteries	98%	94%	-4%	-
c) Level of unsatisfied clients and stakeholders matters resolved by Canberra Cemeteries' operations	100%	100%	-	-

The above Statement of Performance should be read in conjunction with the accompanying notes.

Explanation of Accountability Indicators

- a) Death statistics are sourced and extrapolated from the Australian Bureau of Statistics (3101.0 Australian Demographic Statistics, December 2014- released June 2015). The annual number of deaths is calculated using the number average of deaths in the previous three years. The number of clients choosing to do business with Canberra Cemeteries is actual numbers of burials for the year ending 30 June 2015. Please see Attachment 1 for more detail and breakdown of burial statistics.
- b) Level of client satisfaction is obtained by conducting a survey of funeral directors who regularly access Canberra Cemeteries and supported by a post burial satisfaction survey provided to all willing clients.

The survey to funeral directors asks them to provide an overall assessment of Canberra Cemeteries' performance as a percentage. An average score is calculated from the responses. All five local funeral directors provided a response although one chose not to provide comments.

The post burial survey is sent to families following each burial on an opt-out basis. Surveys are not sent to those who do not wish to take part. Surveys comprise five questions covering customer service, burial arrangements and cemetery presentation in a five tier rating format. Only "top two" (good and excellent) responses count towards "satisfaction". An average score is calculated from the responses. 21 responses were received from 460 surveys sent out. A low response rate is normal due the very difficult emotional circumstances for families. The response rate was consistent with last year. For 2014-15 an average 94% of responses were good or excellent. While this is not used to calculate the measure due to low response rate, it does support the funeral directors assessment.

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2015**

- c) Details are extracted from a computerised customer service system which is used to manage and track the progress of action taken to remedy issues. This includes follow up with complainants where required.

FINANCIAL ACCOUNTABILITY INDICATORS

	Original Target 2014-15	Actual Result 2014-15	% Variance from Original Target	Explanation of Material Variances
Profitability				
- Return on Assets	2.0%	-7.6%	(480.0)	1
- Return on Equity	3.5%	-18.4%	(625.7)	2
Liquidity				
- Current Ratio	1.1	0.9	(18.2)	3
- Cash Position	0.4	0.5	25.0	4
Financial Stability				
- Capital Ratio	0.8	1.3	75.0	5

Explanation of Accountability Indicator

Return on Assets	=	Operating surplus/Total assets
Return on Equity	=	Operating surplus /Total equity
Current Ratio	=	Current assets/Current liabilities
Cash Position	=	Cash + current investments/Total assets
Capital Ratio	=	Total liabilities/Total equity capital

Explanation of Material Variances

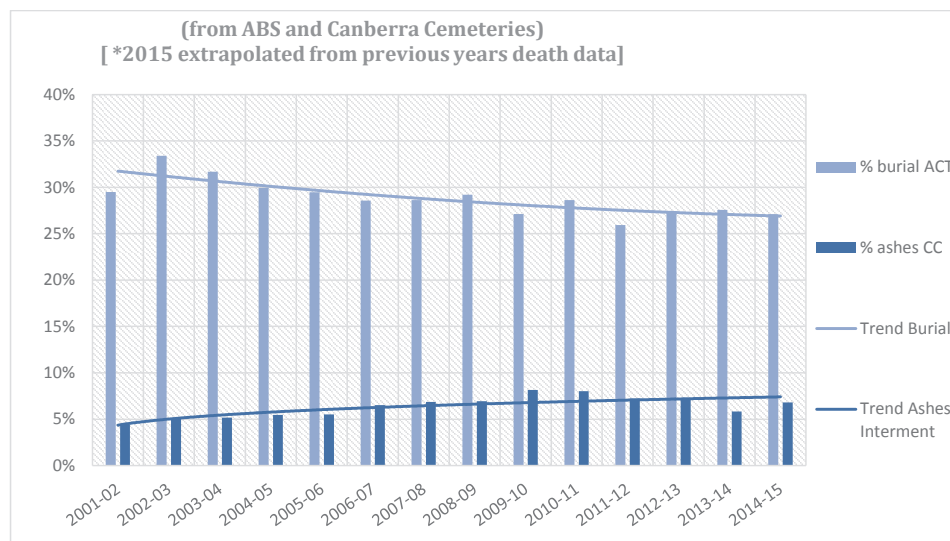
- Return on Assets was lower due to an unbudgeted deficit in the Authorities operating result. During the year the Authority clarified the basis of reimbursing maintenance costs from the Perpetual Care Trust funds (PCTs), which resulted in a cap being applied to the amount available. This cap has affected the operating result as maintenance expenses have exceeded the amount available for reimbursement from the PCTs.
- Return on Equity was lower due to a combination of the current year maintenance costs exceeding reimbursements from PCTs (see explanation 1) and a restatement of prior year's reimbursements from the PCTs to take into account the cap on amounts available for reimbursement.
- The current ratio was lower due to an unbudgeted increase in current liabilities. This was due to increased payables to PCTs resulting from prior year adjustments (see explanation 2).
- The cash position is higher than the budgeted figure due to the increase in cash from withdrawal of non-current investments from the Territory Bank Account portfolio and lower than budgeted assets due to a delay in construction of the Mausoleum.
- Capital ratio increased significantly due to a decrease in total equity. This was due to the prior year adjustments for the reimbursements between the Authority and PCT's (see explanation 2), the decrease in cash and investments during the 2015 financial year has also contributed to this variance.

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2015**

ATTACHMENT 1: Additional Burial Statistics

The following data and commentary is based on statistics collected by Canberra Cemeteries of its interments. In some cases this is related to data provided by the Australian Bureau of Statistics (ABS) for the ACT.

GRAPH 1 PERCENTAGE OF PATRONS CHOOSING BURIAL IN THE ACT OVER TIME

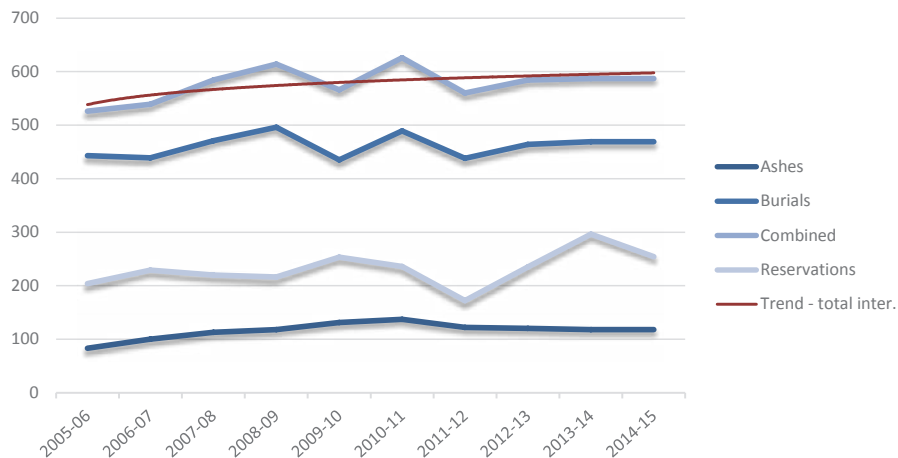


The graph clearly shows a steady increase in preference for cremation over burial in the ACT community. Over the last 20 years, there has been an average fall of about one half of one percent per annum in the number of burials compared to the number of deaths¹ in the ACT. The increase in the rate of interment of cremated remains at Canberra Cemeteries does not mirror this change. It increases by half that rate principally because cremations are held elsewhere and the remains, if interred, usually stay at the place of cremation. Anecdotally this trend matches the current industry trend towards cremation.

¹ Full year 2014-15 extrapolated from ABS pub. 3101.0 Australian Demographic Statistics, December Quarter 2014 – released June 2015

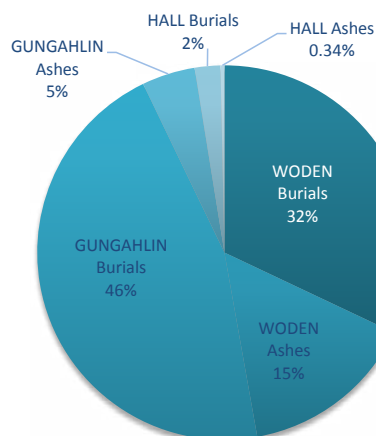
**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2015**

GRAPH 2 COMPARISON OF INTERMENTS AND RESERVATIONS OVER TIME



In recent years there has generally been a rise in the total number of interments conducted by the Authority. This usually comprised a general increase in the number of ashes interments and a varying number of burials. The last five years have seen burial numbers vary considerably while ashes interment has generally continued to increase.

GRAPH 3 INTERMENT DISTRIBUTION 2014-15



**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2015**

The choices the community makes in the type and style of interment are very important for the Authority in short and medium-term planning and will have an impact on the options that may be offered, not only in current cemeteries but also in the new Southern Memorial Park when built.

While Gungahlin Cemetery and Woden Cemetery have similar total numbers of interment, Gungahlin has the majority of burials and Woden the majority of ashes

Capital Works

The Authority is a self-funding statutory body and the majority of capital works are carried out by the Authority and funded in-house. All procurement activity with a value of over \$5,000 is approved by the Board.

During the year, the Authority invested \$2.68 million (including staff costs) in its capital expenditure program and performed significant planning and preparation for works to be carried out in 2015–16.

The Authority works closely with Procurement and Capital Works, CMTEED and TAMS to deliver its projects.

Table 7: Major completed projects

Description	Original value \$000	Prior year expenditure \$000	2014–15 expenditure \$000	Total expenditure \$000	Estimated completion date	Practical completion date
Granite stabilisation portion 1 Woden	40	0	30	30	Dec 15	Oct 15
Road works Woden & Gungahlin	150	0	151	151	Dec 14	Nov 14
Babies' garden Woden	50	0	41	41	Dec 14	Oct 14
Woden storage shed	105	30	90	120	June 14	Nov 14
Orthodox portion 24 Gungahlin	80	0	74	74	June 15	Feb 15
Irrigation upgrades (Woden & Gungahlin)	100	0	60	60	June 15	Feb 15
New lawn burial area Gungahlin Portion 18	50	0	139#	139	June 15	March 15
Site water management improvements Gungahlin stage 1	150	0	73	73	June 15	Feb 15

There was a significant change in scope post approval with expansion to include children's garden and babies' rose garden. Funds were redirected from saving on other concurrent projects and there was no net additional expenditure.

Table 8: New works still in progress

Description	Original value \$000	Expenditure at 30 June 2015 \$000	Estimated completion date	Revised completion date
Woden Cemetery mausoleum extension	2,500	2,000	June 15	Sept 15
Ashes garden portion 23 Gungahlin	10	0	June 15	Sept 15
Gungahlin office expansion	750	6	Oct 15	Nov 15
Site water management improvements Gungahlin stage 2	250	3	Sept 14	Sept 14
Woden Cemetery extension	500	14	June 17	June 17

Asset Management

We manage assets at Gungahlin, Woden and Hall cemeteries. All assets were re-valued in June 2014 against the 'Fair Value' model in accordance with the requirements of the Australian Accounting Standard AASB 116 plant property and equipment and the Australian Accounting Standard AASB 140 Investment Property. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. Assets were also valued at replacement cost.

The Authority managed land assets with a total replacement value of \$11,386,144 million at February 2015. We also maintain a number of owned and gifted assets including critical assets such as roads.

Table 9: Major assets held in the Authority's assets inventory at 30 June 2015

Asset group	Measure
Buildings	6
Burial grounds/cemeteries	3
Total land	56 hectares
Parks and manicured landscapes including burial areas	43 hectares
Undeveloped land	13 hectares
Fences	7 kilometres
Information technology	\$200,000
Mausoleum (304 crypts)	1
Plant—equipment—vehicles	\$1 million
Roads and paving	4.3 kilometres
Walls of remembrance	2 locations

Table 10: Major assets added to the Authority's asset register 2014–15

Asset	Value \$
Motor vehicles x 2	63,487

No major assets were removed from the Authority's asset register in 2014–15.

Asset strategy

The cemeteries managed by the Authority contain significant landscaping, cemetery specific structures, and various buildings including two residential cottages and office accommodation. Other assets include plant and equipment, information technology, and business processes that enable the day-to-day operation of the cemeteries.

It is our policy to maintain the landscape to a standard which meets the expectations of exclusive right holders and visitors and assets will be maintained in a manner that is consistent with their purpose and age.

The Authority uses several strategies to achieve defined targets for asset management, including improving sustainability through energy efficiency measures in landscape management and office buildings.

Management of Canberra Cemeteries' assets is guided by a Strategic Asset Management Plan (SAMP), which was completed in June 2013.

The SAMP is a reference document for the financial and operational asset management of all asset groups owned and managed by the Authority. The SAMP includes asset data and its financial aspects at 30 June 2013. The triennial plan is reviewed in accordance with the TAMS Strategic Asset Management Framework on an annual basis to assess strategic directions and progress against planned activities; however, the data underpinning the plan is only reviewed in detail every three years.

The SAMP details the current and expected levels of service for the delivery of maintenance services and capital works programs. The expected levels of services are determined by careful and thorough analysis of community surveys, public feedback, complaints data and the budget available to the Authority. These are governing factors for defining the targeted level of services Canberra Cemeteries plans to provide to the community for the next five to ten years.

The SAMP outlines the population trends in the ACT to determine the future demand for assets for a period of 10 years. The population trends are provided by the ACT Government Demographer in the Chief Minister, Treasury and Economic Development Directorate and Australian Bureau of Statistics and reflect the latest census data published by Australian Bureau of Statistics.

This SAMP also reports on a detailed lifecycle management of all critical asset groups and the budget required to maintain these assets at operational levels that meet relevant Australian national standards. The lifecycle management process adopted in this report optimises the budgetary requirements of an asset against its use and performance throughout its design life. The process also assists in long term maintenance planning for critical assets with clear and concise recommendations and advice on regular maintenance frequencies to avoid major maintenance upgrades and additional funding requests.

Risk is defined as the likelihood of any event that can impair or stop the desired operations or performance of an asset. To profile all the risks related to asset management processes, we have developed a Risk Register to identify, mitigate and manage the risks that are likely to occur in the day-to-day operations of Canberra Cemeteries. The register includes corporate, strategic, operational and asset management risks in addition to information on the risk ownership and person responsible to manage the risk.

The SAMP includes a detailed improvement plan for all Authority business assets. It discusses the current business processes, contracting procedures, information technology systems, financial management systems and methods for valuation of assets. The improvement plan has been developed in consultation with senior managers and contains the suggestions, recommendations, improvement activities, required resources and budget to achieve the business improvement target the Authority has laid down for the next five years.

Assets maintenance and upgrade

Our target is to maintain all fixed assets to a 'Good' level, the standard required to deliver appropriate services. Revenue generated from cemetery operations should meet all operating and maintenance expenses (including contributions to PCT funds). This is achieved by charging appropriate fees.

Maintenance is carried out on an as needs basis with major work being done within budgetary constraints. Preventative maintenance programs are in place to ensure that ongoing maintenance costs are minimised and service delivery maximised.

During the year, \$441,000 was invested in asset upgrades, principally for road works, building extensions, irrigation and water management. A further \$12,442 was invested in repairs and maintenance of buildings.

Audits are conducted on an ongoing basis. Building Code of Australia compliance audits for all building and valuations on an 'all of cemetery' basis are carried out every five years to ensure all properties are maintained to the appropriate standard.

The Authority employed seven full-time equivalent (FTE) office based staff in one location at Gungahlin Cemetery occupying 70 square metres. The average area occupied by each employee is 10 square metres. As a small agency there is additional space required for file storage, reception, conference room and staff amenities.

A further 10 (FTE) staff are employed in non-office environments). Three staff are normally based at the Woden Cemetery and seven at the Gungahlin Cemetery.

The Authority is working with other ACT Government directorates to deal with asbestos issues and all outdoor staff attended asbestos awareness training in 2014-15.

Government Contracting

The Authority maintains a preferred supplier register and uses a number of small contractors for specialist services that in-house staff cannot provide. A full breakdown of expenditure is available in the financial statements.

All procurement conformed to the *Government Procurement Act 2001*, Government Procurement Regulation 2007 and guidelines for partnering with Procurement and Capital Works, CMTEDD.

Financial Statements

The background of the slide is composed of several large, overlapping triangles in various shades of green (olive, forest, and light sage) and white. The triangles are arranged in a dynamic, non-representational pattern, creating a modern and clean aesthetic.



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDIT REPORT ACT PUBLIC CEMETERIES AUTHORITY

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the ACT Public Cemeteries Authority (the Authority) for the year ended 30 June 2015 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

Responsibility for the financial statements

The Governing Board of the Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements of the Authority.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

Level 4, 11 Moore Street Canberra City ACT 2601 PO Box 275 Civic Square ACT 2608
T 02 6207 0833 F 02 6207 0826 E actauditorgeneral@act.gov.au W www.audit.act.gov.au

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or to evaluate the prudence of decisions made by the Authority.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements of the Authority for the year ended 30 June 2015:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Authority as at 30 June 2015 and results of its operations and cash flows for the year then ended.

The audit opinion should be read in conjunction with other information disclosed in this report.



Malcolm Prentice
Acting Director, Financial Audits
1 September 2015

ACT PUBLIC CEMETERIES AUTHORITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

**ACT PUBLIC CEMETERIES AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Authority's accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2015 and the financial position of the Authority on that date.

D. F. Kargas

Diane Kargas AM
Chairperson
ACT Public Cemeteries Authority
27 August 2015

**ACT PUBLIC CEMETERIES AUTHORITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Statement by the Chief Executive Officer

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Authority's accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2015 and the financial position of the Authority on that date.



Hamish Horne
Chief Executive Officer
ACT Public Cemeteries Authority
27 August 2015

ACT PUBLIC CEMETERIES AUTHORITY

OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Actual 2015 \$	Original Budget 2015 \$	Restated Actual 2014 \$
Income				
<i>Revenue</i>				
User Charges - Non-ACT Government	5	3,020,037	3,397,000	3,055,211
Interest	6	289,890	363,000	300,488
Distribution from Investments with Territory Banking Account	7	-	63,000	36,198
Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	8	1,162,992	-	1,178,400
Other Revenue	9	68,199	1,952,000	226,677
Total Revenue		4,541,118	5,775,000	4,796,974
Gains				
Other Gains	10	9,979	47,000	6,790
Total Gains		9,979	47,000	6,790
Total Income		4,551,097	5,822,000	4,803,764
Employee Expenses	11	1,545,630	1,308,000	1,265,658
Superannuation Expenses	12	109,479	150,000	101,680
Supplies and Services	13	1,197,749	944,000	1,089,109
Depreciation and Amortisation	14	454,711	415,000	383,114
Cost of Sales	15	461,730	226,000	433,478
Revenue Transferred to the Perpetual Care Trusts	16	1,961,875	-	1,979,460
Other Expenses	17	5,746	2,462,000	197,201
Total Expenses		5,736,920	5,505,000	5,449,700
Operating (Deficit)/Surplus		(1,185,823)	317,000	(645,936)
Other comprehensive income, net of income tax				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus	31	-	-	489,950
Total Other Comprehensive Surplus		-	-	489,950
Total Comprehensive (Deficit)/Income		(1,185,823)	317,000	(155,986)

The accompanying notes form part of these financial statements.

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ACT PUBLIC CEMETERIES AUTHORITY

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	Actual 2015 \$	Original Budget 2015 \$	Restated Actual 2014 \$	Restated Actual 2013 \$
Current Assets					
Cash and Cash Equivalents	20	7,913,049	6,123,000	8,574,510	9,055,809
Receivables	21	637,030	1,050,000	700,739	142,788
Inventories	23	18,103	28,000	20,536	28,455
Other Assets	27	21,362	18,000	14,163	16,703
Total Current Assets		8,589,544	7,219,000	9,309,948	9,243,755
Non-Current Assets					
Receivables	21	-	400,000	-	-
Investments	22	-	1,147,000	1,061,740	1,054,950
Inventories	23	2,573,791	1,045,000	1,145,725	1,119,634
Property, Plant and Equipment	24	3,741,619	2,420,000	3,368,945	2,732,808
Intangible Assets	25	45,732	103,000	60,066	52,681
Capital Works in Progress	26	644,491	3,741,000	711,779	363,852
Total Non-Current Assets		7,005,633	8,856,000	6,348,255	5,323,925
Total Assets		15,595,177	16,075,000	15,658,203	14,567,680
Current Liabilities					
Payables	28	2,467,148	1,268,000	1,971,519	1,581,280
Employee Benefits	29	435,252	414,000	413,839	350,265
Revenue Received in Advance	30	6,161,297	5,278,000	5,590,628	5,083,004
Total Current Liabilities		9,063,697	6,960,000	7,975,986	7,014,549
Non-Current Liabilities					
Employee Benefits	29	90,244	51,000	55,158	51,460
Total Non-Current Liabilities		90,244	51,000	55,158	51,460
Total Liabilities		9,153,941	7,011,000	8,031,144	7,066,009
Net Assets		6,441,236	9,064,000	7,627,059	7,501,671
Equity					
Accumulated Funds		4,908,424	8,021,000	6,094,247	6,458,809
Asset Revaluation Surplus	31	1,532,812	1,043,000	1,532,812	1,042,862
Total Equity		6,441,236	9,064,000	7,627,059	7,501,671

The accompanying notes form part of these financial statements.

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ACT PUBLIC CEMETERIES AUTHORITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated Surplus Actual \$	Asset Revaluation Surplus Actual \$	Total Equity Actual \$	Original Budget \$
Balance at 1 July 2014		6,094,247	1,532,812	7,627,059	8,747,000
Comprehensive Income					
Operating (Deficit)/Surplus		(1,185,823)	-	(1,185,823)	317,000
Increase in the Asset Revaluation Surplus		-	-	-	-
Total Comprehensive Income		<u>(1,185,823)</u>	<u>-</u>	<u>(1,185,823)</u>	<u>317,000</u>
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections		-	-	-	-
Total Transactions Involving Owners Affecting Accumulated Funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2015		<u>4,908,424</u>	<u>1,532,812</u>	<u>6,441,236</u>	<u>9,064,000</u>

The accompanying notes form part of these financial statements.

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ACT PUBLIC CEMETERIES AUTHORITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated Surplus Actual \$	Asset Revaluation Surplus Actual \$	Total Equity Actual \$
Balance at 1 July 2013		7,664,564	1,042,862	8,707,426
Net Effect of Correction of Prior Period Errors	4	(1,205,755)	-	(1,205,755)
Balance at 1 July 2013 - restated		6,458,809	1,042,862	7,501,671
Comprehensive Income				
Operating (Deficit)		(645,936)	-	(645,936)
Increase in the Asset Revaluation Surplus		-	489,950	489,950
Total Comprehensive Income		(645,936)	489,950	(155,986)
Transactions Involving Owners Affecting Accumulated Funds				
Capital Injections		281,374	-	281,374
Total Transactions Involving Owners Affecting Accumulated Funds		281,374	-	281,374
Balance at 30 June 2014		6,094,247	1,532,812	7,627,059

The accompanying notes form part of these financial statements.

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ACT PUBLIC CEMETERIES AUTHORITY

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Actual 2015 \$	Original Budget 2015 \$	Actual 2014 \$
Cash Flows from Operating Activities				
Receipts				
User Charges – Non-ACT Government		3,629,755	5,181,000	3,569,183
Reimbursement of Maintenance and Related Expenditure from Perpetual Care Trusts:				
Gungahlin Cemetery Perpetual Care Trust		669,526	-	438,623
Hall Cemetery Perpetual Care Trust		58,331	-	3,919
Woden Cemetery Perpetual Care Trust		917,325	-	908,557
Woden Mausoleum Perpetual Care Trust		7,658	-	5,173
Interest and Distributions Received		332,746	426,000	319,321
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		375,192	-	62,373
Goods and Services Tax Collected from Customers		364,656	-	138,399
Other		68,198	501,000	243,935
Total Receipts from Operating Activities		6,423,387	6,108,000	5,689,483
Payments				
Transferred to Perpetual Care Trusts:				
Gungahlin Cemetery Perpetual Care Trust		917,658	-	945,288
Hall Cemetery Perpetual Care Trust		83,167	-	53,983
Woden Cemetery Perpetual Care Trust		1,003,778	-	633,148
Woden Mausoleum Perpetual Care Trust		-	-	739,283
Employees		1,489,132	1,277,000	1,199,823
Superannuation		109,479	150,000	100,243
Supplies and Services		1,139,937	939,000	1,033,237
Cost of Sales		1,887,364	-	425,559
Goods and Services Tax remitted to the Australian Taxation Office		371,814	-	130,321
Goods and Services Tax paid to Suppliers		402,731	-	68,760
Other		-	3,102,000	229,266
Total Payments from Operating Activities		7,405,060	5,468,000	5,558,911
Net Cash (Outflows)/Inflows from Operating Activities	33	(981,673)	640,000	130,572

The accompanying notes form part of these financial statements.

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ACT PUBLIC CEMETERIES AUTHORITY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

Cash Flows from Investing Activities

Receipts

Proceeds from the Sale of Property, Plant and Equipment		31,818	-	10,000
Proceeds from Maturity of Investments		1,071,719	-	-
Total Receipts from Investing Activities		1,103,537	-	10,000

Payments

Payments for Property, Plant and Equipment		123,279	3,355,000	555,318
Payments for Capital Works in Progress	26	660,046	-	347,927
Total Payments from Investing Activities		783,325	3,355,000	903,245

Net Cash Inflows/(Outflows) from Investing Activities

320,212	(3,355,000)	(893,245)
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Cash Flows from Financing Activities

Receipts

Capital Injections		-	-	281,374
Total Receipts from Financing Activities		-	-	281,374

Net (Decrease) in Cash and Cash Equivalents

(661,461)	(2,715,000)	(481,299)
------------------	--------------------	------------------

Cash and Cash Equivalents at the Beginning of the Year

8,574,510	8,838,000	9,055,809
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Cash and Cash Equivalents at the End of the Year

33

7,913,049	6,123,000	8,574,510
------------------	------------------	------------------

The accompanying notes form part of these financial statements.

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ACT PUBLIC CEMETERIES AUTHORITY

STATEMENT OF APPROPRIATION
FOR THE YEAR ENDED 30 JUNE 2015

	Original Budget 2015 \$	Total Appropriated 2015 \$	Appropriation Drawn 2015 \$	Appropriation Drawn 2014 \$
Capital Injections ^a	-	-	-	281,374
Total Appropriation	-	-	-	281,374

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the Statement of Intent. This amount also appears in the Cash Flow Statement.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Authority during the year. This amount appears in the Cash Flow Statement.

Capital Injections

Appropriations are drawn to the extent the Authority has incurred expenditure on the Southern Cemetery Project.

- a) These funds were the Southern Cemetery Planning project appropriation balance available from 2012-13 statement of intent drawn down in 2013-14. No capital injections were received in 2014-15.

ACT PUBLIC CEMETERIES AUTHORITY
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FOR THE YEAR ENDED 30 JUNE 2015

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ACT PUBLIC CEMETERIES AUTHORITY

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ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 OBJECTIVES OF ACT PUBLIC CEMETERIES AUTHORITY

Operations and Principal Activities

The ACT Public Cemeteries Authority (the Authority) is a Territory Authority that was established on 27 September 2003 by the *Cemeteries and Crematoria Act 2003 (the Act)*. It manages and operates public cemeteries in the ACT at Gungahlin, Woden, Hall, and the Woden Mausoleum. The Authority aims to operate the cemeteries sustainably and on a user pays principle, and to minimise the cost to the ACT Government and community.

The Authority aims to provide a wide range of burial options in Gungahlin and Woden cemeteries to meet the needs of cultural groups that use the cemetery services. This includes encouraging the placement of ashes in specific areas or family graves. The Authority also actively promotes the pre-purchase of cemetery services, which allows for people to arrange their affairs prior to death.

Perpetual Care Trust Arrangements

Perpetual Care Trusts have been established for the Gungahlin Cemetery, Woden Cemetery, Woden Mausoleum and Hall Cemetery in accordance with section 9 of the Act. Each Perpetual Care Trust is established for the maintenance of the cemetery or mausoleum. The Public Trustee is the trustee of each Perpetual Care Trust and the Authority is responsible for their management. The Authority is required to provide to each Trust a percentage of the revenue for each burial, interment of ashes or memorialisation (the Perpetual Care Trust percentage) in accordance with the Minister's determination. The Authority is also required to spend perpetual care funds of each Trust for maintenance of each cemetery or mausoleum in accordance with the Act.

The Perpetual Care Trust percentages have been determined on a 'full cost' basis – they allow for not only the direct maintenance costs but also the proportion of indirect overhead and other costs reasonably associated with the management of maintenance. The Authority has accounted for each Trust consistently with this full cost basis. In particular:

- a the amounts recognised as indirect expenditure in relation to each Trust have been based on the Perpetual Care Trust percentages; and
- b revenue recognised in relation to reimbursement of maintenance and related expenditure from each Trust is based on direct expenditure incurred by ground staff and direct costs plus a percentage of indirect expenditure allocated based on revenue.

In 2006, a change was made to the Perpetual Care Trust arrangements that required the Perpetual Care Trusts to each have a reserve for future maintenance and related expenditure. On 3 August 2011, the allocated funding of the reserves became Ministerially determined by way of reserve percentages. In addition to the determination of reserve percentages, the Minister also determined a separate trust should be created for the Woden Mausoleum. The creation of the Woden Mausoleum Perpetual Care Trust was implemented on 1 July 2013.

In accordance with section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister for the four Trusts are:

Trust	Perpetual Care Trust Amount	Perpetual Care Trust Reserve Amount
Gungahlin Cemetery	44.9%	16.9%
Woden Cemetery	33.8%	33.0%
Woden Mausoleum	13.4%	60.3%
Hall Cemetery	11.3%	76.2%

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The *Financial Management Act 1996* requires the preparation of annual financial statements for Territory Authorities.

The *Financial Management Act* and the *Financial Management Guidelines* issued under the Act, requires that a Territory Authority's financial statements include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Cash Flow Statement for the year;
- (v) a Statement of Appropriation for the year;
- (vi) a summary of the significant accounting policies adopted for the year; and
- (vii) such other statements as are necessary to fairly reflect the financial operations of the Territory Authority during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the *Financial Management Act 1996*. The financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for assets such as those included in property, plant and equipment and financial instruments which were valued at fair value in accordance with the (re)valuation policies applicable to the Authority during the reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using the market approach, the cost approach or the income approach valuation techniques as appropriate. In estimating the fair value of an asset or liability, the Authority takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

The above approach to fair value measurement does not apply to measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 Inventories or value in use in AASB 136 Impairment of Assets.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

For disclosure purposes fair value measurements are categorised into Level 1, 2 or 3 based on the extent to which the inputs to the valuation techniques are observable and the significance of the inputs to the fair value measurement in its entirety. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs) that are unobservable for particular assets or liabilities.

These financial statements are presented in Australian dollars, which is the Authority's functional currency.

The Authority is an individual reporting entity.

(b) The Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Authority for the year ending 30 June 2015 together with the financial position of the Authority as at 30 June 2015.

(c) Comparative Figures

Budget Figures

The *Financial Management Act 1996* requires the financial statements to facilitate a comparison with the Statement of Intent. The budget numbers are as per the Statement of Intent.

Prior Year Comparatives

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the authority retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, the nature, amount and reason is provided.

(d) Rounding

All amounts in the financial statements have been rounded to the nearest dollar. Use of "-" represents zero amounts or amounts rounded down to zero.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

User Charges – Non ACT Government – Fees and Sales

Revenue from the sale of goods is generally separated into four types; allotment, maintenance, burial and sales of plaques and monuments. Allotment and maintenance income is recognised immediately when an allotment is paid for, burial income is recognised when the burial takes place, the sale of plaques income is recognised when an order is placed and the sale of monuments or monumental permits are recognised when construction is commenced.

Interest

Interest is recognised using the effective interest method.

Distributions

Distribution revenue is received from investments with the Territory Banking Account. This is recognised on an accrual basis.

Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts

The Authority draws funds from the Perpetual Care Trusts to reimburse for expenditure it incurs in the maintenance of the burial and allotment sites. The Authority is reimbursed on a full cost basis as described in Note 1: Perpetual Care Trust Arrangements, limited by the amount of revenue transferred to each Perpetual Care Trust for the current year.

Revenue Received in Advance

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all funds are recorded as revenue.

Garden of Remembrance

Revenue is received monthly from the Office of Australian War Graves under a contractual agreement to reimburse the cost of maintenance incurred for maintaining the site.

Rendering of services

Revenue from the rendering of services is recognised when the stage of completion of the transaction at the reporting date can be measured reliably and the costs of rendering those services can be measured reliably.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Repairs and Maintenance

The Authority undertakes cyclical maintenance on its infrastructure, buildings and plant and equipment. Where the maintenance leads to an upgrade of the asset and an increase in the service potential of the existing asset, the cost is capitalised. Maintenance expenses which do not increase the service potential of the asset are expensed.

(g) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

(h) Impairment of Assets

The Authority assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses for property, plant and equipment are recognised as a decrease in the available balance in the Asset Revaluation Surplus relating to these classes of assets. Where the impairment loss is greater than the available balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Also, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of 'fair value less costs of disposal' and its 'value in use'. An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced if the Authority were deprived of it. Non-financial assets, which have previously been impaired, are reviewed for the possible reversal of impairment at each reporting date.

(i) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank, cash on hand and on demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in cash and cash equivalents in the Cash Flow Statement but not in the cash and cash equivalents line on the Balance Sheet.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Receivables

Accounts receivable (including trade receivables and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Trade receivables arise in the normal course of selling goods and services to the public. Trade receivables are payable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. The Authority grants a discount of 5% if payment is received within 5 days.

The Perpetual Care Trust Receivables are amounts reimbursable to the Authority for maintenance and related expenditure.

Other receivables arise outside the normal course of selling goods and services to the public. Other receivables are payable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

The allowance for impairment losses represents the amount of receivables the Authority estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances, the Authority considers the following is objective evidence of impairment:

- a becoming aware of financial difficulties of debtors; or
- b default payments.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses are written off against the allowance account when the Authority ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

(k) Investments

Short-term and long-term investments are held with the Territory Banking Account in unit trusts called the Cash Enhanced Portfolio and Fixed Interest Portfolio. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Inventories

Inventories include goods and land allocated for interment purposes held for sale, or for consumption in the ordinary course of business operations. It excludes depreciable assets. Inventories are valued at the lower of cost and net realisable value. The cost of the inventory of land allocated for interment purposes is assigned on the basis of weighted average cost and includes adjacent land and landscaping that add to the amenity of the land for interment. Cost also includes ground staff time costs incurred in making the interment land ready for sale.

Inventories are classified as either works in progress or finished goods. Works in progress include undeveloped land and expenditure on inventories partially constructed, but not available for sale. Finished goods are inventories available for sale to customers including land to be used for interment purposes. Inventories acquired for no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

Inventories expected to be sold/utilised within 12 months are recorded as current, with the balance as non-current assets.

(m) Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is a present obligation to remove the item). Where property, plant and equipment are acquired at no cost, or minimal cost, cost is its fair value at date of acquisition.

Where payment for property, plant and equipment is deferred beyond normal credit terms, the difference between its cash price equivalent and the total payment is measured as interest over the period of credit. The discount rate used to calculate the cash price equivalent is an asset specific rate.

Property, plant and equipment with a value greater than \$1,000 is capitalised.

(n) Measurement of Property, Plant and Equipment After Initial Recognition

Property, plant and equipment is measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value for land and non-specialised buildings is measured using the market approach valuation technique. This approach uses prices and other relevant information generated by market transactions involving identical or similar assets.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Measurement of Property, Plant and Equipment After Initial Recognition (continued)

Fair value for specialised buildings, property improvements, roadways and landscaping is measured by reference to the cost of replacing the remaining future economic benefits embodied in the asset (i.e. depreciated replacement cost). This is the cost approach valuation technique. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefits, expired economic benefits or obsolescence of the asset. Current replacement cost is determined by reference to the cost of a substitute asset of comparable utility, the gross project size specifications or the historical cost, adjusted by relevant indices.

Property, plant and equipment is revalued every 3 years, with the last valuation performed on 30 June 2014 by CBRE and Pickles Valuation Services. The next valuation will be performed on 30 June 2017. 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. Any accumulated depreciation relating to depreciable property, plant and equipment at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(o) Intangible Assets

The Authority's Intangible Assets are comprised of externally acquired software for internal use.

Externally acquired software is recognised and capitalised when:

- (i) it is probable that the expected future economic benefits that are attributable to the software will flow to the Authority;
- (ii) the cost of the software can be measured reliably; and
- (iii) the acquisition cost is equal to or exceeds \$5,000.

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 4 years.

Intangible Assets are measured at cost.

(p) Depreciation and Amortisation of Non-Current Assets

Non-current assets, with a limited useful life, are systematically depreciated or amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued, it is depreciated over its newly assessed remaining useful life. Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as plant and equipment and buildings. Land has an indefinite useful life and is therefore not depreciated.

All depreciation is calculated after first deducting any residual values which remain for each asset.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Depreciation and Amortisation of Non-Current Assets (continued)

Depreciation/amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Buildings	Straight Line	10 - 100
Property Improvements	Straight Line	20 - 40
Roadways	Straight Line	10 - 20
Landscaping	Diminishing Value	10 - 20
Plant and Equipment	Diminishing Value	2 - 50
Motor Vehicles	Diminishing Value	8
Computer Software	Straight Line	4

The useful lives of all major assets are reassessed on an annual basis.

(q) Capital Works in Progress

Capital works in progress is initially recorded at cost. No depreciation/amortisation is recognised on the asset until it is fully installed and ready for use. At such a time the asset is no longer classified as capital works in progress, it is reclassified as property, plant and equipment or intangible assets.

(r) Payables

Payables are a financial liability and are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Trade Payables, Accrued Expenses and Other Payables.

Trade Payables represent the amounts owing for goods and services received prior to the end of the reporting period and unpaid at the end of the reporting period and relating to the normal operations of the Authority.

Accrued Expenses represent goods and services provided by other parties during the reporting period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

Other Payables are those unpaid invoices that do not directly relate to the normal operations of the Authority.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Employee benefits

Employee benefits include:

- short-term employee benefits, such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. They are recorded as a liability and as an expense.

Wages and Salaries

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual and long service leave, including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments are estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the future estimated cash flows. Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2014-15, the rate used to estimate the present value of future payments for annual leave is 101.0% (100.9% in 2013-14). In 2014-15, the rate used to estimate the present value of future payments for long service leave is 104.2% (103.5% in 2013-14).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and the applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019. Further information about this estimate is provided in Note 2(x) *Significant Accounting Judgements and Estimates*.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there is no unconditional right to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because there has to be an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Superannuation

Superannuation payments are made to the Territory Banking Account each year, to cover the Authority's superannuation liability for the Public Sector Superannuation Scheme (PSS). This payment covers the PSS employer contribution but does not include the productivity component. The productivity component is paid directly to ComSuper by the Authority. The PSS is a defined benefit superannuation plan meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes schemes of employee choice.

Superannuation employer contribution payments, for the PSS, are calculated by taking the salary level at an employee's anniversary date and multiplying it by the actuarially assessed nominal PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the employer contribution rate (approximately 3%) for each employee. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

The total Territory superannuation liability for the CSS, PSS, and ComSuper is recognised in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively. This superannuation liability is not recognised at individual agency level.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the PSS in respect of the ACT Government service provided after 1 July 1989. These reimbursement payments are made from the Superannuation Provision Account.

(u) Insurance

The Authority insures all of its major risks through the ACT Insurance Authority. The excess payable under this arrangement varies depending on each class of insurance held by the Authority.

(v) Equity Contributions by the ACT Government

Contributions made by the ACT Government through its role as owner of the Authority are treated as contributions of equity.

(w) Budgetary Reporting

Explanations of major variances between the 2014-15 original budget and the 30 June 2015 actual results are discussed in Notes 38 *Budgetary Reporting*.

The definition of 'major variances' is provided in Note 2(x)(g) *Significant Accounting Judgements and Estimates – Budgetary Reporting*.

Original budget refers to the original budgeted financial statements presented to the Legislative Assembly in a form that is consistent with the Authority's annual financial statements. The 2014-15 budget numbers have not been audited.

Budgetary reporting is disclosed for all financial statements with the exception of the Statement of Changes in Equity as relevant line items are included in other financial statements.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Authority has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

- a *Fair Value of Property, Plant and Equipment:* Property, plant and equipment is initially recorded at cost. Subsequent recording of property, plant and equipment is at the market value of similar items or depreciated replacement cost as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. The Authority uses its understanding of current market conditions, as well as comparisons to the value of property, plant and equipment at similar organisations to estimate fair value.
- b *Land Including Land Under Roads:* The Authority values land under roads at fair value, which is the market value as estimated by an independent valuer. The valuation takes into account the physical and legal permissible use in addition to the current use, alternate use and heritage status of the land. The value of land under roads is recognised in the total value of land recorded in property, plant and equipment.
- c *Useful lives of Property, Plant and Equipment – Depreciation:* Infrastructure assets, buildings and plant and equipment are systematically depreciated over their estimated useful lives. The estimation of useful lives of Property, Plant and Equipment has been based on historical experience of similar assets and, in some cases, has been based on valuations provided by independent valuers. The estimated useful life of these assets is reassessed each year and adjusted when the condition and other factors affecting the useful life of these assets indicate an adjustment is warranted.
- d *Property, Plant and Equipment – Impairment:* Note 2(h): 'Impairment of Assets' discloses that property, plant and equipment is annually assessed for impairment. The Authority uses its understanding of current market conditions, as well as comparisons to the value of property, plant and equipment at similar organisations to assess whether an asset is impaired. If this assessment indicates an asset is impaired, then an assessment of the asset's recoverable amount is estimated to determine whether an impairment loss must be recognised.
- e *Employee Benefits:* Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave require a consideration of the future wage and salary levels, experience of employee departures probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will be payable. Further information on this estimate is provided in Note 2(s): 'Employee Benefits'.
- f *Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts:* The Authority has based its calculation of the reimbursement on a combination of direct costs and percentage of indirect costs relating to the maintenance of each Perpetual Care Trust. The percentage is calculated by taking the maintenance employee costs divided by the total employee costs incurred.
- g *Budgetary Reporting:* Significant judgements have been applied in determining what variances are considered as 'major variances' requiring explanations in Notes 38 Budgetary Reporting. Variances are considered to be major variances if both of the following criteria are met:
 - The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
 - The variances (original budget to actual) are greater than plus (+) or minus (-) 10% for the budget for the financial statement line item.

Further information on this is provided in Note 2(w) *Budgetary Reporting*.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Impact of Accounting Standards Issued but yet to be applied

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Authority does not intend to adopt these standards and interpretations early. Where applicable these Australian Accounting standards will be adopted from their application date.

- AASB 9 Financial Instruments (application date 1 January 2018);
This standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of the Authority's financial assets. No material financial impact on the Authority is expected.
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (application date 1 Jan 2018);
This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 in December 2010. No material financial impact is expected.
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) [AASB 1, 2, 3, 4, 5, 7, 13, 101, 102, 108, 110, 112, 120, 121, 123, 128, 132, 133, 136, 137, 139, 1023, 1038, 1049, Interpretation 2, 5, 10, 12, 16, 19 & 127] (application date 1 Jan 2018);
This standard makes consequential amendments to a number of standards and interpretations as a result the issuing of AASB 9 (December 2014). No material financial impact is expected.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

3 CHANGE IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Change in Accounting Estimate

The Authority had no changes in accounting estimates during the reporting period.

Change in Significant Accounting Policies

The Authority had no changes in accounting policies during the reporting period.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4 CORRECTION OF PRIOR PERIOD ERRORS

The Regulator of the *Cemeteries and Crematoria Act 2003* (the Act) engaged external consultants Abraxa to formulate a model for the Authority to comply with the Act and to determine the revenue required by each Cemetery to be held in perpetuity in its Perpetual Care Trust (PCT), to meet current and future costs.

The model included assumptions about how the Authority maintains its cemeteries including staffing levels and the timing of revenue received to calculate a percentage of costs reasonable to be drawn by the Authority for maintenance of each Cemetery grounds.

The Act does not prescribe how 'maintenance' is defined. In previous years the Authority has charged each PCT for the maintenance of the relevant cemetery or mausoleum on a 'full cost' basis. A full cost basis means that the PCTs have been charged for direct maintenance and a proportion of 'indirect' costs by the Authority that represent that proportion of these costs of the Authority that have been allocated as overhead costs to maintenance costs. These indirect costs being charged by the Authority included, but were not limited to, costs recovered by the Authority for management and administration staff costs and other overheads like insurance, office expenses, rates, security and equipment.

During the audit of the 2013-14 financial statements, a query was raised about the basis on which the Authority was charging indirect costs to each PCT and subsequently reimbursed for these.

The Board sought advice from Abraxa in relation to the application and use of the model for allocating indirect costs. The advice received indicated that the Perpetual Care Trust model was not intended to be used for the allocation of indirect costs to each PCT. They indicated that there were difficulties with the current application of the model including observations that 'there are a number of inconsistencies with the model' in relation to the inclusion of some specific indirect costs. The inconsistencies between the model and its application included, but was not limited to costs recovered by the Authority for advertising, consultants, and depreciation; capital, irrigation and purchases of minor equipment were not claimed but should have; and the incorrect percentage of management and administrative wages were recovered. Abraxa concluded that the model was created 'primarily to determine the Perpetual Care Trust revenue percentages to apply, it was not designed to be the basis for the allocation of costs and apportionment of overheads, although it is conceivable to reverse engineer the model to use it for this purpose'.

The errors in the application of the Perpetual Care Trust model for determining indirect costs recovered by the Authority resulted in the Board being unable to provide assurance that balances receivable or payable and funds transferred between the Authority and Trusts were correctly stated. As a result the 2013-14 financial statements of the Authority were qualified due to the uncertainty around the use and application of the Perpetual Care Trust model.

In 2014-15 the Regulator re-engaged Abraxa to review the model and recalculate the drawdowns from the PCTs based on the strict application of the model. This review determined the allocation of both direct and indirect wages, all expenses of the Authority on a full or partial basis, and an eligible portion of capital costs. Both direct and indirect costs are being allocated to each PCT based on the proportion of the total revenue generated by each cemetery or mausoleum over total revenue.

It was also recommended by Abraxa and agreed by the Regulator that the reimbursement for maintenance costs to the Authority be limited to the lower of the amount calculated using the model for maintenance costs and the PCT revenue transfer amount for each PCT as calculated using the Perpetual Care Trust percentages.

The recalculation by Abraxa showed that over the financial years from 2010-11 to 2013-14 the Authority had an excess drawdown from the PCTs of \$2,323,186.

The financial statements have been corrected by restating the balances for 2010-11, 2011-12 and 2012-13 as at 1 July 2013, and 2013-14 as at 30 June 2014 for the drawdown of maintenance costs by the Authority.

ACT PUBLIC CEMETERIES AUTHORITY**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015****4 CORRECTION OF PRIOR PERIOD ERRORS (continued)**

As this error was made in a reporting period prior to the comparative period, the Balance Sheet balances as at 30 June 2013 were restated as follows:

Receivables decreased by \$423,104;

Payables increased by \$782,651; and

Accumulated funds decreased by \$1,205,755

In addition, the balance sheet balances were understated as at 30 June 2014, this error resulted in the restatement of the following items for the year ended 30 June 2014:

Receivable decreased by \$466,937;

Payables increased by \$1,384,746;

Operating deficit increased by \$645,930; and

Accumulated funds decreased by \$1,851,683.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4 CORRECTION OF PRIOR PERIOD ERRORS (continued)

Restatement of Financial Statements as a Result of Correction of an Error

		Actual 2014	Correction of Error Adjustments	Restated Actual 2014
	Note	\$	\$	\$
30 June 2014 Comparative year				
Financial Statement Line item\ Balance affected				
Operating Statement (Extract)				
Income				
Revenue				
Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	8	1,992,566	(814,166)	1,178,400
Total Revenue		5,617,928	(814,166)	4,803,762
Total Income		5,617,928	(814,166)	4,803,762
Expenses				
Other Expenses		365,437	(168,236)	197,201
Total Expenses		5,617,936	(168,236)	5,449,700
Operating (Deficit)		(8)	(645,930)	(645,938)
Balance Sheet (Extract)				
Current Assets				
Receivables	21	1,167,676	(466,937)	700,739
Total Current Assets		9,776,885	(466,937)	9,309,948
Total Assets		16,125,140	(466,937)	15,658,203
Current Liabilities				
Payables	28	586,773	1,384,746	1,971,519
Total Current Liabilities		6,591,240	1,384,746	7,975,986
Total Liabilities		6,646,398	1,384,746	8,031,144
Net Assets / (Liabilities)		9,478,742	(1,851,683)	7,627,059
Equity				
Accumulated Funds		7,945,930	(1,851,683)	6,094,247
Total Equity		9,478,742	(1,851,683)	7,627,059

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4 CORRECTION OF PRIOR PERIOD ERRORS (continued)

Restatement of Financial Statements as a Result of Correction of an Error

	Note	Actual 2013	Correction of Error Adjustments	Restated Actual 2013
1 July 2013 (Comparative year Opening Balance)		\$	\$	\$
Financial Statement Line item\ Balance affected				
Balance Sheet (Extract)				
Current Assets				
Receivables		565,892	(423,104)	142,788
Total Current Assets		<u>9,666,859</u>	<u>(423,104)</u>	<u>9,243,755</u>
Total Assets		<u>14,990,784</u>	<u>(423,104)</u>	<u>14,567,680</u>
Current Liabilities				
Payables		798,629	782,651	1,581,280
Total Current Liabilities		<u>6,231,898</u>	<u>782,651</u>	<u>7,014,549</u>
Total Liabilities		<u>6,283,358</u>	<u>782,651</u>	<u>7,066,009</u>
Net Assets / (Liabilities)		<u>8,707,426</u>	<u>(1,205,755)</u>	<u>7,501,671</u>
Equity				
Accumulated Funds		7,664,564	(1,205,755)	6,458,809
Total Equity		<u>8,707,426</u>	<u>(1,205,755)</u>	<u>7,501,671</u>

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5 USER CHARGES NON-ACT GOVERNMENT

User charge revenue is derived by providing goods and services to the public. User charge revenue is not part of ACT Government appropriation and is paid for by the user of the goods or services. This revenue is driven by consumer demand and is commercial in nature.

	Actual 2015 \$	Actual 2014 \$
Allotment and Reservation Fees ^a	878,024	881,501
Burial Fees	701,517	698,973
Maintenance Fees ^a	987,102	898,193
Sales of Plaques, Monuments and Vaults ^b	318,393	429,168
Memorial Permit Fees ^c	135,001	147,376
Total User Charges – Non-ACT Government	3,020,037	3,055,211

- a Allotment, Reservation and Maintenance Fees are recorded in revenue at the time a reservation is made. The overall number of packages sold decreased in 2014-15 compared to 2013-14.
- b The number of sales for plaques, monuments and vaults has decreased compared to 2013-14. Mausoleum sales were less in 2014-15 due to delays in completion of the new extension.
- c Memorial Permit Fees increased due to both a higher fee charged and more permits sold.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

6 INTEREST

	Actual 2015	Actual 2014
	\$	\$
Revenue from Non-ACT Government Entities		
Interest Revenue ^a	124,617	128,731
Total Interest Revenue from Non-ACT Government Entities	124,617	128,731
Revenue from ACT Government Entities		
Interest Revenue ^a	165,273	171,757
Total Interest Revenue from ACT Government Entities	165,273	171,757
Total Interest Revenue^a	289,890	300,488

Total interest revenue from financial assets not at fair value through profit and loss.

289,890 300,488

- a Interest revenue decreased due to lower interest rates earned by the Authority on its investments and lower levels of interest bearing funds held due to funds being used to finance capital projects.

7 DISTRIBUTIONS FROM INVESTMENTS WITH THE TERRITORY BANKING ACCOUNT

	Actual 2015	Actual 2014
	\$	\$
Revenue from ACT Government Entities		
Distribution from Investments with Territory Banking Account ^a	-	36,198
Total Distribution from Investments with the Territory Banking Account	-	36,198

- a There were no distributions received as the investments funds were withdrawn during the year.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

8 REIMBURSEMENT OF MAINTENANCE AND RELATED EXPENDITURE INCURRED ON BEHALF OF THE PERPETUAL CARE TRUSTS

	Actual 2015	Restated Actual 2014
	\$	\$
Woden Cemetery Perpetual Care Trust	499,163	478,290
Woden Mausoleum Perpetual Care Trust	-	6,351
Gungahlin Cemetery Perpetual Care Trust	654,143	686,787
Hall Cemetery Perpetual Care Trust	9,686	6,972
Total Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts^a	1,162,992	1,178,400

These amounts represent the reimbursement received by the Authority from each Perpetual Care Trust for maintenance and related expenditure paid by the Authority on behalf of each Perpetual Care Trust. These amounts are also recorded as expenditure in the financial statements of the relevant Perpetual Care Trust. The amounts have been restated for the errors set out in Note 4 Correction of Prior Period errors.

- a Total reimbursement of maintenance and related expenditure incurred on behalf of the Perpetual Care Trusts is the lower of the amount derived by the use of the Perpetual Care Trust model and the amount of the PCT revenue transferred. In both 2013-14 and 2014-15 the reimbursement was limited to the PCT revenue transfer amounts. As the PCT revenue transfer amount is a percentage of user charge revenue received, any increase or decrease in the reimbursement amounts between 2013-14 and 2014-15 are attributed to the overall lower amount of user charge revenue earned by the Authority in these years.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

9 OTHER REVENUE

Other revenue arises from the core activities of the Authority. Other revenue is distinct from Gains, as Gains are items that are not part of the core activities of the Authority.

	Actual 2015 \$	Actual 2014 \$
Garden of Remembrance Maintenance ^a	39,711	36,315
Exhumations ^b	21,445	1,455
Sundries ^c	7,043	188,907
Total Other Revenue from Non-ACT Government Entities	68,199	226,677
Total Other Revenue	68,199	226,677

- a Revenue from the Garden of Remembrance increased due to renewal of the contract for maintenance with the Office of Australian War Graves with an increase in fee charged.
- b Exhumations revenue increased due to higher number of exhumations performed this year.
- c Sundries significantly decreased due to the one-off reimbursement of insurance claims totalling \$178,568 in 2013-14 for a personal injury claim and damages to property claim.

10 OTHER GAINS

	Actual 2015 \$	Actual 2014 \$
Unrealised Gain on Investments ^a	-	6,790
Realised Gain on Investments	9,979	-
Total Other Gains	9,979	6,790

- a Realised gains on investments were higher in the reporting period due to an increase in fair value associated with the underlying investments during the year. The investments for both fixed interest and cash enhanced funds were withdrawn during the year to help fund the construction of the mausoleum extension.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

11 EMPLOYEE EXPENSES

	Actual 2015	Actual 2014
	\$	\$
Wages and Salaries ^a	1,062,476	1,003,224
Annual Leave ^b	(6,785)	28,051
Long service leave ^c	79,108	13,509
Fringe Benefits Tax	35,157	33,573
Workers' Compensation Insurance Premium ^d	217,034	67,606
Temporary Staff ^e	489,615	445,484
Other Employee Benefits and Other On-Costs ^f	15,001	28,321
Employee Expenses	1,891,606	1,619,768
(Less) Amounts Transferred to:		
Inventories	(48,990)	(20,606)
Cost of Sales	(123,533)	(136,686)
Ground Maintenance	(173,453)	(196,818)
Total Employee Expenses	1,545,630	1,265,658

	Number	Number
Full-time equivalent employees	16	14

- a An increase in Wages and Salaries expenses was due to recruitment of 2 additional employees.
- b Annual Leave expense decreased due to a number of staff with significant annual leave entitlements taking annual leave during 2014-15.
- c The large increase in long service leave was due to the addition of 2 new employees and higher rate used to estimate present value of long service leave payments.
- d Workers' Compensation increased due to a 220 percent increase in the Workers' Compensation premium and a delayed additional payment.
- e Temporary Staff increased due to increased numbers of Temporary Staff used for backfilling of positions to maintain operational status.
- f Other employee benefits decreased due to the one-off cost of a recruitment fee paid to a private company in 2013-14.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12 SUPERANNUATION EXPENSES

	Actual 2015	Actual 2014
	\$	\$
Superannuation Contributions to the Territory Banking Account	91,776	80,488
Superannuation Contributions to External Providers	66,562	74,607
Superannuation Expenses ^a	158,338	155,095
(Less) Amounts Transferred to:		
Inventories	(6,854)	(3,108)
Cost of Sales	(16,959)	(20,618)
Ground Maintenance	(25,046)	(29,689)
Total Superannuation Expenses	109,479	101,680

- a Total superannuation expenses increased during the reporting period due to an increase in the number of full-time staff.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

13 SUPPLIES AND SERVICES

		Actual 2015	Actual 2014
	Note	\$	\$
Grounds Maintenance ^a		354,603	372,049
Water Rates ^b		185,203	156,962
Repairs and Maintenance ^c		94,699	78,035
Handling Fees to Funeral Directors		69,741	69,659
Insurance ^d		19,685	10,603
Accounting ^e		118,431	83,222
Motor Vehicle Expenses ^f		23,783	17,155
Contractors and Consultants ^g		59,442	67,404
Security		32,608	33,627
Electricity		13,183	13,694
Audit Fees ^h	18	74,499	46,602
Telephone		11,412	13,105
Bank Charges		11,183	8,340
Printing and Stationery		3,125	4,235
General Office Expenses		11,679	14,820
Other ⁱ		114,473	99,597
Total Supplies and Services		1,197,749	1,089,109

- a Grounds maintenance expense decreased due to the decrease in allotments taken up. Using the same method as 2013-14, ground maintenance includes direct allocations of time costs for ground staff.
- b Water rates increased due to water usage being higher than in 2013-14 due to the establishment of new grassed areas.
- c Repairs and maintenance increased due to major plant and equipment requiring significant repairs in 2014-15.
- d Insurance increased due to premium increases in 2014-15. Increase is based on revaluation of property, plant and equipment in June 2014, and subsequent ACT Insurance Authority assessment.
- e Accounting fees increased due to the Authority's requirement to engage external assistance with financial matters including Perpetual Care Trust calculations due to the qualification of the Authority's Financial Statements in 2013-14. The additional work has increased the associated fees.
- f Motor vehicle expenses increased due to higher registration fees in 2014-15.
- g Contractors and consultants fees are lower as there was less of a need for external consultants during the year. Projects incurring consultation fees included new office, extension of Woden Cemetery and future cemetery works as well as costs associated with review and changes to the Perpetual Care Trust Model.
- h Audit Fees have increased to reflect increased time and costs of completing the audits of the financial statements of the Authority and the Perpetual Care Trusts. The level of time spent by the auditors each year has increased due to the complexity of the financial statements.
- i Other expenses includes advertising, postage, computer expenses, bank fees, subscriptions and travelling expenses incurred during the year.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14 DEPRECIATION AND AMORTISATION

	Note	Actual 2015 \$	Actual 2014 \$
Depreciation			
Buildings	24	71,460	69,550
Property Improvements ^a	24	65,896	23,464
Roadways ^b	24	45,250	50,247
Landscaping ^c	24	103,186	81,593
Plant and Equipment ^d	24	125,130	112,949
Motor Vehicles ^e	24	27,169	18,585
Total Depreciation	24	438,091	356,388
Amortisation			
Intangible Assets ^f	25	16,620	26,726
Total Amortisation		16,620	26,726
Total Depreciation and Amortisation		454,711	383,114

- a Property improvements depreciation has increased due to acquisition of new assets in 2014-15 principally, on significant new burial areas and landscaping.
- b Depreciation on roads decreased in 2014-15 due to a revaluation to fair value at 30 June 2014.
- c Landscaping depreciation increased due to new work being completed in 2014-15.
- d Depreciation on plant and equipment increased due to new assets purchased in 2014-15 and significant additions of grounds equipment in late 2013-14.
- e Depreciation on motor vehicles has increased due to two new cars being purchased during 2014-15 with the old cars disposed.
- f Amortisation of intangible assets decreased due to some being amortised on a diminishing balance basis and others on a prime cost basis.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

15 COST OF SALES

	Actual 2015	Actual 2014
	\$	\$
Interment Sites ^a	12,378	70,987
Plaques ^b	86,564	81,894
Memorials ^b	65,570	49,107
Vaults ^c	52,230	73,185
Burial Costs ^d	244,988	158,305
Total Cost of Sales	461,730	433,478

a Interment Sites has significantly decreased due to less interments being performed.

b Plaques and Memorials both increased during the year due to higher numbers being purchased.

c Vaults expenses decreased due to a lower number of vaults installed in this reporting period.

d Burial costs increased during the year due to an increase in the cost of developing burial sites sold.

The above differences reflects changing customer preferences in line with community attitudes to different interment options.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

16 REVENUE TRANSFERRED TO THE PERPETUAL CARE TRUSTS

	Actual 2015	Actual 2014
	\$	\$
Woden Cemetery Perpetual Care Trust	986,512	945,259
Woden Mausoleum Perpetual Care Trust ^a	-	34,930
Gungahlin Cemetery Perpetual Care Trust	900,356	945,288
Hall Cemetery Perpetual Care Trust ^b	75,007	53,983
Total Revenue Transferred to the Perpetual Care Trusts	1,961,875	1,979,460

These amounts represent the percentage of revenue transferred to the Perpetual Care Trusts that the Authority is required to provide in accordance with the Ministerial Determination.

- a The revenue attributable to the Woden Mausoleum was lower than in 2013-14 as there were no Mausoleum sales.
- b The revenue attributable to the Hall Cemetery, was higher than in 2013-14 due to a higher number of sales, resulting in an increase in revenue transferred to the Hall Cemetery Perpetual Care Trust.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17 OTHER EXPENSES

	Actual 2015	Restated Actual 2014
	\$	\$
Losses from the Sale of Assets ^a	5,746	8,629
Other Expenses ^b	-	188,572
Total Other Expenses	5,746	197,201

- a Losses from the sale of assets were lower this reporting period as fewer assets were sold during the reporting period at prices below their written down value.
- b Other expenses decreased this year as no insurance claims were paid (2013-14 \$173,750 for personal injury and property damages).
- c Other expenses for 2013-14 have been restated to remove the impairment loss from receivables. It was considered that the receivable was no longer impaired.

18 AUDITOR'S REMUNERATION

Auditor's fees are paid to the ACT Audit Office for the audit of the financial statements of the Authority and Hall Cemetery, Woden Cemetery, Gungahlin Cemetery and Woden Mausoleum Perpetual Care Trusts.

No other services were provided by the ACT Audit Office.

	Actual 2015	Actual 2014
	\$	\$
Audit Services		
Audit Fees Paid or payable to the ACT Audit Office	74,499	46,602
Total Auditor's Remuneration	74,499	46,602

19 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

A waiver is the relinquishment of a legal claim to a debt over which the Authority has control. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Authority to recover the amount. The write-off of debts may occur for reasons other than waivers. There were no waivers, or write-offs during the current or previous reporting periods.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

20 CASH AND CASH EQUIVALENTS

The Authority holds a number of banks accounts with the Westpac Bank as part of whole-of-government banking arrangements. As part of these arrangements, the Authority receives minimal interest on these accounts.

In addition to the funds held with the Westpac Bank, the Authority also has an on demand deposit held directly with St George Bank that earned an average fixed interest rate of 3.17% (3.57% in 2013-14).

The Authority also has funds invested in the Public Trustee of the Australian Capital Territory. These funds earned an average floating interest rate of 2.62% (3.43% in 2013-14).

	Actual 2015 \$	Actual 2014 \$
Cash on Hand	200	200
Cash at Bank ^a	822,731	771,670
Short-term Bank Deposits	3,328,590	3,183,669
Public Trustee for the ACT - Government Cash Trust Fund ^b	3,761,528	4,618,971
Total Cash and Cash Equivalents	7,913,049	8,574,510

a The increase in cash at bank was due to the withdrawal of investments during the year.

b The decrease in Public Trustee funds is due to the transfer of cash for funding of capital projects, primarily the mausoleum extension.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

21 RECEIVABLES

		Actual 2015 \$	Restated Actual 2014 \$
Current Receivables			
Trade Receivables ^a		-	39,049
Goods and Services Tax Receivables ^b		86,894	62,959
Accrued Interest ^c		8,865	51,721
		95,759	153,729
Perpetual Care Trust Amounts Receivable ^d			
Gungahlin Cemetery Perpetual Care Trust	4	113,402	111,483
Woden Mausoleum Cemetery Perpetual Care Trust	4	427,869	435,527
Sub-Total Perpetual Care Trust Amounts Receivable		541,271	547,010
Total Current Receivables		637,030	700,739
Total Receivables		637,030	700,739

a Trade Receivables are nil because all debtors have been paid as at 30 June 2015.

b Goods and Services Tax Receivable increased as sales increased during the month of June 2015.

c Accrued Interest decreased as the interest was paid in January 2015 and the accrued amount represents a 6 months accrual compared to a full 12 month accrual in the prior year. Deposit interest rates were also lower this year.

d The Perpetual Care Trust amounts receivable has been re-stated in 2013-14 to reflect the recalculated drawdown amounts from the PCTs as disclosed in Note 4; Correction of Prior Period Errors.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

21 RECEIVABLES (continued)

Ageing of Receivables

	Not Overdue \$	Overdue Less than 30 days \$	Overdue 30 to 60 Days \$	Overdue Greater than 60 Days \$	Total \$
2015					
Not Impaired ¹					
Receivables	637,030	-	-	-	637,030
Impaired					
Receivables	-	-	-	-	-
2014-Restated					
Not Impaired ¹					
Receivables	700,739	-	-	-	700,739
Impaired					
Receivables	-	-	-	-	-

1. 'Not Impaired' refers to Net Receivables (that is, gross receivables less impaired receivables).

Classification of ACT Government / Non-ACT Government Receivables

	Actual 2015 \$	Restated Actual 2014 \$
Receivables with Non-ACT Government Entities		
Trade Receivables	-	39,049
Other Receivables	95,759	114,680
Other Receivables – Perpetual Care Trusts	541,271	547,010
Total Receivables with Non-ACT Government Entities	637,030	700,739
Total Receivables	637,030	700,739

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

22 INVESTMENTS

The purpose of the investments in the Cash Enhanced Portfolio and Fixed Interest Portfolio is to hold them for a period longer than 12 months. The carrying amounts of the investments in the Cash Enhanced Portfolio and Fixed Interest Portfolio disclosed below have been measured at fair value.

	Actual 2015 \$	Actual 2014 \$
Non-Current Investments		
Investments with the Territory Banking Account - Cash Enhanced Portfolio ^a	-	301,470
Investments with the Territory Banking Account - Fixed Interest Portfolio ^a	-	760,270
Total Non-Current Investments	-	1,061,740
Total Investments^a	-	1,061,740

- a Both the cash enhanced and fixed interest Investments were withdrawn during the year to help fund capital projects, principally for the extension of the mausoleum at the Woden Cemetery.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

23 INVENTORIES

	Actual 2015 \$	Actual 2014 \$
Current Inventories		
<i>Finished Goods</i>		
Land: Interment Purposes	15,389	17,822
Mausoleum Crypts and Wall Niches	2,714	2,714
<i>Total Finished Goods</i>	18,103	20,536
Non-Current Inventories		
<i>Work In Progress/Undeveloped</i>		
Land: Interment Purposes	616,058	691,660
Mausoleum Crypts and Columbarium ^a	1,473,125	-
<i>Total Work In Progress/Undeveloped</i>	2,089,183	691,660
<i>Finished Goods</i>		
Land: Interment Purposes ^b	462,532	431,702
Mausoleum Crypts and Wall Niches	22,076	22,363
<i>Total Finished Goods</i>	484,608	454,065
Total Non-Current Inventories	2,573,791	1,145,725
Total Inventories	2,591,894	1,166,261

a The value of crypts and columbariums increased during the year due to the commencement of the Woden Mausoleum extension project which will be completed in late 2015.

b The value of the finished goods increased due to the construction of new burial areas at Gungahlin Cemetery.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

24 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment include the following classes of assets – land, buildings, property improvements, roadways, landscaping, plant and equipment and motor vehicles. Property, plant and equipment do not include assets held for sale.

- Land includes freehold land including land under roads held by the Authority.
- Buildings include office buildings, warehouses and land improvements. Land improvements are additions to areas of land that increase the utility of the land and have a limited useful life and are depreciated.
- Infrastructure assets include roadways and landscaping.
- Property Improvements represent capital expenditure incurred in relation to land improvements.
- Plant and Equipment includes various gardening and power tools, software, and office equipment.
- Motor Vehicles include motor vehicles held by the Authority.

	Actual 2015 \$	Actual 2014 \$
Land and Buildings		
Land at Fair Value	47,493	47,493
Total Land Assets	47,493	47,493
Buildings at Fair Value	714,602	714,602
Less: Accumulated Depreciation	71,460	-
Total Written Down Value of Buildings	643,142	714,602
Total Land and Written Down Value of Buildings	690,635	762,095
	Actual 2015 \$	Actual 2014 \$
Property Improvements		
Property Improvements at Fair Value ^a	1,041,253	461,723
Less: Accumulated Depreciation	61,002	-
Total Written Down Value of Property Improvements	980,251	461,723

a Property Improvements at fair value increased due to the completion of new burial areas and roads.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24 PROPERTY, PLANT AND EQUIPMENT (continued)

	Actual 2015 \$	Actual 2014 \$
Infrastructure		
Roadways at Fair Value ^b	779,990	628,776
Less: Accumulated Depreciation	45,250	-
Total Written Down Value of Roadways	734,740	628,776
Landscaping at Fair Value	1,031,862	1,031,862
Less: Accumulated Depreciation	103,186	-
Total Written Down Value of Landscaping	928,676	1,031,862
Total Written Down Value of Infrastructure	1,663,416	1,660,638

b The value of roadways at fair value increased due to capitalisation of new roads.

	Actual 2015 \$	Actual 2014 \$
Plant and Equipment		
Plant and Equipment at Fair Value ^c	433,584	379,488
Less: Accumulated Depreciation	125,130	-
Total Written Down Value of Plant and Equipment	308,454	379,488

c The total written down value of plant and equipment decreased mainly due to depreciation expenses. These movements outweighed the increase of plant and equipment from the addition of new assets purchased during the year.

	Actual 2015 \$	Actual 2014 \$
Motor vehicles		
Motor Vehicle at Fair Value ^d	129,487	105,001
Less: Accumulated Depreciation	30,624	-
Total Written Down Value of Motor Vehicles	98,863	105,001
Total Written Down Value of Property, Plant and Equipment	3,741,619	3,368,945

d The total written down value of motor vehicles decreased mainly due to the depreciation expenses this year.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

24 PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2014-15.

Year ended 30 June 2015	Land	Buildings	Property Improvements	Roadways	Landscaping	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Year	47,493	714,602	461,723	628,776	1,031,862	379,488	105,001	3,368,945
Additions	-	-	579,530	151,214	-	54,096	63,487	848,327
Depreciation	-	(71,460)	(61,002)	(45,250)	(103,186)	(125,130)	(30,624)	(436,652)
Disposals	-	-	-	-	-	-	(31,818)	(31,818)
Loss on Sale	-	-	-	-	-	-	(7,183)	(7,183)
Balance at the end of the year	47,493	643,142	980,251	734,740	928,676	308,454	98,863	3,741,619

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

24 PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of Property, Plant and Equipment (continued)

The following table shows the movement of Property, Plant and Equipment during 2013-14.

	Land	Buildings	Property Improvements	Roadways	Landscaping	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2014								
Carrying Amount at the Beginning of the Year	270,884	548,139	143,914	558,588	654,491	482,450	74,342	2,732,808
Additions	-	132,814	56,453	143,322	1,269	170,088	-	503,946
Depreciation	-	(69,550)	(23,464)	(50,247)	(81,593)	(112,949)	(18,585)	(356,388)
Disposals	-	-	-	-	-	(1,371)	-	(1,371)
Revaluation (Decrement) / Increment	(223,391)	103,199	284,820	(22,887)	457,695	(158,730)	49,244	489,950
Balance at the end of the year	47,493	714,602	461,723	628,776	1,031,862	379,488	105,001	3,368,945

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

24 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair Value Hierarchy

Classification is required for property, plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. The Fair Value Hierarchy is made up of the following three levels:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Details of property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2015 and 30 June 2014 are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2015				
Property, plant and equipment				
Land	-	-	47,493	47,493
Buildings	-	-	643,142	643,142
Property Improvements	-	-	980,251	980,251
Infrastructure Assets	-	-	1,663,416	1,663,416
Plant and Equipment	-	308,454	-	308,454
Motor Vehicles	-	98,863	-	98,863
	-	407,317	3,334,302	3,741,619

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2014				
Land	-	-	47,493	47,493
Buildings	-	-	714,602	714,602
Property Improvements	-	-	461,723	461,723
Infrastructure Assets	-	-	1,660,638	1,660,638
Plant and Equipment	-	379,488	-	379,488
Motor Vehicles	-	105,001	-	105,001
	-	484,489	2,884,456	3,368,945

Transfers Between Categories

There have been no transfers between Levels 1, 2, and 3 during the current and previous reporting period.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

24 PROPERTY, PLANT AND EQUIPMENT (continued)

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs –

Valuation Technique: The valuation technique used to value building, property improvements, roadways and landscaping is the cost approach. The valuers considered the specialised assets and measured using the cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For buildings, historical cost per square metre of floor area was also used in measuring fair value.

The valuation technique used to value plant and equipment is the market approach that reflects recent transaction prices for similar plant and equipment.

Inputs: The valuation of buildings, property improvements, roadways and landscaping was performed by comparing prices and other relevant information generated by market transactions involving comparable land and buildings. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning. Regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal from the Authority.

Level 3 Valuation Techniques and Inputs -

Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach which values a selection of land with similar approximate utility.

Inputs: In determining the value of land, sales of vacant land with a similar specialised nature and similar restrictive zonings and crown lease purpose clauses have been used for the square metre rate. Given the specialised nature of the property including that the land would have limited alternate use is impacted by restrictive zoning and heritage listing a lower nominal value was deemed appropriate. The land fair value has been significantly reduced to incorporate the market based data.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

24 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land	Buildings	Property Improvements	Infrastructure Assets
	\$	\$	\$	\$
2015				
Fair Value at start of period	47,493	714,602	461,723	1,660,638
Additions	-	-	584,424	151,214
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	-	-	-
Depreciation	-	(71,460)	(65,896)	(148,436)
Fair Value at end of period	47,493	643,142	980,251	1,663,416
2014				
Fair Value at start of period	270,884	548,139	143,914	1,213,079
Additions	-	132,814	56,453	144,591
Revaluation (decrements)/increments recognised in Other Comprehensive Income	(223,391)	103,199	284,820	434,808
Depreciation	-	(69,550)	(23,464)	(131,840)
Fair Value at end of period	47,493	714,602	461,723	1,660,638

Information about Significant Unobservable Inputs (Level 3) in Fair Value Measurement

Description and Fair Value as at 30 June 2014	Description and Fair Value as at 30 June 2015	Valuation Technique(s)	Significant Unobservable Inputs	Range of Unobservable Inputs (Weighted Average)	Relationship of Unobservable Inputs to Fair Value
Land \$47,493	Land \$47,493	Market approach	Selection of land with similar approximate utility and zoning	\$1 per square metre	Higher value of similar land but limited use and restrictions decreases estimated fair value.
Buildings \$714,602	Buildings \$643,142	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset	\$400-700 per square metre Useful Life	Greater consumption of economic benefit or increased obsolescence lowers fair value.
Property Improvements \$461,723	Property Improvements \$980,251	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset	\$25-\$3,295 per square metre Useful Life	Greater consumption of economic benefit or increased obsolescence lowers fair value.
Infrastructure Assets \$1,660,638	Infrastructure Assets \$1,663,416	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset	\$30-\$378 per square metre Useful Life	Greater consumption of economic benefit or increased obsolescence lowers fair value.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

25 INTANGIBLES

Computer software

Computer Software at Cost

Less: Accumulated Amortisation

Total Intangibles

Actual 2015	Actual 2014
\$	\$
121,066	118,780
75,334	58,714
45,732	60,066

Reconciliation of Intangible Assets

Carrying Amount at the Beginning of the Reporting Period

Additions

Amortisation

Carrying Amount at the End of the Reporting Period

Externally Acquired Software 2015	Externally Acquired Software 2014
\$	\$
60,066	52,681
2,286	34,111
(16,620)	(26,726)
45,732	60,066

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

26 CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period. These assets often require extensive installation work or integration with other assets, and contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital Works in Progress are not depreciated as the Authority is not currently deriving any economic benefits from them.

	Actual 2015 \$	Actual 2014 \$
Non-Current		
Capital Works in Progress ^a	644,491	711,779
Total Capital Works in Progress^b	644,491	711,779

a Building works in progress in 2013-14 relates to the building of the Southern Cemetery. In 2014-15 work in progress decreased due to the transfer of completed projects to Property, Plant and Equipment during the year.

b The Authority has formed the view that while there is some uncertainty regarding the timing of future funding for Southern Cemeteries there is little doubt that the work will proceed and therefore there is no impairment of capital works in progress.

Reconciliation of Capital Works in Progress

	Actual 2015 \$	Actual 2014 \$
Carrying Amount at the Beginning of the Reporting Period	711,779	363,852
Additions	660,046	347,927
Transfer to property, plant and equipment	(727,334)	-
Carrying Amount at the End of the Reporting Period	644,491	711,779

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

27 OTHER ASSETS

	Actual 2015 \$	Actual 2014 \$
Current Other Assets		
Prepayments ^a	21,362	14,163
Total Current Other Assets	21,362	14,163
Total Other Assets^a	21,362	14,163

- a Prepayments have increased due to the large increase in the insurance premium. The increased premium is based on the revaluation of property, plant and equipment in June 2014, and subsequent ACT Insurance Authority assessment.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

28 PAYABLES

		Actual 2015 \$	Restated Actual 2014 \$
Current Payables			
Unsecured liabilities			
Trade Payables ^a		99,746	8,403
Other Payables ^b		166,201	192,532
Goods and Services Tax Payables		126,975	137,739
		392,922	338,674
Perpetual Care Trust Payables ^c			
Hall Cemetery Perpetual Care Trust ^d	4	68,903	28,419
Woden Cemetery Perpetual Care Trust ^d	4	2,005,323	1,604,426
		2,074,226	1,632,845
Total Current Payables		2,467,148	1,971,519
Total Non-Current Payables		-	-
Total Payables		2,467,148	1,971,519

Payables are aged as follows:

	Actual 2015 \$	Restated Actual 2014 \$
Not Overdue	2,465,878	1,970,249
Overdue for Less than 30 Days	-	-
Overdue for 30 to 60 Days	-	-
Overdue for More than 60 Days	1,270	1,270
Total Payables	2,467,148	1,971,519

- a Trade payables has increased primarily due to amounts payable for accounting services, IT services and cemetery mapping.
- b Other payables decreased due to a decrease in accrued expenditure relating to burial costs incurred, but not yet invoiced at the end of the reporting period.
- c The Perpetual Care Trust payables has been restated in 2013-14 to reflect the recalculated drawdown amounts from the PCTs as disclosed in Note 4.
- d The amount payable to the Hall Perpetual Care Trust and Woden Cemetery Perpetual Care Trust represents amounts owing to the trusts from revenue to be transferred for past overdraws, at year end.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

28 PAYABLES (continued)

		Actual 2015	Restated Actual 2015
	Note	\$	\$
Classification of ACT Government/Non-ACT Government Payables			
Payables with ACT Government Entities			
Trade Payables		-	-
Accrued Expenses		78,762	46,602
Total Payables with ACT Government Entities		78,762	46,602
Payables with Non-ACT Government Entities			
Trade Payables		99,746	8,403
Other Payables		87,439	145,930
Other Payables – Perpetual Care Trusts ^a	4	2,074,226	1,632,845
Goods and Services Tax Payable		126,975	137,739
Total Payables with Non-ACT Government Entities		2,388,386	1,924,917
Total Payables		2,467,148	1,971,519

a Payables to the Perpetual Care Trusts are included as Non-ACT Government Entities.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

29 EMPLOYEE BENEFITS

	Actual 2015 \$	Actual 2014 \$
Current Employee Benefits		
Annual Leave	150,000	156,784
Long Service Leave ^a	242,630	198,607
Accrued Salaries ^b	36,851	53,382
Other Employee Benefits	5,771	5,066
Total Current Employee Benefits	435,252	413,839
	Actual 2015 \$	Actual 2014 \$
Non-Current Employee Benefits		
Long Service Leave ^a	90,244	55,158
Total Non-Current Employee Benefits	90,244	55,158

As at 30 June 2015, there were 16 full time equivalent (FTE) staff. There were 14 FTE staff as at 30 June 2014.

- a The increase in Long Service Leave liability is due to the rate used to estimate the present value of future long service leave payments changing from 103.5% to 104.2%.
- b Accrued Salaries decreased due to the number of unpaid days to 30 June 2015 being lower than as at 30 June 2014 and backpay accrued at 30 June 2014.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

29 EMPLOYEE BENEFITS (continued)

	Actual 2015 \$	Actual 2014 \$
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	67,132	88,130
Long Service Leave	53,777	40,997
Accrued Salaries	36,851	53,382
Other Employee Benefits	5,771	5,066
Total Employee Benefits Payable within 12 Months	163,531	187,575
Estimated Amount Payable after 12 Months		
Annual Leave	82,868	68,654
Long Service Leave	279,097	212,768
Total Employee Benefits Payable after 12 Months	361,965	281,422
Total Employee Benefits	525,496	468,997

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

30 REVENUE RECEIVED IN ADVANCE

	Actual 2015 \$	Actual 2014 \$
Current Revenue Received in Advance		
Burial Fees Received in Advance ^a	5,081,188	4,685,635
Plaque Fees Received in Advance ^b	991,603	904,993
Mausoleum Fees Received in Advance ^c	88,506	-
Total Current Revenue Received in Advance	6,161,297	5,590,628
Total Revenue Received in Advance	6,161,297	5,590,628

- a Burial fees received in advance were higher mainly due to an increase in sales prior to the introduction of price increases that came into effect from 1 July 2015.
- b Plaque fees received in advance were higher mainly due to increases in prices and increase in the number of Plaque reservations.
- c Mausoleum fees received in advance were deposits taken for the new Mausoleum extension at Woden.

Estimate of When Revenue Received in Advance will be Recognised as Revenue

	Actual 2015 \$	Actual 2014 \$
Estimated Revenue Received in Advance Recognised as Revenue within 12 Months		
Burial Fees Received in Advance	556,345	776,681
Plaque Fees Received in Advance	179,767	214,359
Mausoleum Fees Received in Advance	-	-
Total Estimated Revenue Received in Advance Recognised as Revenue within 12 Months	736,112	991,040
Estimated Revenue Received in Advance Recognised as Revenue after 12 Months		
Burial Fees Received in Advance	4,524,843	3,908,954
Plaque Fees Received in Advance	811,836	690,634
Mausoleum Fees Received in Advance	88,506	-
Total Estimated Revenue Received in Advance Recognised as Revenue after 12 Months	5,425,185	4,599,588
Total Revenue Received in Advance	6,161,297	5,590,628

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

31 EQUITY

Asset revaluation reserve

The Asset Revaluation Surplus is used to record the increments and decrements in the value of property, plant and equipment.

	Actual 2015 \$	Actual 2014 \$
Balance at the Beginning of the Reporting Period	1,532,812	1,042,862
Increase due to Revaluation ^a	-	489,950
Total Increase in the Asset Revaluation Surplus	-	489,950
Balance at the End of the Reporting Period	1,532,812	1,532,812

- a Revaluation at 30 June 2014 based on independent valuation reports from CBRE and Pickles Auctions increased the value of total assets. There was no revaluation in 2014-15 as revaluations are only performed once every 3 years.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

32 FINANCIAL INSTRUMENTS

Details of significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 'Summary of Significant Accounting Policies'.

Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significant portion of financial assets are held in floating interest rate arrangements and all financial liabilities are non-interest bearing. This means that the Authority is not exposed to movements in interest payable, however, it is exposed to movements in interest receivable. Interest rates decreased during the year ended 30 June 2015 and this affected the interest received as the Authority received lower interest revenue.

Interest rate risk for financial assets is managed by the Authority by only investing in floating interest rate investments that are low risk. Interest rate risk for financial liabilities is not actively managed by the Authority as there are no financial liabilities which are exposed to a floating interest rate. There have been no changes in risk exposure or processes for managing risk since the last financial reporting period.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. The Authority expects to collect all financial assets that are not past due or impaired.

Credit risk is managed by the Authority for investments by only investing surplus funds with the Territory Banking Account which is a low risk investment. The Territory Banking Account has set appropriate investment criteria for the external fund manager they have engaged to manage the Territory's surplus funds, resulting in an insignificant credit risk. The Authority holds its cash and cash equivalents with the Westpac Bank, St George Bank and Public Trustee for the ACT. The only funds held with St George Bank are on demand deposits. There is insignificant credit risk for funds held with the Westpac Bank, St George and the Public Trustee of the ACT. The Authority manages credit risk by investing only with Approved Deposit Funds (funds that are regulated by the Australian Prudential Regulation Authority (APRA)).

The Authority also manages credit risk for the Perpetual Care Trusts and is confident that the actuarial model by which each Perpetual Care Trust receives revenue will enable the Trusts to continue to operate and pay its debts in the long term.

There have been no changes in credit risk exposure or processes for managing credit risk since the last reporting period.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

32 FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk is the risk that the Authority will encounter difficulties in meeting obligations associated with its liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Authority ensures that it does not have a large portion of its financial liabilities maturing in any one reporting period and that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities. This ensures that the Authority has enough liquidity to meet its emerging financial liabilities. See the maturity analysis for further details of when financial assets and liabilities mature.

The Authority's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Authority holds no instruments exposed to price risk.

Fair Value of Financial Assets and Liabilities

The carrying amount and fair values of financial assets and liabilities at the end of the reporting period are:

	Carrying Amount 2015 \$	Fair Value 2015 \$	Carrying Amount 2014 \$	Fair Value 2014 \$
Financial Assets				
Cash and Cash Equivalents	7,913,049	7,913,049	8,574,510	8,574,510
Receivables	550,136	550,136	637,780	637,780
Investments with the Territory Banking Account	-	-	1,061,740	1,061,740
Total Financial Assets	8,463,185	8,463,185	10,274,030	10,274,030
Financial Liabilities				
Payables	2,340,173	2,340,173	1,833,780	1,833,780
Total Financial Liabilities	2,340,173	2,340,173	1,833,780	1,833,780

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

32 FINANCIAL INSTRUMENTS (continued)

Fair Value of Financial Assets and Liabilities (continued)

The Authority does not hold any financial instrument measured at fair value as at 30 June 2015. As such, no Fair Value Hierarchy disclosures have been made.

The Fair Value Hierarchy for financial instruments measured at fair value is shown for the year ended 30 June 2014 in accordance with Australian Accounting Standard 'Financial Instruments'.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2014				
Financial Assets				
Investment with the Territory Banking Account - Fixed Interest Portfolio	-	760,270	-	760,270
Investment with the Territory Banking Account - Cash Enhanced Portfolio	-	301,470	-	301,470
	-	1,061,740	-	1,061,740

Transfer Between Categories

There have been no transfers of financial assets or liabilities between Level 1 and Level 2 during the current and previous reporting period.

ACT PUBLIC CEMETERIES AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

32 FINANCIAL INSTRUMENTS (continued)

Fair Value of Financial Assets and Liabilities (continued)

Maturity Analysis

The following table sets out the Authority's maturity analysis for the financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2015 and 30 June 2014. Except for financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

Weighted Average Effective Interest Rate															
	Note	Actual		Floating Interest Rate		Within 1 Year		1 to 5 Years		Over 5 Years		Non-Interest Bearing		Total	
		2015	2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Financial assets															
Cash and Cash Equivalents	20	3.37	3.40	4,584,259	5,390,641	3,328,590	3,183,669	-	-	-	-	200	200	7,913,049	8,574,510
Receivables	21	-	-	-	-	-	-	-	-	-	-	550,136	637,780	550,136	637,780
Investments with the Territory Banking Account	22	-	-	-	-	-	-	-	-	-	-	-	1,061,740	-	1,061,740
Total Financial Assets				4,584,259	5,390,641	3,328,590	3,183,669	-	-	-	-	550,336	1,699,720	8,463,185	10,274,030
Financial Liabilities															
Payables	28	-	-	-	-	-	-	-	-	-	-	2,340,173	1,833,780	2,340,173	1,833,780
Total Financial Liabilities				-	-	-	-	-	-	-	-	2,340,173	1,833,780	2,340,173	1,833,780
Net Financial Assets				4,584,259	5,390,641	3,328,590	3,183,669	-	-	-	-	(1,789,837)	(134,060)	6,123,012	8,440,250

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

32 FINANCIAL INSTRUMENTS (continued)

Fair Value of Financial Assets and Liabilities (continued)

	Actual 2015	Actual 2014
	\$	\$
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets at Fair Value through the Profit and Loss Designated upon Initial Recognition	-	1,061,740
Loans and Receivables Measured at Amortised Cost	550,136	637,780
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	2,340,173	1,833,780

The Authority does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is not included above.

	Actual 2015	Actual 2014
	\$	\$
Gains/(Losses) on Each Category of Financial Asset and Financial Liability		
Gains/(Losses) on Financial Assets		
Financial Assets at Fair Value through the Profit and Loss Designated upon Initial Recognition	9,979	6,790
Loans and Receivables Measured at Amortised Cost	-	-
Gains/(Losses) on Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	-	-

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

33 CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent items in the Balance Sheet

	Actual 2015	Actual 2014
	\$	\$
Total Cash and Cash Equivalents Recorded in the Balance Sheet	7,913,049	8,574,510
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	7,913,049	8,574,510

(b) Reconciliation of Net Cash Inflows from Operating Activities to Operating Deficit

Reconciliation of net income to net cash provided by operating activities:

	Actual 2015	Restated Actual 2014
	\$	\$
Operating (Deficit) for the year	(1,185,823)	(645,936)
Cash flows excluded from (deficit) attributable to operating activities		
Add Non-Cash Items		
Depreciation of Property, Plant and Equipment	438,091	356,388
Amortisation of Intangibles	16,620	26,726
Add/(Less) Items Classified as Investing or Financing		
(Gain)/Loss on Investments	(9,979)	(6,790)
Net Loss/(Gain) on Disposal of Non-Current Assets	5,747	8,632
Cash Before Changes in Operating Assets and Liabilities	(735,344)	(260,980)
Changes in Operating Assets and Liabilities		
Decrease/(Increase) in Receivables	63,709	(557,951)
(Increase)/Decrease in Inventories	(1,425,635)	(18,172)
(Increase)/Decrease in Other Assets	(7,199)	2,540
Increase/(Decrease) in Payables	495,628	390,239
Increase/(Decrease) in Employee Benefits	56,499	67,272
Increase/(Decrease) in Revenue Received in Advance	570,669	507,624
Net Changes in Operating Assets and Liabilities	(246,329)	391,552
Net Cash (Outflows)/Inflows from Operating Activities	(981,673)	130,572

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

34 EVENTS OCCURRING AFTER BALANCE DATE

There were no events occurring after the balance date, which would affect the financial statements as at 30 June 2015 or after the reporting period.

35 COMMITMENTS

Other Commitments

Other Commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows:

	Actuals 2015	Actuals 2014
	\$	\$
Within one year ^a	1,099,729	-
Total Other Commitments	<u>1,099,729</u>	<u>-</u>

a An existing commitment for the completion of the Mausoleum extension which will be completed within 12 months.

36 CONTINGENT LIABILITIES AND ASSETS

There were no contingent liabilities at 30 June 2015 (30 June 2014 : Nil) as notified by the Australian Capital Territory Government Solicitor. The Authority maintains a relevant insurance policy that limits any exposure to \$5,000.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

37 REMUNERATION OF BOARD MEMBERS

ACT Public Cemeteries Authority Board members were appointed by the Minister for Territory and Municipal Services in accordance with section 29A (1) and (2) of the *Cemeteries and Crematoria Act 2003*. Key Management Personnel are not compensated for attendance to board meetings but are paid under collective agreements.

The members of the Board are entitled to remuneration and allowances in accordance with Determination No. 9 of November 2013 of the ACT Remuneration Tribunal.

Total remuneration paid as per below:

			Actuals 2015 \$	Actuals 2014 \$
Ms Diane Kargas	Chairperson	Reappointed August 2013	11,260	9,300
Ms Margaret Watt	Deputy Chair	Reappointed August 2013	6,720	5,070
Ms Jean Main	Member	Resigned August 2013	-	390
Mr Derek Roylance ^a	Member	Reappointed August 2013	-	-
Ms Kathleen O'Sullivan	Member	Reappointed August 2013	4,350	5,070
Ms Virginia Shaw	Member	Reappointed August 2013	5,530	3,900
Mr Stephen Bartos	Member	Appointed August 2013	11,410	5,460
Ms Pamela Burton	Member	Appointed August 2013	5,910	4,290
Mr Hamish Horne ^b	Chief Executive Officer	Ongoing	-	-
Total Payments			45,180	33,480

a Mr D Roylance voluntarily forgoes remuneration.

b Mr H Horne is not paid in his capacity as a board member.

38 BUDGETARY REPORTING

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

- The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 201538 Budgetary Reporting (continued)
Operating Statement Line Items

	Actual 2014-15 \$'000	Budget ¹ 2014-15 \$'000	Variance \$'000	Variance %	Variance Explanation
User Charges Non-ACT Government	3,020	3,397	(377)	-11.10%	Revenue from user charges was lower than expected as no revenue was recognised from Mausoleum due to delays in the completion of the Woden Mausoleum extension.
Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	1,163	-	1,163	100.00%	Due to the clarified interpretation of PCT model, less can be reimbursed from the trusts than were originally budgeted. In the budget these amounts were shown as other revenue.
Other Revenue	68	1,952	(1,884)	-96.51%	The variance is predominately due to the reimbursement of maintenance and related expenditure incurred on behalf of the PCTs being shown as other revenue in the budget rather than a separate line item.
Employee Expenses	1,546	1,308	238	18.17%	Wages and Salaries were higher than anticipated in the budget as there was an increase in the use of temporary staff members to backfill position of staff on leave. There was also a significant increase in workers' compensation premium costs that was not anticipated.
Supplies and Services	1,197	944	253	26.88%	Supplies and Services have increased due to additional accounting and audit fees for the increased complexity and prior period adjustments required in 2015. Water rates also increased due to the maintenance of new grassed areas and an increase in insurance premium due to the revaluation of Property, Plant and Equipment conducted in 2014.
Revenue transferred to the Perpetual Care Trusts	1,962	-	1,962	100.00%	The PCT revenue transfers were originally allocated in the budgeted figures under other expenses. They should have been allocated to the PCT account.
Other Expenses	6	2,462	(2,456)	-99.77%	The majority of the variance is due to the incorrect allocation and changes to policy of PCT revenue transfers in other expenses.

1. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2014-15 Statement of intent).

Note: # in the Line Item Variance % column represents a variance that is greater than 10 per cent or less than -10 per cent

ACT PUBLIC CEMETERIES AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

38 Budgetary Reporting (continued)

Balance Sheet Line Items	Actual	Budget ¹		Variance	Variance	Variance
	2014-15 \$'000	2014-15 \$'000	2014-15 \$'000	\$'000	%	Explanation
Current Assets						
Cash and Cash Equivalents	7,913	6,123	1,790	29.23%		The Increase is due to cash withdrawals from investments in the Territory Banking Account for the Cash Enhanced and Fixed Interest Portfolio to fund the Woden Mausoleum extension.
Receivables	637	1,050	(413)	-39.33%		Due to the prior period adjustments relating to maintenance expenses reimbursed from the PCTs and the adoption of the recommendation to limit the reimbursed expenses to the lower of the PCT contribution amount or the amount calculated using the model the Perpetual Care Trust receivables are significantly lower than originally estimated.
Non-Current Assets						
Receivables	-	400	(400)	-100.00%		Due to the prior period adjustments relating to maintenance expenses reimbursed from the PCTs and the adoption of the recommendation to limit the reimbursed expenses to the lower of the PCT contribution amount or the amount calculated using the model the Perpetual Care Trust receivables are significantly lower than originally estimated.
Investments	-	1,147	(1,147)	-100.00%		Investments have been fully withdrawn to fund the extension of the Mausoleum.
Inventories	2,574	1,045	1,529	146.32%		The increase in non-current Inventory is due to the transfer of Inventory associated with the Mausoleum extension for approximately \$1.4 million, originally allocated in capital WIP in budget estimates. All other inventory has decreased due to more burials completed during the year.
Property, Plant and Equipment	3,742	2,420	1,322	54.61%		This reflects major property and roadway improvements made at Gungahlin and Woden Cemeteries. Additionally, two new vehicles were purchased to replace two old ones that were disposed of. New plant and equipment was also purchased during the year.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

38 Budgetary Reporting (continued)

Balance Sheet Line items	Actual		Budget ¹		Variance		Variance Explanation
	2014-15 \$'000	2014-15 \$'000	2014-15 \$'000	2014-15 \$'000	Variance \$'000	Variance %	
Current Liabilities							
Payables	2,467	1,268	1,199		94.57%		Payables increased due to higher capital works accruals for the mausoleum of \$366,000. For the reasons noted above in relation to receivables, the payables in respect of the Perpetual Care Trusts have also significantly changed.
Employee Benefits	435	414	21		5.13%		The higher LSL provision is mainly due to the net present value factor increasing from 103.5% to 104.2%.
Non-Current Liabilities							
Revenue Received in Advance	6,161	5,278	883		16.74%		Burial fees and plaque fees were higher due to price increases and an increase in the number of reservations. Additional fees were also received for the extended Mausoleum at Woden.
Employee Benefits	90	51	39		76.95%		The higher LSL provision is due to the net present value factor increasing from 103.5% to 104.2%.
Equity							
Accumulated Funds	4,908	8,021	(3,113)		-38.81%		Accumulated funds have decreased due to the decrease in Net assets as per the above variance analysis.
Asset Revaluation Surplus	1,533	1,043	490		46.96%		Property, Plant and Equipment was revalued on 30 June 2014 and in developing the budget, no estimates were made for movement in asset revaluation surplus for the effects of this valuation.

1. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2014-15 Statement of Intent).

Note: # in the Line Item Variance % column represents a variance that is greater than 10 per cent or less than -10 per cent

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

38 Budgetary Reporting (continued)

Budgetary reporting (continued)							
Cash Flow Statement Line items	Actual	Budget ¹	Variance	Variance	Variance	Variance	Explanation
	2014-15 \$'000	2014-15 \$'000					
Receipts							
User Charges - Non - ACT Government	3,630	5,181	(1,551)	-29.94%			The delays in the construction of the Mausoleum led to lower than budgeted receipts for the mausoleum. The budget factored in sales from the extension of the Mausoleum. The budget also included the reimbursements due from the PCTs. These have been shown as separate line items as below.
Reimbursement of Maintenance and Related Expenditure from Perpetual Care Trusts:							
Gungahlin Cemetery Perpetual Care Trust	669	-	669	100.00%			The budget included the reimbursements due within User Charges rather than as a separate line item. Based on the new application of the model there have been lower reimbursements transferred from the PCT during the year.
Woden Cemetery Perpetual Care Trust	917	-	917	100.00%			The budget included the reimbursements due within User Charges rather than as a separate line item. Based on the new application of the model there have been lower reimbursements transferred from the PCT during the year.
Payments							
Transferred to Perpetual Care Trusts:							
Gungahlin Cemetery Perpetual Care Trust	918	-	918	100.00%			Expenditure was factored in the budget within other payments as it was difficult to estimate the total expenditure for the year and apportioning based on the statutory percentage provided to the PCTs.
Hall Cemetery Perpetual Care Trust	83	-	83	100.00%			Expenditure was factored in the budget within other payments as it was difficult to estimate the total expenditure for the year and apportioning based on the statutory percentage provided to the PCTs.
Woden Cemetery Perpetual Care Trust	1,004	-	1,004	100.00%			Expenditure was factored in the budget within other payments as it was difficult to estimate the total expenditure for the year and apportioning based on the statutory percentage provided to the PCTs.
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ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

38 Budgetary Reporting (continued)

Cash Flow Statement Line items	Actual		Budget ¹		Variance		Variance		Variance Explanation
	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	2014-15	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%		
Employee	1,490	1,277	213	16.67%	Additional temporary staff were hired to backfill operational positions in addition to new permanent employees.				
Cost of Sales	1,887	-	1,887	100.00%	The increase in cost of sales is in relation to the cost of constructing the Mausoleum extension which has been classified as inventory.				
Supplies and Services	1,140	939	201	21.40%	Supplies and services were higher than budgeted due to higher outflows associated with the restatement of prior period error and water rates.				
Others	-	3,102	(3,102)	-100.00%	The budget is based on the sum of cost of sales and transfers from the Perpetual Care Trusts.				
Proceeds from Maturity of Investments	1,071	-	1,071	100.00%	Cash enhanced and fixed interest investments were withdrawn to fund the capital projects.				
Property, Plant & Equipment	123	3,355	(3,232)	-96.33%	Cash outflows associated with the Mausoleum extension were classified in this budget line instead of payments for cost of sales.				
Payments for Capital Works in Progress	660	-	660	100.00%	The budget did not include expenditure in relation to ongoing capital projects. All expenses were allocated to the property, plant and equipment budget line instead.				

1. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2014-15 Statement of Intent).

Note: # in the Line Item Variance % column represents a variance that is greater than 10 per cent or less than -10 per cent

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST
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FOR THE YEAR ENDED 30 JUNE 2015

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GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		Actual 2015 \$	Restated Actual 2014 \$
Note			
Income			
	Interest	8,037	16,896
	Dividend Income	17,289	-
	Funding from the ACT Public Cemeteries Authority in accordance with the <i>Cemeteries and Crematoria Act 2003</i>	900,356	945,288
	Gain on Investments	20,421	44,921
	Total Income	946,103	1,007,105
Expenses			
	Reimbursement of Maintenance and Related Expenditure Incurred by the ACT Public Cemeteries Authority	654,142	686,787
	Bank Charges	1,231	1,001
	Total Expenses	655,373	687,788
	Operating Surplus	290,730	319,317
	Total Comprehensive Income	290,730	319,317

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

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GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	Actual 2015 \$	Restated Actual 2014 \$	Restated Actual 2013 \$
ASSETS				
Current Assets				
Cash and Cash Equivalents	3	127,381	267,153	76,215
Receivables		-	-	136,681
Total Current Assets		127,381	267,153	212,896
Non-Current Assets				
Investments	4	972,412	539,991	163,448
Total Non-Current Assets		972,412	539,991	163,448
Total Assets		1,099,793	807,144	376,344
LIABILITIES				
Current Liabilities				
Payable - ACT Public Cemeteries Authority	2,5	113,402	111,483	-
Total Current Liabilities		113,402	111,483	-
Total Liabilities		113,402	111,484	348,662
Net Assets		986,391	695,661	376,344
EQUITY				
Reserve for Maintenance and Related Expenditure		986,391	756,128	497,627
Accumulated (Deficit)	2	-	(60,467)	(121,283)
Total Equity	1,2	986,391	695,661	376,344

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

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated (Deficit) \$	Maintenance Reserve \$	Total \$
2015				
Balance at 1 July 2014	2	(60,467)	756,128	695,661
Comprehensive Income				
Operating Surplus		290,730	-	290,730
Total Comprehensive Income		290,730	-	290,730
Transfer to the Maintenance Reserve ^a		(230,263)	230,263	-
Balance at 30 June 2015		-	986,391	986,391

- a The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer 16.9% of revenue to the Cemetery's Maintenance Reserve. The amount in the Maintenance Reserve is set aside for the sole purpose of funding future maintenance requirements of the Cemetery and cannot be accessed without Ministerial approval.

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

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated (Deficit) \$	Maintenance Reserve \$	Total \$
2014				
Balance at 1 July 2013		(916,924)	497,627	(419,297)
Net Effect of a Correction of an Error	2	795,641	-	795,641
Balance at 1 July 2013 - restated	2	(121,283)	497,627	376,344
Comprehensive Income				
Operating Surplus	2	319,317	-	319,317
Comprehensive Income		319,317	-	319,317
Transfer to the Maintenance Reserve ^a		(258,501)	258,501	-
Balance at 30 June 2014		(60,467)	756,128	695,661

- a The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer 16.9% of revenue to the Cemetery's Maintenance Reserve. The amount in the Maintenance Reserve is set aside for the sole purpose of funding future maintenance requirements of the Cemetery and cannot be accessed without Ministerial approval.

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

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GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		Actual 2015	Actual 2014
	Note	\$	\$
Cash Flows from Operating Activities			
Receipts			
Interest Received		8,037	16,896
Funding Received from the ACT Public Cemeteries Authority		917,658	945,288
Total Receipts from Operating Activities		925,695	962,184
Payments			
Bank Charges		1,230	1,001
Reimbursement to the ACT Public Cemeteries Authority for Maintenance and Related Expenditure		669,526	438,623
Total Payments from Operating Activities		670,756	439,624
Net Cash Inflows from Operating Activities	6	254,939	522,560
Cash Flows from Investing Activities			
Payments			
Purchase of Investments		412,000	331,622
Total Payments from Investing Activities		412,000	331,622
Dividends Received		17,289	-
Net Cash (Outflows) from Investing Activities		(394,711)	(331,622)
Net (Decrease)/Increase in Cash and Cash Equivalents		(139,772)	190,938
Cash and Cash Equivalents at the Beginning of the Year		267,153	76,215
Cash and Cash Equivalents at the End of the Year	3	127,381	267,153

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

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GUNGALIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These financial statements are special purpose financial statements prepared in order to satisfy the requirements of Section 16B of the *Cemeteries and Crematoria Act 2003* (the Act). The ACT Public Cemeteries Authority (the Authority) has determined that the Gungahlin Cemetery Perpetual Care Trust is not a reporting entity.

The financial statements have been prepared on an accruals and historical cost basis, except for investments that are measured at fair value.

(b) Cash and cash equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank, cash on hand and demand deposits. Perpetual Care Trust money held in the Public Trustee Fund is classified as a cash equivalents.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Receivables

Accounts receivable are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

(d) Payables

Payables are a financial liability and initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(e) Investments

Short-term and long-term investments are held with the Public Trustee for the ACT in unit trusts called the Growth Investment Fund. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

(f) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive payment is established.

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(g) Perpetual Trust Arrangements

A Perpetual Care Trust has been established for the Gungahlin Cemetery in accordance with Section 9 of the Act. The Perpetual Care Trust is established for the long-term and short-term maintenance of the Cemetery. The Public Trustee for the ACT is the trustee of the Perpetual Care Trust, however, the Authority is responsible for its management.

The Authority is required to provide to the Trust a percentage of the revenue for each burial, interment of ashes or memorialisation at each cemetery (the Perpetual Care Trust percentage) in accordance with the Minister's determination. The Authority is also required to provide to the Trust a percentage of revenue as a reserve for future maintenance and related expenditure (the Perpetual Care Trust Reserve percentage).

In accordance with Section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister for Gungahlin Cemetery Perpetual Care Trust were 44.9% (the Perpetual Care Trust amount) and 16.9% (the Perpetual Care Trust reserve amount). The percentages are required to be reviewed at least once every five years.

Funds received by the Authority for the Gungahlin Cemetery from the sale of allotments for 2014-15 was \$1,456,887 (2013-14: \$1,529,593) and the breakdown of funding received from the Authority is as follows:

	Actual 2015	Actual 2014
	\$	\$
Contribution Income (44.9%)	654,142	686,787
Contribution Reserve Income (16.9%)	246,214	258,501
Total Funding Received	900,356	945,288

GUNGALIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(g) Perpetual Trust Arrangements (continued)

The Authority is also required to spend perpetual care funds of each Trust for the maintenance of each cemetery in accordance with the Act.

The Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Perpetual Care Trust percentage is to be determined, except in general terms. The Perpetual Care Trust percentage determined by the Minister, and used as the basis for the provision of funds for the maintenance of the Gungahlin Cemetery, has been determined on a 'full cost' basis – i.e. the expenditure incurred against the Trust will allow for not only the 'direct' cemetery maintenance costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of cemetery maintenance. The expenditure has been allocated to the Trust on a basis of revenue earned by the Authority for the Gungahlin Cemetery. If in any year, the maintenance costs exceed the PCT contribution, reimbursements to the Authority are capped to the PCT contribution amount.

The amount of cemetery maintenance expenditure of the Trust is as follows:

	Actual 2015 \$	Restated Actual 2014 \$
Direct Maintenance Costs ^a	423,847	452,379
Indirect Maintenance Costs ^b	230,295	234,408
Total Maintenance Costs	654,142	686,787

a Direct maintenance costs includes overheads for maintenance that are allocated to the maintenance of the Gungahlin Cemetery as well as the staff time costs for ground staff.

b Indirect maintenance is based on total indirect administrative costs paid by the ACT Public Cemeteries Authority allocated to Gungahlin Cemetery Perpetual Care Trust based on Gungahlin Cemetery's revenue as a percentage of total revenue of the Authority.

2 Correction of Prior Period errors

The Regulator of the *Cemeteries and Crematoria Act 2003* (the Act) engaged external consultants Abraxa to formulate a model for the Authority to comply with the Act and to determine the revenue required by each Cemetery to be held in perpetuity in its Perpetual Care Trust (PCT), to meet current and future costs.

The model included assumptions about how the Authority maintains its cemeteries including staffing levels and the timing of revenue received to calculate a percentage of costs reasonable to be drawn by the Authority for maintenance of each Cemeteries grounds.

The Act does not prescribe how 'maintenance' is defined. In previous years the Authority has charged each PCT for the maintenance of the relevant cemetery or mausoleum on a 'full cost' basis. A full cost basis means that the PCTs have been charged for direct maintenance and a proportion of 'indirect' costs by the Authority that represent that proportion of these costs of the Authority that have been allocated as overhead costs to maintenance costs. These indirect costs being charged by the Authority included, but were not limited to, costs recovered by the Authority for management and administration staff costs and other overheads like insurance, office expenses, rates, security and equipment.

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

During the audit of the 2013-14 financial statements, a query was raised about the basis on which the Authority was charging indirect costs to each PCT and subsequently reimbursed for these.

The Board sought advice from Abraxa in relation to the application and use of the model for allocating indirect costs. The advice received indicated that the Perpetual Care Trust model was not intended to be used for the allocation of indirect costs to each PCT. They indicated that there were difficulties with the current application of the model including observations that 'there are a number of inconsistencies with the model' in relation to the inclusion of some specific indirect costs. The inconsistencies between the model and its application included, but was not limited to costs recovered by the Authority for advertising, consultants, and depreciation; capital, irrigation and purchases of minor equipment were not claimed but should have; and the incorrect percentage of management and administrative wages were recovered. Abraxa concluded that the model was created 'primarily to determine the Perpetual Care Trust revenue percentages to apply, it was not designed to be the basis for the allocation of costs and apportionment of overheads, although it is conceivable to reverse engineer the model to use it for this purpose'.

The errors in the application of the Perpetual Care Trust model for determining indirect costs recovered by the Authority resulted in the Board being unable to provide assurance that balances receivable or payable and funds transferred between the Authority and Trusts were correctly stated. As a result the 2013-14 financial statements of the Authority were qualified due to the uncertainty around the use and application of the Perpetual Care Trust model.

In 2014-15 the Regulator re-engaged Abraxa to review the model and recalculate the drawdowns from the PCTs based on the strict application of the model. This review determined the allocation of both direct and indirect wages, all expenses of the Authority on a full or partial basis, and an eligible portion of capital costs. Both direct and indirect costs are being allocated to each PCT based on the proportion of the total revenue generated by each cemetery or mausoleum over total revenue.

It was also recommended by Abraxa and agreed by the Regulator that the reimbursement for maintenance costs to the Authority be limited to the lower of the amount calculated using the model for maintenance costs and the PCT revenue transfer amount for each PCT as calculated using the Perpetual Care Trust percentages.

The recalculation by Abraxa showed that over the financial years from 2010-11 to 2013-14 the Authority had an excess drawdown from the Gungahlin PCT of \$1,167,164.

The financial statements have been corrected by restating the balances for 2010-11, 2011-12 and 2012-13 as at 1 July 2013, and 2013-14 as at 30 June 2014 for the drawdown of maintenance costs by the Authority.

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

As this error was made in a reporting period prior to the comparative period, the Balance Sheet balances as at 30 June 2013 were restated as follows:

Receivables increased by \$136,681;

Payables decreased by \$658,960; and

Accumulated funds decreased by \$795,641.

In addition, the balance sheet balances were understated as at 30 June 2014, this error resulted in the restatement of the following items for the year ended 30 June 2014:

Payables decreased by \$1,167,164;

Operating surplus increased by \$371,523; and

Accumulated funds increased by \$1,167,164.

Impact of prior period errors

	Amounts
	\$
Gungahlin Cemetery Perpetual Care Trust	1,167,164
Total	1,167,164

The application of the model has been corrected by restating the balances for as at 1 July 2013 and as at 30 June 2014 for the drawdown of maintenance costs by the Authority.

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

Restatement of Financial Statements as a Result of Correction of an Error

Financial Statement Line item / Balance affected	Note	Actual 2014 \$	Correction of Error Adjustments \$	Restated Actual 2014 \$
30 June 2014 Comparative year				
Operating Statement (Extract)				
Expense				
Reimbursement of Maintenance and Related Expenditure Incurred by the ACT Public Cemeteries Authority		1,058,310	(371,523)	686,787
Total Expense		1,059,311	(371,523)	687,788
Operating (Deficit)/Surplus		(52,206)	371,523	319,317
Balance Sheet (Extract)				
Current Liabilities				
Payables	5	1,278,647	(1,167,164)	111,483
Total Current Liabilities		1,278,647	(1,167,164)	111,483
Total Liabilities		1,278,647	(1,167,164)	111,483
Net (Liabilities)/Assets		(471,503)	1,167,164	695,661
Equity				
Accumulated (Deficit)		(1,227,631)	1,167,164	(60,467)
Total Equity		(471,503)	1,167,164	695,661

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

Restatement of Financial Statements as a Result of Correction of an Error

Financial Statement Line item / Balance affected	Actual 2013 \$	Correction of Error Adjustments \$	Restated Actual 2013 \$
30 June 2013 Comparative year			
Balance Sheet (Extract)			
Current Assets			
Receivables	-	136,681	136,681
Total Current Assets	76,215	136,681	212,896
Total Assets	239,663	136,681	376,344
Current Liabilities			
Payables	658,960	(658,960)	-
Total Current Liabilities	658,960	(658,960)	-
Total Liabilities	658,960	(658,960)	-
Net (Liabilities)/Assets	(419,297)	795,641	376,344
Equity			
Accumulated (Deficit)	(916,924)	795,641	(121,283)
Total Equity	(419,297)	795,641	376,344

GUNGALIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**3 Cash and Cash Equivalents**

The Gungahlin Perpetual Care Trust holds two Fund accounts with the Public Trustee for the Australian Capital Territory. These accounts are for the Gungahlin Perpetual Care Trust and the Gungahlin Perpetual Care Trust Reserve. The breakdown for the two accounts is as follows:

	Actual 2015	Actual 2014
	\$	\$
Perpetual Care Trust	18,945	18,495
Perpetual Care Trust Reserve ^a	108,436	248,658
Total Cash and Cash Equivalents	127,381	267,153

- a The Perpetual Care Trust Reserve is cash reserves to be drawn on by the Gungahlin Cemetery for maintenance and related expenditure once all funds of the Perpetual Care Trust are depleted. The Reserve has decreased due to use of funds to purchase further investments.

4 Investments

The purpose of the investment in the Growth Investment Fund is to hold it for a period longer than 12 months. The total carrying amount of the Growth Investment Fund below has been measured at fair value.

	Actual 2015	Actual 2014
	\$	\$
Non-Current Investments		
Growth Investment Fund ^a	972,412	539,991
Total Non-Current investments	972,412	539,991

- a Funds from the Perpetual Care Trust Reserve account were used to purchase units in the Growth Investment Fund.

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

NOTES OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

5 Payables

		Actual 2015	Restated Actual 2014
	Note	\$	\$
Payable - ACT Public Cemeteries Authority	2	113,402	111,483
Total Payables		113,402	111,483

6 Cash Flow Reconciliation

Reconciliation of net income to net cash provided by operating activities:

	Actual 2015	Restated Actual 2014
	\$	\$
Operating Surplus	290,730	319,317
Add/(Less) Items Classified as Investing or Financing		
(Gain) on Investments	(20,421)	(44,921)
Dividend Income	(17,289)	-
Cash Before Changes in Operating Assets and Liabilities	253,020	274,396
Cash Before Changes in Operating Assets and Liabilities		
Decrease in Receivables	-	136,681
Increase in Payables	1,919	111,483
Net Changes in Operating Assets and Liabilities	1,919	248,164
Net Cash Inflows from Operating Activities	254,939	522,560

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015****DECLARATION BY THE CHIEF EXECUTIVE OFFICER**

I, the Chief Executive Officer of the ACT Public Cemeteries Authority, declare that:

- 1 the Gungahlin Cemetery Perpetual Care Trust is not a reporting entity and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements;
- 2 the financial statements and notes present fairly the Trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.



Hamish Horne
Chief Executive Officer
ACT Public Cemeteries Authority
27 August 2015

GUNGAHLIN CEMETERY PERPETUAL CARE TRUST

**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

DECLARATION BY THE BOARD

I, the Chairperson of the ACT Public Cemeteries Authority, declare that:

- 1 the Gungahlin Cemetery Perpetual Care Trust is not a reporting entity and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements;
- 2 the financial statements and notes present fairly the Trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.

On behalf of the Board.



Diane Kargas AM
Chair
ACT Public Cemeteries Authority
27 August 2015



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT AUDIT REPORT

GUNGAHLIN CEMETARY PERPETUAL CARE TRUST

To the Members of the ACT Legislative Assembly

Report on the special purpose financial statements

The special purpose financial statements (financial statements) of the Gungahlin Cemetery Perpetual Care Trust for the year ended 30 June 2015 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

The Governing Board of the ACT Public Cemeteries Authority (the Governing Board) is responsible for the preparation and fair presentation of the financial statements. The Governing Board has determined that the basis of preparation described in Note 1 of the financial statements is appropriate to meet the financial reporting requirements of the *Cemeteries and Crematoria Act 2003*.

The Governing Board is also responsible for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Cemeteries and Crematoria Act 2003*, I am responsible for expressing an independent audit opinion on the financial statements.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the prudence of decisions made by the Governing Board.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gungahlin Cemetery Perpetual Care Trust as at 30 June 2015 and the results of its operations and cash flows for the year then ended, in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003* as described in Note 1 of the financial statements

The audit opinion should be read in conjunction with other information disclosed in this report.

Basis of accounting

Without modifying the audit opinion, I draw attention to Note 1 of the financial statements which describes the basis of accounting. The special purpose financial statements have been prepared to fulfil financial reporting responsibilities under the *Cemeteries and Crematoria Act 2003*. As a result, the financial statements may not be suitable for another purpose.



Malcolm Prentice
Acting Director, Financial Audits
1 September 2015

HALL CEMETERY PERPETUAL CARE TRUST

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

HALL CEMETERY PERPETUAL CARE TRUST

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HALL CEMETERY PERPETUAL CARE TRUST

OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		Actual 2015 \$	Restated Actual 2014 \$
Note			
Income			
<i>Revenue</i>			
	Interest	2,310	3,170
	Dividend Income	1,003	-
	Funding from the ACT Public Cemeteries Authority in accordance with the <i>Cemeteries and Crematoria Act 2003</i>	75,007	53,983
	Gain on Investments	-	4,145
	Total Revenue	78,320	61,298
	Total Income	78,320	61,298
Expenses			
	Reimbursement of Maintenance and Related Expenditure Incurred by the ACT Public Cemeteries Authority	9,686	6,972
	Bank Charges	170	179
	Loss on investment	152	-
	Total Expenses	10,008	7,151
	Operating Surplus	68,312	54,147
	Total Comprehensive Income	68,312	54,147

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

1

HALL CEMETERY PERPETUAL CARE TRUST

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	Actuals 2015 \$	Restated Actuals 2014 \$	Restated Actuals 2013 \$
ASSETS				
Current Assets				
Cash and Cash Equivalents	3	19,165	84,398	19,473
Receivable - ACT Public Cemeteries Authority	2,4	68,904	28,418	31,472
Total Current Assets		88,069	112,816	50,945
Non-Current Assets				
Investments	5	132,104	39,044	46,769
Total Non-Current Assets		132,104	39,044	46,769
Total Assets		220,173	151,860	97,714
LIABILITIES				
Total Liabilities		-	-	-
Net Assets		220,173	151,860	97,714
EQUITY				
Reserve for Maintenance and Related Expenditure		220,173	138,774	91,763
Accumulated Surplus	2	-	13,086	5,951
Total Equity		220,173	151,860	97,714

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

HALL CEMETERY PERPETUAL CARE TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated Surplus \$	Maintenance Reserve \$	Total \$
2015				
Balance at 1 July 2014	2	13,087	138,774	151,861
Comprehensive Income				
Operating Surplus		68,312	-	68,312
Total Comprehensive Income		68,312	-	68,312
Transfer to the Maintenance Reserve ^a		(81,399)	81,399	-
Balance at 30 June 2015		-	220,173	220,173

- a The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer 76.2% of revenue to the Cemetery's Maintenance Reserve. The amount in the Maintenance Reserve is set aside for the sole purpose of funding future maintenance requirements of the Cemetery and cannot be accessed without Ministerial approval.

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

3

HALL CEMETERY PERPETUAL CARE TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated Surplus \$	Maintenance Reserve \$	Total \$
2014				
Balance at 1 July 2013	2	(5,515)	91,763	86,248
Net Effect of a Correction of an Error	2	11,466	-	11,466
Balance at 1 July 2013 - restated	2	<u>5,951</u>	<u>91,763</u>	<u>97,714</u>
Comprehensive Income				
Operating Surplus	2	54,147	-	54,147
Comprehensive Income		<u>54,147</u>	<u>-</u>	<u>54,147</u>
Transfer to the Maintenance Reserve ^a		(47,011)	47,011	-
Balance at 30 June 2014		<u>13,087</u>	<u>138,774</u>	<u>151,861</u>

- a The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer 76.2% of revenue to the Cemetery's Maintenance Reserve. The amount in the Maintenance Reserve is set aside for the sole purpose of funding future maintenance requirements of the Cemetery and cannot be accessed without Ministerial approval.

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

HALL CEMETERY PERPETUAL CARE TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		Actuals 2015	Actuals 2014
	Note	\$	\$
Cash Flows from Operating Activities			
Receipts			
Interest Received		2,309	3,170
Funding Received from the ACT Public Cemeteries Authority		83,167	53,983
Total Receipts from Operating Activities		85,476	57,153
Payments			
Bank Charges		170	179
Reimbursement to the ACT Public Cemeteries Authority for Maintenance and Related Expenditure		58,331	3,919
Total Payments from Operating Activities		58,501	4,098
Net Cash Inflows from Operating Activities	6	26,975	53,055
Cash Flows from Investing Activities			
Receipts			
Sale of Investments		42,789	11,870
Dividends Received		1,003	-
Total Receipts from Investing Activities		43,792	11,870
Payments			
Purchase of Investments		136,000	-
Total Payments from Investing Activities		136,000	-
Net Cash (Outflows)/Inflows from Investing Activities		(92,208)	11,870
Net (Decrease)/Increase in Cash and Cash Equivalents		(65,233)	64,925
Cash and Cash Equivalents at the Beginning of the Year		84,398	19,473
Cash and Cash Equivalents at the End of the Year	3	19,165	84,398

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

5

HALL CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These financial statements are special purpose financial statements prepared in order to satisfy the requirements of Section 16B of the *Cemeteries and Crematoria Act 2003* (the Act). The ACT Public Cemeteries Authority (the Authority) has determined that the Hall Cemetery Perpetual Care Trust is not a reporting entity.

The financial statements have been prepared on an accruals and historical cost basis, except for investments that are measured at fair value.

(b) Cash and cash equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank, cash on hand and demand deposits. Perpetual Care Trust money held in the Public Trustee Fund is classified as a cash equivalent.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Receivables

Accounts receivable are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

(d) Investments

Short-term and long-term investments are held with the Public Trustee for the ACT in unit trusts called the Growth Investment Fund. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

(e) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive payment is established.

HALL CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(f) Perpetual Trust Arrangements

A Perpetual Care Trust has been established for the Hall Cemetery in accordance with Section 9 of the Act. The Perpetual Care Trust is established for the long-term and short-term maintenance of the cemetery. The Public Trustee for the ACT is the trustee of the Perpetual Care Trust, however, the Authority is responsible for its management.

The Authority is required to provide to the Trust a percentage of the revenue for each burial, interment of ashes or memorialisation at each cemetery (the Perpetual Care Trust percentage) in accordance with the Minister's determination. The Authority is also required to provide to the Trust a percentage of revenue as a reserve for future maintenance and related expenditure (the Perpetual Care Trust Reserve percentage).

In accordance with Section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister for the Hall Perpetual Care Trust were 11.3% (the Perpetual Care Trust amount) and 76.2% (the Perpetual Care Trust Reserve amount). It is expected the percentages will be reviewed at least every five years.

Funds received by the Authority for the Hall Cemetery from the sale of allotments for 2014-15 was \$85,723 (2013-14: \$61,694) and the breakdown of funding received from the Authority is as follows:

	Actuals 2015	Actuals 2014
	\$	\$
PCT Contribution Income (11.3%)	9,686	6,972
PCT Contribution Reserve Income (76.2%)	65,321	47,011
Total Funding Received	75,007	53,983

HALL CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(f) Perpetual Trust Arrangements (continued)

The Authority is also required to spend perpetual care funds of each Trust for maintenance of each cemetery in accordance with the Act.

The Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Perpetual Care Trust percentage is to be determined, except in general terms. The Perpetual Care Trust percentage determined by the Minister, and used as the basis for the provision of funds for the maintenance of the Hall Cemetery, has been determined on a 'full cost' basis – i.e. the expenditure incurred against the Trust will allow for not only the 'direct' cemetery maintenance costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of cemetery maintenance. The expenditure has been allocated to the Trust on a basis of revenue generated by the Authority for the Hall Cemetery. If in any year, the maintenance costs exceed the PCT contribution, reimbursements to the Authority are capped to the PCT contribution amount.

The amount of cemetery maintenance expenditure of the Trust is as follows:

	Actuals 2015	Restated Actuals 2014
	\$	\$
Direct Maintenance Costs ^a	6,276	4,592
Indirect Costs Related to the Management of Maintenance ^b	3,410	2,380
Total Maintenance Costs	9,686	6,972

a Direct maintenance costs includes overheads for maintenance that are allocated to the maintenance of the Hall Cemetery as well as the staff time costs for ground staff. Direct maintenance costs increased due to a slight increase in expenditure on ground maintenance.

b Indirect maintenance is based on total indirect administrative costs paid by the ACT Public Cemeteries Authority allocated to Hall Cemetery Perpetual Care Trust based on Hall Cemetery's revenue as a percentage of total revenue of the Authority.

2 Correction of Prior Period errors

The Regulator of the *Cemeteries and Crematoria Act 2003* (the Act) engaged external consultants Abraxa to formulate a model for the Authority to comply with the Act and to determine the revenue required by each Cemetery to be held in perpetuity in its Perpetual Care Trust (PCT), to meet current and future costs.

The model included assumptions about how the Authority maintains its cemeteries including staffing levels and the timing of revenue received to calculate a percentage of costs reasonable to be drawn by the Authority for maintenance of each Cemeteries grounds.

The Act does not prescribe how 'maintenance' is defined. In previous years the Authority has charged each PCT for the maintenance of the relevant cemetery or mausoleum on a 'full cost' basis. A full cost basis means that the PCTs have been charged for direct maintenance and a proportion of 'indirect' costs by the Authority that represent that proportion of these costs of the Authority that have been allocated as overhead costs to maintenance costs. These indirect costs being charged by the Authority included, but were not limited to, costs recovered by the Authority for management and administration staff costs and other overheads like insurance, office expenses, rates, security and equipment.

HALL CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

During the audit of the 2013-14 financial statements, a query was raised about the basis on which the Authority was charging indirect costs to each PCT and subsequently reimbursed for these.

The Board sought advice from Abraxa in relation to the application and use of the model for allocating indirect costs. The advice received indicated that the Perpetual Care Trust model was not intended to be used for the allocation of indirect costs to each PCT. They indicated that there were difficulties with the current application of the model including observations that 'there are a number of inconsistencies with the model' in relation to the inclusion of some specific indirect costs. The inconsistencies between the model and its application included, but was not limited to costs recovered by the Authority for advertising, consultants, and depreciation; capital, irrigation and purchases of minor equipment were not claimed but should have; and the incorrect percentage of management and administrative wages were recovered. Abraxa concluded that the model was created 'primarily to determine the Perpetual Care Trust revenue percentages to apply, it was not designed to be the basis for the allocation of costs and apportionment of overheads, although it is conceivable to reverse engineer the model to use it for this purpose'.

The errors in the application of the Perpetual Care Trust model for determining indirect costs recovered by the Authority resulted in the Board being unable to provide assurance that balances receivable or payable and funds transferred between the Authority and Trusts were correctly stated. As a result the 2013-14 financial statements of the Authority were qualified due to the uncertainty around the use and application of the Perpetual Care Trust model.

In 2014-15 the Regulator re-engaged Abraxa to review the model and recalculate the drawdowns from the PCTs based on the strict application of the model. This review determined the allocation of both direct and indirect wages, all expenses of the Authority on a full or partial basis, and an eligible portion of capital costs. Both direct and indirect costs are being allocated to each PCT based on the proportion of the total revenue generated by each cemetery or mausoleum over total revenue.

It was also recommended by Abraxa and agreed by the Regulator that the reimbursement for maintenance costs to the Authority be limited to the lower of the amount calculated using the model for maintenance costs and the PCT revenue transfer amount for each PCT as calculated using the Perpetual Care Trust percentages.

The recalculation by Abraxa showed that over the financial years from 2010-11 to 2013-14 the Authority had an excess drawdown from the Hall PCT of \$25,019.

The financial statements have been corrected by restating the balances for 2010-11, 2011-12 and 2012-13 as at 1 July 2013, and 2013-14 as at 30 June 2014 for the drawdown of maintenance costs by the Authority.

As this error was made in a reporting period prior to the comparative period, the Balance Sheet balances as at 30 June 2013 were restated as follows:

Receivables increased by \$11,466; and

Accumulated funds increased by \$11,466.

In addition, the balance sheet balances were understated as at 30 June 2014, this error resulted in the restatement of the following items for the year ended 30 June 2014:

Receivable increased by \$25,019;

Operating surplus increased by \$13,554; and

Accumulated funds increased by \$25,019.

HALL CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

Impact of prior period errors

	Amounts
	\$
Hall Cemetery Perpetual Care Trust	25,019
Total	25,019

The application of the model has been corrected by restating the balances as at 1 July 2013 and as at 30 June 2014 for the drawdown of maintenance costs by the Authority

Restatement of Financial Statements as a Result of Correction of an Error

Financial Statements Line item \ Balance affected	Note	Actual 2014	Correction of Error Adjustment	Restated Actual 2014
		\$	\$	\$
30 June 2014 Comparative year				
Operating Statement (Extract)				
Expense				
Reimbursement of Maintenance and Related Expenditure Incurred by the ACT Public Cemeteries Authority		20,526	(13,554)	6,972
Total Expense		20,705	(13,554)	7,151
Operating Surplus		40,593	13,554	54,147
Balance Sheet (Extract)				
Current Assets				
Receivables	4	3,399	25,019	28,418
Total Current Assets		87,797	25,019	112,816
Total Assets		126,841	25,019	151,860
Net Assets		126,841	25,019	151,860
Equity				
Accumulated (Deficit)/Surplus		(11,933)	25,019	13,086
Total Equity		126,841	25,019	151,860

HALL CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

Restatement of Financial Statements as a Result of Correction of an Error

Financial Statements Line item \ Balance affected	Actual 2013 \$	Correction of Error Adjustment \$	Restated Actual 2013 \$
30 June 2013 Comparative year			
Balance Sheet (Extract)			
Current Assets			
Receivables	20,006	11,466	31,472
Total Current Asset	39,479	11,466	50,945
Total Assets	86,248	11,466	97,714
Net Assets	86,248	11,466	97,714
Equity			
Accumulated (Deficit)/Surplus	(5,515)	11,466	5,951
Total Equity	86,248	11,466	97,714

HALL CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3 Cash and Cash Equivalents

The Hall Perpetual Care Trust holds two Fund accounts with the Public Trustee for the ACT. These accounts are for the Hall Perpetual Care Trust and the Hall Perpetual Care Trust Reserve. The breakdown for the two accounts is as follows:

	Actual 2015	Actual 2014
	\$	\$
Perpetual Care Trust ^a	36	3,851
Perpetual Care Trust Reserve ^b	19,129	80,547
Total Cash and Cash Equivalents	19,165	84,398

a The Perpetual Care Trust decreased due to reimbursements paid to the ACT Public Cemeteries Authority for maintenance and related expenditure.

b The Perpetual Care Trust Reserve is a cash reserve to be drawn on by Hall Cemetery for maintenance and related expenditure once all funds of the Perpetual Care Trust are depleted and the Authority is no longer able to fund this activity. The decrease is due to purchase of investments.

4 Receivables

	Actual 2015	Restated Actual 2014
	\$	\$
Receivables - ACT Public Cemeteries Authority ^a	68,904	28,419
Total Receivables	68,904	28,419

a The amounts owed to the Hall Perpetual Care Trust for revenue from the Authority at 30 June. The receivable has increased due to the amounts over drawn from by the Authority from the Perpetual Care Trust in prior periods.

5 Investments

The purpose of the investment in the Growth Investment Fund is to hold it for a period longer than 12 months. The total carrying amount of the Growth Investment Fund below has been measured at fair value.

	Actual 2015	Actual 2014
	\$	\$
Non-Current Investments		
Growth Investment Fund - Hall ^a	132,104	39,044
Total Non-Current investments	132,104	39,044

a The increase is due to funds from the Perpetual Care Trust Reserve cash account being used to purchase units in the Growth Investment Fund.

HALL CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

6 Cash Flow Reconciliation

Reconciliation of net income to net cash provided by operating activities:

	Actual 2015	Restated Actual 2014
	\$	\$
Operating Surplus	68,312	54,147
Add/(Less) Items Classified as Investing or Financing		
Loss on sale of Investments	152	(4,145)
Dividend Income	(1,003)	-
Cash Before Changes in Operating Assets and Liabilities	67,461	50,002
Changes in Operating Assets and Liabilities		
(Increase)\Decrease in Receivables	(40,486)	3,053
Net Changes in Operating Assets and Liabilities	(40,486)	3,053
Net Cash Inflows from Operating Activities	26,975	53,055

HALL CEMETERY PERPETUAL CARE TRUST

**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

I, the Chief Executive Officer of the ACT Public Cemeteries Authority, declare that:

- 1 the Hall Cemetery Perpetual Care Trust (the Trust) is not a reporting entity and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements;
- 2 the financial statements and notes present fairly the Trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.



Hamish Horne
Chief Executive Officer
ACT Public Cemeteries Authority
27 August 2015

HALL CEMETERY PERPETUAL CARE TRUST
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

DECLARATION BY THE BOARD

I, the Chairperson of the ACT Public Cemeteries Authority, declare that:

- 1 the Hall Cemetery Perpetual Care Trust (the Trust) is not a reporting entity and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements;
- 2 the financial statements and notes present fairly the Trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.

On behalf of the Board.



Diane Kargas AM
Chair
ACT Public Cemeteries Authority
27 August 2015



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDIT REPORT

HALL CEMETERY PERPETUAL CARE TRUST

To the Members of the ACT Legislative Assembly

Report on the special purpose financial statements

The special purpose financial statements (financial statements) of the Hall Cemetery Perpetual Care Trust for the year ended 30 June 2015 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

The Governing Board of the ACT Public Cemeteries Authority (the Governing Board) is responsible for the preparation and fair presentation of the financial statements. The Governing Board has determined that the basis of preparation described in Note 1 of the financial statements is appropriate to meet the financial reporting requirements of the *Cemeteries and Crematoria Act 2003*.

The Governing Board is also responsible for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Cemeteries and Crematoria Act 2003*, I am responsible for expressing an independent audit opinion on the financial statements.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the prudence of decisions made by the Governing Board.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Hall Cemetery Perpetual Care Trust as at 30 June 2015 and the results of its operations and cash flows for the year then ended, in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003* as described in Note 1 of the financial statements.

The audit opinion should be read in conjunction with other information disclosed in this report.



Malcolm Prentice
Acting Director, Financial audits
1 September 2015

WODEN CEMETERY PERPETUAL CARE TRUST

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

WODEN CEMETERY PERPETUAL CARE TRUST**CONTENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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WODEN CEMETERY PERPETUAL CARE TRUST

OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		Actual 2015	Restated Actual 2014
	Note	\$	\$
Income			
<i>Revenue</i>			
Interest		6,079	77,862
Dividend Income		52,672	-
Funding from the ACT Public Cemeteries Authority in accordance with the <i>Cemeteries and Crematoria Act 2003</i>	1(g)	986,511	945,259
Gain on Investment		92,266	118,280
<i>Total Revenue</i>		1,137,528	1,141,401
Total Income		1,137,528	1,141,401
Expenses			
Reimbursement of Maintenance and Related Expenditure Incurred by the ACT Public Cemeteries Authority	1(g),2	499,162	478,291
Bank Charges		2,734	3,759
Total Expenses		501,896	482,050
Operating Surplus		635,632	659,351
Total Comprehensive Income		635,632	659,351

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

1

WODEN CEMETERY PERPETUAL CARE TRUST

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	Actual 2015 \$	Restated Actual 2014 \$	Restated Actual 2013 \$
ASSETS				
Current Assets				
Cash and Cash Equivalents	3	177,268	322,799	139,720
Receivables	4	2,005,323	1,604,426	877,705
Total Current Assets		2,182,591	1,927,225	1,017,425
Non-Current Assets				
Investments	5	1,917,332	1,537,066	1,787,514
Total Non-Current Assets		1,917,332	1,537,066	1,787,514
Total Assets		4,099,923	3,464,291	2,804,939
LIABILITIES				
Total Liabilities		-	-	-
Net Assets		4,099,923	3,464,291	2,804,939
EQUITY				
Reserve for Maintenance and Related Expenditure		4,099,923	2,745,009	2,278,040
Accumulated Surplus	2	-	719,282	526,899
Total Equity		4,099,923	3,464,291	2,804,939

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

2

WODEN CEMETERY PERPETUAL CARE TRUST

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated Surplus \$	Maintenance Reserve \$	Total \$
2015				
Balance at 1 July 2014	2	719,282	2,745,009	3,464,291
Comprehensive Income				
Operating Surplus		635,632	-	635,632
Total Comprehensive Income		635,632	-	635,632
Transfer to the Maintenance Reserve ^a		(1,354,914)	1,354,914	-
Balance at 30 June 2015		-	4,099,923	4,099,923

- a The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer 33.0% of revenue to the Cemetery's Maintenance Reserve. The amount in the Maintenance Reserve is set aside for the sole purpose of funding future maintenance requirements of the Cemetery and cannot be accessed without Ministerial approval.

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

WODEN CEMETERY PERPETUAL CARE TRUST

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated Surplus \$	Maintenance Reserve \$	Total \$
2014				
Balance at 1 July 2013		(402,561)	2,278,040	1,875,479
Net Effect of a Correction of an Error	2	929,460	-	929,460
Balance at 1 July 2013 - restated	2	<u>526,899</u>	<u>2,278,040</u>	<u>2,804,939</u>
Comprehensive Income				
Operating Surplus	2	659,351	-	659,351
Comprehensive Income		<u>659,351</u>	<u>-</u>	<u>659,351</u>
Transfer to the Maintenance Reserve ^a		(466,969)	466,969	-
Balance at 30 June 2014		<u><u>719,282</u></u>	<u><u>2,745,009</u></u>	<u><u>3,464,291</u></u>

- a The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer 33.0% of revenue to the Cemetery's Maintenance Reserve. The amount in the Maintenance Reserve is set aside for the sole purpose of funding future maintenance requirements of the Cemetery and cannot be accessed without Ministerial approval.

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

4

WODEN CEMETERY PERPETUAL CARE TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		Actual 2015	Actual 2014
	Note	\$	\$
Cash Flows from Operating Activities			
Receipts			
Interest Received		6,079	77,862
Cash Received from the ACT Public Cemeteries Authority		1,003,778	633,148
Cash Received from the Woden Mausoleum Perpetual Care Trust		-	15,658
Total Receipts from Operating Activities		1,009,857	726,668
Payments			
Bank Charges		2,734	3,759
Reimbursement to the ACT Public Cemeteries Authority for Maintenance and Related Expenditure		917,326	908,558
Total Payments from Operating Activities		920,060	912,317
Net Cash Inflows / (Outflows) from Operating Activities	6	89,797	(185,649)
Cash Flows from Investing Activities			
Receipts.			
Sale of Investments		390,000	368,728
Dividends Received		52,672	-
Total Receipts from Investing Activities		442,672	368,728
Payments			
Purchase of Investments		678,000	-
Total Payments from Investing Activities		678,000	-
Net Cash (Outflows) / Inflows from Investing Activities		(235,328)	368,728
Net (Decrease)/Increase in Cash and Cash Equivalents		(145,531)	183,079
Cash and Cash Equivalents at the Beginning of the Reporting Period		322,799	139,720
Cash and Cash Equivalents at the End of the Reporting Period	3	177,268	322,799

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

5

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These financial statements are special purpose financial statements prepared in order to satisfy the requirements of Section 16B of the *Cemeteries and Crematoria Act 2003* (the Act). The ACT Public Cemeteries Authority (the Authority) has determined that the Woden Cemetery Perpetual Care Trust is not a reporting entity.

The financial statements have been prepared on an accruals and historical cost basis, except for investments that are measured at fair value.

(b) Cash and cash equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank, cash on hand and demand deposits. Perpetual Care Trust money held in the Public Trustee Fund is classified as a cash equivalent.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Receivables

Accounts receivable are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

(d) Payables

Payables are a financial liability and initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(e) Investments

Short-term and long-term investments are held with the Public Trustee for the ACT in unit trusts called the Growth Investment Fund. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

(f) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive payment is established.

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(g) Perpetual Trust Arrangements

A Perpetual Care Trust has been established for the Woden Cemetery in accordance with Section 9 of the Act. The Woden Cemetery Perpetual Care Trust is established for the long-term and short-term maintenance of the cemetery. The Public Trustee for the ACT is the Trustee of the Perpetual Care Trust, however, the Authority is responsible for management of the Trust.

The Authority is required to provide the Trust a percentage of the revenue for each burial, interment of ashes or memorialisation at each cemetery (the Perpetual Care Trust percentage) in accordance with the Minister's determination. The Authority is also required to provide to the Trust a percentage of revenue as a reserve for future maintenance and related expenditure (the Perpetual Care Trust Reserve percentage).

In accordance with Section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister for the Woden Perpetual Care Trust were 33.8% (the Perpetual Care Trust amount) and 33.0% (the Perpetual Care Trust Reserve amount). It is expected the percentage will be reviewed at least every five years.

Funds received by the Authority for Woden Cemetery from the sale of allotments for 2014-15 was \$1,476,812 (2013-14: \$1,415,059) and the breakdown of funding received from the Authority is as follows:

	Actual 2015	Actual 2014
	\$	\$
Contribution Income (33.8%)	499,163	478,290
Contribution Reserve Income (33.0%)	487,348	466,969
Total Funding Received	986,511	945,259

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(g) Perpetual Trust Arrangements (continued)

The Authority is also required to spend perpetual care funds of each Trust for maintenance of each cemetery in accordance with the Act.

The Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Perpetual Care Trust percentages are to be determined, except in general terms. The Perpetual Care Trust percentages determined by the Minister, and used as the basis for the provision of funds for the maintenance of the Woden Cemetery, has been determined on a 'full cost' basis – i.e. the expenditure incurred against the Trust will allow for not only the 'direct' cemetery costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of Cemetery maintenance. The expenditure has been allocated to the Trust on a basis of revenue generated by the Authority for the Woden Cemetery. If in any year, the maintenance costs exceed the PCT contribution, reimbursement to the Authority are capped to the PCT contribution amount.

The amount of cemetery maintenance expenditure of the Trust is as follows:

	Actual 2015	Restated Actual 2014
	\$	\$
Direct Maintenance Costs ^a	323,429	315,044
Indirect Costs ^b	175,733	163,247
Total Maintenance Costs	499,162	478,291

- a Direct maintenance costs includes overheads for maintenance that are allocated to the maintenance of the Woden Cemetery as well as the staff time costs for ground staff. Direct maintenance costs increased due to the increased expenditure on ground maintenance and the higher cost of using temporary staff during the reporting period.
- b Indirect maintenance is based on total indirect administrative costs paid by the ACT Public Cemeteries Authority allocated to the Woden Perpetual Care Trust based on Woden Cemetery's revenue as a percentage of total revenue of the Authority.

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors

The Regulator of the *Cemeteries and Crematoria Act 2003* (the Act) engaged external consultants Abraxa to formulate a model for the Authority to comply with the Act and to determine the revenue required by each Cemetery to be held in perpetuity in its Perpetual Care Trust (PCT), to meet current and future costs.

The model included assumptions about how the Authority maintains its cemeteries including staffing levels and the timing of revenue received, to calculate a percentage of costs reasonable to be drawn by the Authority for maintenance of each Cemeteries grounds.

The Act does not prescribe how 'maintenance' is defined. In previous years the Authority has charged each PCT for the maintenance of the relevant cemetery or mausoleum on a 'full cost' basis. A full cost basis means that the PCTs have been charged for direct maintenance and a proportion of 'indirect' costs by the Authority that represent that proportion of these costs of the Authority that have been allocated as overhead costs to maintenance costs. These indirect costs being charged by the Authority included, but were not limited to, costs recovered by the Authority for management and administration staff costs and other overheads like insurance, office expenses, rates, security and equipment.

During the audit of the 2013-14 financial statements, a query was raised about the basis on which the Authority was charging indirect costs to each PCT and subsequently reimbursed for these.

The Board sought advice from Abraxa in relation to the application and use of the model for allocating indirect costs. The advice received indicated that the Perpetual Care Trust model was not intended to be used for the allocation of indirect costs to each PCT. They indicated that there were difficulties with the current application of the model including observations that 'there are a number of inconsistencies with the model' in relation to the inclusion of some specific indirect costs. The inconsistencies between the model and its application included, but was not limited to costs recovered by the Authority for advertising, consultants, and depreciation; capital, irrigation and purchases of minor equipment were not claimed but should have; and the incorrect percentage of management and administrative wages were recovered. Abraxa concluded that the model was created 'primarily to determine the Perpetual Care Trust revenue percentages to apply, it was not designed to be the basis for the allocation of costs and apportionment of overheads, although it is conceivable to reverse engineer the model to use it for this purpose'.

The errors in the application of the Perpetual Care Trust model for determining indirect costs recovered by the Authority resulted in the Board being unable to provide assurance that balances receivable or payable and funds transferred between the Authority and Trusts were correctly stated. As a result the 2013-14 financial statements of the Authority were qualified due to the uncertainty around the use and application of the Perpetual Care Trust model.

In 2014-15 the Regulator re-engaged Abraxa to review the model and recalculate the drawdowns from the PCTs based on the strict application of the model. This review determined the allocation of both direct and indirect wages, all expenses of the Authority on a full or partial basis, and an eligible portion of capital costs. Both direct and indirect costs are being allocated to each PCT based on the proportion of the total revenue generated by each cemetery or mausoleum over total revenue.

It was also recommended by Abraxa and agreed by the Regulator that the reimbursement for maintenance costs to the Authority be limited to the lower of the amount calculated using the model for maintenance costs and the PCT revenue transfer amount for each PCT as calculated using the Perpetual Care Trust percentages.

The recalculation by Abraxa showed that over the financial years from 2010-11 to 2013-14 the Authority had an excess drawdown from the Woden PCT of \$1,359,726.

The financial statements have been corrected by restating the balances for 2010-11, 2011-12 and 2012-13 as at 1 July 2013, and 2013-14 as at 30 June 2014 for the drawdown of maintenance costs by the Authority.

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

As this error was made in a reporting period prior to the comparative period, the Balance Sheet balances as at 30 June 2013 were restated as follows:

Receivables increased by \$862,049;

Payables decreased by \$67,411; and

Accumulated funds increased by \$929,460.

In addition, the balance sheet balances were understated as at 30 June 2014, this error resulted in the restatement of the following items for the year ended 30 June 2014:

Receivable increased by \$1,359,726;

Operating surplus increased by \$430,265; and

Accumulated funds increased by \$1,359,726.

Impact of prior period errors

	Amounts
	\$
Woden Cemetery Perpetual Care Trust	1,359,726
Total	1,359,726

The application of the model has been corrected by restating the balances for as at 1 July 2013 and as at 30 June 2014 for the drawdown of maintenance costs by the Authority.

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

(a) Restatement of Financial Statements as a Result of Correction of an Error

Financial Statement Line item / Balance affected	Note	Actual	Correction of Error Adjustments	Restated Actual 2014
		\$	\$	\$
30 June 2014 Comparative year				
Operating Statement (Extract)				
Expense				
Reimbursement of Maintenance and Related Expenditure Incurred by the ACT Public Cemeteries Authority		908,556	(430,265)	478,291
Total Expense		912,315	(430,265)	482,050
Operating Surplus		229,085	430,265	659,351
Balance Sheet (Extract)				
Current Assets				
Receivables	4	244,700	1,359,726	1,604,426
Total Current Assets		567,499	1,359,726	1,927,225
Total Assets		2,104,565	1,359,726	3,464,291
Net Assets		2,104,565	1,359,726	3,464,291
Equity				
Accumulated (Deficit)/Surplus		(640,444)	1,359,726	719,282
Total Equity		2,104,565	1,359,726	3,464,291

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

(b) Restatement of Financial Statements as a Result of Correction of an Error

Financial Statement Line item \ Balance affected	Actual 2013 \$	Correction of Error Adjustments \$	Restated Actual 2013 \$
30 June 2013 Comparative year			
Balance Sheet (Extract)			
Current Assets			
Receivables	15,656	862,049	877,705
Total Current Assets	155,376	862,049	1,017,425
Total Assets	1,942,890	862,049	2,804,939
Current Liabilities			
Payables	67,411	(67,411)	-
Total Current Liabilities	67,411	(67,411)	-
Total Liabilities	67,411	(67,411)	-
Net Assets	1,875,479	929,460	2,804,939
Equity			
Accumulated (Deficit)/Surplus	(402,561)	929,460	526,899
Total Equity	1,875,479	929,460	2,804,939

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3 Cash and Cash Equivalents

The Woden Perpetual Care Trust holds two Fund accounts with the Public Trustee for the Australian Capital Territory. These accounts are for the Perpetual Care Trust and the Perpetual Care Trust Reserve. The breakdown for the two accounts is as follows:

		Actual 2015 \$	Actual 2014 \$
Perpetual Care Trust ^a	2	235	4,368
Perpetual Care Trust Reserve ^b		177,033	318,431
Total Cash and Cash Equivalents		177,268	322,799

a The Perpetual Care Trust balance decreased in 2014-15 due to reimbursements paid to the ACT Public Cemeteries Authority for maintenance and related expenditure.

b The Perpetual Care Trust Reserve is a cash reserve to be drawn on by Woden Cemetery for maintenance and related expenditure once all funds of the Perpetual Care Trust are depleted and the Authority is no longer able to fund this activity. The reserve has decreased due to the use of funds to purchase investments.

4 Receivables

		Actual 2015 \$	Restated Actual 2014 \$
Receivables - ACT Public Cemeteries Authority ^a	2	2,005,323	1,604,426
Total Receivables		2,005,323	1,604,426

a The amounts owed to the Woden Perpetual Care Trust by the Authority has increased due to a shortfall in funds paid by the Authority to the Perpetual Care Trust as amounts were overdrawn in previous periods following the correction of prior period errors.

5 Investments

The purpose of the investment in the Growth Investment Fund is to hold it for a period longer than 12 months. The total carrying amount of the Growth Investment Fund below has been measured at fair value.

	Actual 2015 \$	Actual 2014 \$
Non-Current Investments		
Growth Investment Fund ^a	1,917,332	1,537,066
Total Non-Current investments	1,917,332	1,537,066

a Units in Growth Investments Funds were sold during the year, with movements in value recorded in the operating statement. Any gains are to be drawn on by Woden Cemetery for maintenance and related expenditure. More funds were drawn from the Perpetual Care Trust Reserve to purchase further units.

WODEN CEMETERY PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

6 Cash Flow Reconciliation

Reconciliation of net income to net cash provided by operating activities:

	Actual 2015 \$	Restated Actual 2014 \$
Operating Surplus	635,632	659,351
Add/(Less) Items Classified as Investing or Financing		
(Gain) on Investments	(92,266)	(118,280)
Dividend Income	(52,672)	-
Cash Before Changes in Operating Assets and Liabilities	490,694	541,071
Changes in Operating Assets and Liabilities		
(Increase) in Receivables	(400,897)	(726,720)
Net Changes in Operating Assets and Liabilities	(400,897)	(726,720)
Net Cash Inflows from Operating Activities	89,797	(185,649)

WODEN CEMETERY PERPETUAL CARE TRUST**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015****DECLARATION BY THE CHIEF EXECUTIVE OFFICER**

I, the Chief Executive Officer of the ACT Public Cemeteries Authority, declare that:

- 1 the Woden Cemetery Perpetual Care Trust is not a reporting entity and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements;
- 2 the financial statements and notes present fairly the Trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.



Hamish Horne
Chief Executive Officer
ACT Public Cemeteries Authority
27 August 2015

WODEN CEMETERY PERPETUAL CARE TRUST
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

DECLARATION BY THE BOARD

I, the Chairperson of the ACT Public Cemeteries Authority, declare that:

- 1 the Woden Cemetery Perpetual Care Trust is not a reporting entity and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements;
- 2 the financial statements and notes present fairly the Trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.

On behalf of the Board.



Diane Kargas AM
Chair
ACT Public Cemeteries Authority
27 August 2015



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT AUDIT REPORT

WODEN CEMETARY PERPETUAL CARE TRUST

To the Members of the ACT Legislative Assembly

Report on the special purpose financial statements

The special purpose financial statements (financial statements) of the Woden Cemetery Perpetual Care Trust for the year ended 30 June 2015 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

The Governing Board of the ACT Public Cemeteries Authority (the Governing Board) is responsible for the preparation and fair presentation of the financial statements. The Governing Board has determined that the basis of preparation described in Note 1 of the financial statements is appropriate to meet the financial reporting requirements of the *Cemeteries and Crematoria Act 2003*.

The Governing Board is also responsible for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Cemeteries and Crematoria Act 2003*, I am responsible for expressing an independent audit opinion on the financial statements.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the prudence of decisions made by the Governing Board.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Woden Cemetery Perpetual Care Trust as at 30 June 2015 and the results of its operations and cash flows for the year then ended, in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003* as described in Note 1 of the financial statements.

The audit opinion should be read in conjunction with other information disclosed in this report.

Basis of accounting

Without modifying the audit opinion, I draw attention to Note 1 of the financial statements which describes the basis of accounting. The special purpose financial statements have been prepared to fulfil financial reporting responsibilities under the *Cemeteries and Crematoria Act 2003*. As a result, the financial statements may not be suitable for another purpose.



Malcolm Prentice
Acting Director, Financial Audits
1 September 2015

WODEN MAUSOLEUM PERPETUAL CARE TRUST

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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WODEN MAUSOLEUM PERPETUAL CARE TRUST

OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		Actual 2015	Restated Actual 2014
	Note	\$	\$
Income			
<i>Revenue</i>			
Interest		7,628	22,685
Dividend Income		18,715	-
Gain on Investments		33,057	39,909
Funding from the ACT Public Cemeteries Authority in accordance with the <i>Cemeteries and Crematoria Act 2003</i>	1(g)	-	34,930
<i>Total Revenue</i>		<u>59,400</u>	<u>97,524</u>
Total Income		<u>59,400</u>	<u>97,524</u>
Expenses			
Reimbursement of Maintenance and Related Expenditure Incurred by the ACT Public Cemeteries Authority	1(g),2	-	6,351
Bank Charges		1,274	1,248
Total Expenses		<u>1,274</u>	<u>7,599</u>
Operating Surplus		<u>58,126</u>	<u>89,925</u>
Total Comprehensive Income		<u>58,126</u>	<u>89,925</u>

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

1

WODEN MAUSOLEUM PERPETUAL CARE TRUST

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	Actual 2015 \$	Restated Actual 2014 \$	Restated Actual 2013 \$
ASSETS				
Current Assets				
Cash and Cash Equivalents	3	274,078	320,667	125,525
Receivables	2	-	-	270,003
Total Current Assets		274,078	320,667	395,528
Non-Current Assets				
Investments	4	681,715	584,658	-
Total Non-Current Assets		681,715	584,658	-
Total Assets		955,793	905,325	395,528
LIABILITIES				
Current Liabilities				
Payable - Woden Cemetery Perpetual Care Trust	5	-	-	15,655
Payable - ACT Public Cemeteries Authority	2,5	427,869	435,527	-
Total Current Liabilities		427,869	435,527	15,655
Total Liabilities		427,259	435,527	15,655
Net Assets		527,924	469,798	379,873
EQUITY				
Reserve for Maintenance and Related Expenditure		527,924	530,200	501,621
Accumulated (Deficit)		-	(60,402)	(121,748)
Total Equity		527,924	469,798	379,873

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

WODEN MAUSOLEUM PERPETUAL CARE TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated (Deficit) \$	Maintenance Reserve \$	Total \$
2015				
Balance at 1 July 2014	2	(60,402)	530,200	469,798
Comprehensive Income				
Operating Surplus		58,126	-	58,126
Total Comprehensive Income		58,126	-	58,126
Transfer from the Maintenance Reserve ^a		2,276	(2,276)	-
Balance at 30 June 2015		-	527,924	527,924

- a The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer 60.3% of revenue to the Mausoleum's Maintenance Reserve. The amount in the Maintenance Reserve is set aside for the sole purpose of funding future maintenance requirements of the Mausoleum and cannot be accessed without Ministerial approval.

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

WODEN MAUSOLEUM PERPETUAL CARE TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Accumulated (Deficit) \$	Maintenance Reserve \$	Total \$
2014				
Balance at 1 July 2013	2	105,800	501,621	607,421
Net Effect of a Correction of an Error	2	(227,548)	-	(227,548)
Balance at 1 July 2013 - restated	2	(121,748)	501,621	379,873
Comprehensive Income				
Operating Surplus	2	89,925	-	89,925
Total Comprehensive Income		89,925	-	89,925
Transfer to the Maintenance Reserve ^a		(28,579)	28,579	-
Balance at 30 June 2014		(60,402)	530,200	469,798

- a The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer 60.3% of revenue to the Mausoleum's Maintenance Reserve. The amount in the Maintenance Reserve is set aside for the sole purpose of funding future maintenance requirements of the Mausoleum and cannot be accessed without Ministerial approval.

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

WODEN MAUSOLEUM PERPETUAL CARE TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

		Actual 2015	Actual 2014
	Note	\$	\$
Cash Flows from Operating Activities			
Receipts			
Interest Received		7,628	22,685
Funding Received from the ACT Public Cemeteries Authority		-	739,283
Total Receipts from Operating Activities		7,628	761,968
Payments			
Bank Charges		1,274	1,248
Reimbursement to the ACT Public Cemeteries Authority for Maintenance and Related Expenditure		7,658	5,173
Reimbursement to the Woden Cemetery Perpetual Care Trust		-	15,658
Total Payments from Operating Activities		8,932	22,079
Net Cash (Outflows)/Inflows from Operating Activities	6	(1,304)	739,889
Cash Flows from Investing Activities			
Payments			
Purchase of Investments		64,000	544,747
Total Payments from Investing Activities		64,000	544,747
Receipts			
Dividends received		18,715	-
Total Receipts from Investing Activities		18,715	-
Net Cash (Outflows) from Investing Activities		(45,285)	(544,747)
Net (Decrease)/Increase in Cash and Cash Equivalents		(46,589)	195,142
Cash and Cash Equivalents at the Beginning of the Year		320,667	125,525
Cash and Cash Equivalents at the End of the Year	3	274,078	320,667

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

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WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These financial statements are special purpose financial statements prepared in order to satisfy the requirements of Section 16B of the *Cemeteries and Crematoria Act 2003* (the Act). The ACT Public Cemeteries Authority (the Authority) has determined that the Woden Mausoleum Perpetual Care Trust is not a reporting entity.

The financial statements have been prepared on an accruals and historical cost basis, except for investments that are measured at fair value.

(b) Cash and cash equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank, cash on hand and demand deposits. Perpetual Care Trust money held in the Public Trustee Fund is classified as a cash equivalent.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Receivables

Accounts receivable are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

(d) Payables

Payables are a financial liability and initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

(e) Investments

Short-term and long-term investments are held with the Public Trustee for the ACT in unit trusts called the Growth Investment Fund. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

(f) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

Interest revenue is recognised using the effective interest method.

WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

Dividend revenue is recognised when the right to receive payment is established.

(g) Perpetual Trust Arrangements

A Perpetual Care Trust has been established for the Woden Mausoleum in accordance with Section 9 of the Act. The Perpetual Care Trust is established for the long-term and short-term maintenance of the Mausoleum. The Public Trustee for the ACT is the trustee of the Perpetual Care Trust, however, the Authority is responsible for its management.

The Authority is required to provide to the Trust a percentage of the revenue for each burial, interment of ashes or memorialisation at each cemetery (the Perpetual Care Trust percentage) in accordance with the Minister's determination. The Authority is also required to provide to the Trust a percentage of revenue as a reserve for future maintenance and related expenditure (the Perpetual Care Trust Reserve percentage).

In accordance with Section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister for the Woden Mausoleum Perpetual Care Trust were 13.4% (the Perpetual Care Trust amount) and 60.3% (the Perpetual Care Trust reserve amount). It is expected the percentage will be reviewed at least every five years.

There were no funds received by the Authority for the Woden Mausoleum from the sale of allotments in 2014-15 as no sales occurred (2013-14: \$47,395). The breakdown of funding received from the Authority is as follows:

	Actual 2015	Actual 2014
	\$	\$
Contribution Income (13.4%)	-	6,351
Contribution Reserve Income (60.3%)	-	28,579
Total Funding Received	-	34,930

WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 Summary of Significant Accounting Policies (continued)

(g) Perpetual Trust Arrangements (continued)

The Authority is also required to spend perpetual care funds of each Trust for maintenance of each cemetery and mausoleum in accordance with the Act.

The Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Perpetual Care Trust maintenance percentage is to be determined, except in general terms. The Perpetual Care Trust percentage provided by the Minister, and used as the basis for the provision of funds for the maintenance of the Woden Mausoleum has been determined on a 'full cost' basis – i.e. the expenditure incurred against the Trust could allow for 'direct' and 'indirect' mausoleum maintenance costs incurred by the Authority that are associated with the management of mausoleum maintenance. The expenditure has been allocated to the Trust on a basis of revenue generated by the Authority for the Woden Mausoleum. If in any year, the maintenance costs exceed the PCT contribution, reimbursements to the Authority are capped to the PCT contribution amount.

The amount of cemetery maintenance expenditure of the Trust is as follows:

	Actual 2015	Restated Actual 2014
	\$	\$
Direct Maintenance Costs ^a	-	4,183
Indirect Maintenance Costs ^b	-	2,168
Total Maintenance Costs	-	6,351

a Direct maintenance costs includes overheads for maintenance that are allocated to the maintenance of the Woden Mausoleum as well as the staff time costs for ground staff. As maintenance costs are allocated as a percentage of revenue received and as no income has been generated by the Mausoleum, there has been no allocation of maintenance costs.

b Indirect maintenance is based on total indirect administrative costs paid by the ACT Public Cemeteries Authority allocated to the Woden Mausoleum Perpetual Care Trust based on Woden Mausoleum's revenue as a percentage of total revenue of the Authority.

WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors

The Regulator of the *Cemeteries and Crematoria Act 2003* (the Act) engaged external consultants Abraxa to formulate a model for the Authority to comply with the Act and to determine the revenue required by each Cemetery to be held in perpetuity in its Perpetual Care Trust (PCT), to meet current and future costs.

The model included assumptions about how the Authority maintains its cemeteries, including staffing levels and the timing of revenue received to calculate a percentage of costs reasonable to be drawn by the Authority for maintenance of each Cemetery grounds.

The Act does not prescribe how 'maintenance' is defined. In previous years the Authority has charged each PCT for the maintenance of the relevant cemetery or mausoleum on a 'full cost' basis. A full cost basis means that the PCTs have been charged for direct maintenance and a proportion of 'indirect' costs by the Authority that represent that proportion of these costs of the Authority that have been allocated as overhead costs to maintenance costs. These indirect costs being charged by the Authority included, but were not limited to, costs recovered by the Authority for management and administration staff costs and other overheads like insurance, office expenses, rates, security and equipment.

During the audit of the 2013-14 financial statements, a query was raised about the basis on which the Authority was charging indirect costs to each PCT and subsequently reimbursed for these.

The Board sought advice from Abraxa in relation to the application and use of the model for allocating indirect costs. The advice received indicated that the Perpetual Care Trust model was not intended to be used for the allocation of indirect costs to each PCT. They indicated that there were difficulties with the current application of the model including observations that 'there are a number of inconsistencies with the model' in relation to the inclusion of some specific indirect costs. The inconsistencies between the model and its application included, but was not limited to costs recovered by the Authority for advertising, consultants, and depreciation; capital, irrigation and purchases of minor equipment were not claimed but should have; and the incorrect percentage of management and administrative wages were recovered. Abraxa concluded that the model was created 'primarily to determine the Perpetual Care Trust revenue percentages to apply, it was not designed to be the basis for the allocation of costs and apportionment of overheads, although it is conceivable to reverse engineer the model to use it for this purpose'.

The errors in the application of the Perpetual Care Trust model for determining indirect costs recovered by the Authority resulted in the Board being unable to provide assurance that balances receivable or payable and funds transferred between the Authority and Trusts were correctly stated. As a result the 2013-14 financial statements of the Authority were qualified due to the uncertainty around the use and application of the Perpetual Care Trust model.

In 2014-15 the Regulator re-engaged Abraxa to review the model and recalculate the drawdowns from the PCTs based on the strict application of the model. This review determined the allocation of both direct and indirect wages, all expenses of the Authority on a full or partial basis, and an eligible portion of capital costs. Both direct and indirect costs are being allocated to each PCT based on the proportion of the total revenue generated by each cemetery or mausoleum over total revenue.

It was also recommended by Abraxa and agreed by the Regulator that the reimbursement for maintenance costs to the Authority be limited to the lower of the amount calculated using the model for maintenance costs and the PCT revenue transfer amount for each PCT as calculated using the Perpetual Care Trust percentages.

The recalculation by Abraxa showed that over the financial years from 2010-11 to 2013-14 the Authority had an excess drawdown from the Mausoleum PCT of \$228,725.

The financial statements have been corrected by restating the balances for 2010-11, 2011-12 and 2012-13 as at 1 July 2013, and 2013-14 as at 30 June 2014 for the drawdown of maintenance costs by the Authority.

WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

As this error was made in a reporting period prior to the comparative period, the Balance Sheet balances as at 30 June 2013 were restated as follows:

Receivables decreased by \$227,548; and

Accumulated funds decreased by \$227,548.

In addition, the balance sheet balances were understated as at 30 June 2014, this error resulted in the restatement of the following items for the year ended 30 June 2014:

Payables increased by \$228,725;

Operating surplus decreased by \$1,177; and

Accumulated funds decreased by \$228,725.

Impact of prior period errors

	<u>Amount</u>
	<u>\$</u>
Woden Mausoleum Perpetual Care Trust	<u>228,725</u>
Total	<u>228,725</u>

The application of the model has been corrected by restating the balances for as at 1 July 2013 and as at 30 June 2014 for the drawdown of maintenance costs by the Authority.

WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

Restatement of Financial Statements as a Result of Correction of an Error

Financial Statement Line item/ Balance affected	Note	Actual 2014	Correction of Error Adjustments	Restated Actual 2014
		\$	\$	\$
30 June 2014 Comparative year				
Operating Statement (Extract)				
Expense				
Reimbursement of Maintenance and Related Expenditure Incurred by the ACT Public Cemeteries Authority		5,174	1,177	6,351
Total Expense		6,422	1,177	7,599
Operating Surplus		91,102	(1,177)	89,925
Balance Sheet (Extract)				
Current Liabilities				
Payables	5	206,802	228,725	435,527
Total Current Liabilities		206,802	228,725	435,527
Total Liabilities		206,802	228,725	435,527
Net Assets		698,523	(228,725)	469,798
Equity				
Accumulated Surplus/(Deficit)		168,323	(228,725)	(60,402)
Total Equity		698,523	(228,725)	469,798

WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2 Correction of Prior Period errors (continued)

Restatement of Financial Statements as a Result of Correction of an Error

Financial Statement Line item / Balance affected	Actual 2013 \$	Correction of Error Adjustments \$	Restated Actual 2013 \$
30 June 2013 Comparative year			
Balance Sheet (Extract)			
Current Assets			
Receivables	497,551	(227,548)	270,003
Total Current Assets	623,076	(227,548)	395,528
Total Assets	623,076	(227,548)	395,528
Net Assets	607,419	(227,548)	379,873
Equity			
Accumulated Surplus/(Deficit)	105,800	(227,548)	(121,748)
Total Equity	607,419	(227,548)	379,873

WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3 Cash and Cash Equivalents

The Woden Mausoleum Perpetual Care Trust holds two Fund accounts with the Public Trustee for the Australian Capital Territory. These accounts are for the Woden Mausoleum Perpetual Care Trust and the Woden Mausoleum Perpetual Care Trust Reserve. The breakdown for the two accounts is as follows:

	Actual 2015	Actual 2014
	\$	\$
Perpetual Care Trust	237,150	236,320
Perpetual Care Trust Reserve ^a	36,928	84,347
Total Cash and Cash Equivalents	274,078	320,667

- a The Perpetual Care Trust Reserve is a cash reserve to be drawn on by Woden Mausoleum for maintenance and related expenditure once all funds of the Trust are depleted. The Reserve has decreased due to use of funds to purchase investments.

4 Investments

The purpose of the investment in the Growth Investment Fund is to hold it for a period longer than 12 months. The total carrying amount of the Growth Investment Fund below has been measured at fair value.

	Actual 2015	Actual 2014
	\$	\$
Non-Current Investments		
Growth Investment Fund ^a	681,715	584,658
Total Non-Current investments	681,715	584,658

- a Investments increased due to funds from the Perpetual Care Trust Reserve cash account being used to purchase units in the Growth Investment Fund and the increase in value of the purchased units.

WODEN MAUSOLEUM PERPETUAL CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

5 Payables

	Actual 2015	Restated Actual 2014
	\$	\$
Payable - ACT Public Cemeteries Authority	427,869	435,527
Total Payables	427,869	435,527

6 Cash Flow Reconciliation

Reconciliation of net income to net cash provided by operating activities:

	Actual 2015	Restated Actual 2014
	\$	\$
Operating Surplus	58,126	89,925
Add Items Classified as Investing or Financing		
(Gain) on Investments	(33,057)	(39,909)
Dividend Income	(18,715)	-
Cash Before Changes in Operating Assets and Liabilities	6,354	50,016
Changes in Operating Assets and Liabilities		
Decrease in Receivables	-	270,001
(Decrease)/Increase in Payables	(7,658)	419,872
Net Changes in Operating Assets and Liabilities	(7,658)	689,873
Net Cash (Outflows)/Inflows from Operating Activities	(1,304)	739,889

WODEN MAUSOLEUM PERPETUAL CARE TRUST**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015****DECLARATION BY THE CHIEF EXECUTIVE OFFICER**

I, the Chief Executive Officer of the ACT Public Cemeteries Authority, declare that:

- 1 the Woden Mausoleum Perpetual Care Trust is not a reporting entity and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements;
- 2 the financial statements and notes present fairly the Trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.



Hamish Horne
Chief Executive Officer
ACT Public Cemeteries Authority
27 August 2015

WODEN MAUSOLEUM PERPETUAL CARE TRUST

**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

DECLARATION BY THE BOARD

I, the Chairperson of the ACT Public Cemeteries Authority, declare that:

- 1 the Woden Mausoleum Perpetual Care Trust is not a reporting entity and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements;
- 2 the financial statements and notes present fairly the Trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements.

On behalf of the Board.



Diane Kargas AM
Chair
ACT Public Cemeteries Authority
27 August 2015



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT AUDIT REPORT

WODEN MAUSOLEUM PERPETUAL CARE TRUST

To the Members of the ACT Legislative Assembly

Report on the special purpose financial statements

The special purpose financial statements (financial statements) of the Woden Mausoleum Perpetual Care Trust for the year ended 30 June 2015 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

Responsibility for the financial statements

The Governing Board of the ACT Public Cemeteries Authority (the Governing Board) is responsible for the preparation and fair presentation of the financial statements. The Governing Board has determined that the basis of preparation described in Note 1 of the financial statements is appropriate to meet the financial reporting requirements of the *Cemeteries and Crematoria Act 2003*.

The Governing Board is also responsible for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Cemeteries and Crematoria Act 2003*, I am responsible for expressing an independent audit opinion on the financial statements.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the prudence of decisions made by the Governing Board.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements should note that the audit does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Woden Mausoleum Perpetual Care Trust as at 30 June 2015 and the results of its operations and cash flows for the year then ended, in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003* as described in Note 1 of the financial statements.

The audit opinion should be read in conjunction with other information disclosed in this report.

Basis of accounting

Without modifying the audit opinion, I draw attention to Note 1 of the financial statements which describes the basis of accounting. The special purpose financial statements have been prepared to fulfil financial reporting responsibilities under the *Cemeteries and Crematoria Act 2003*. As a result, the financial statements may not be suitable for another purpose.



Malcolm Prentice
Acting Director, Financial Audits
1 September 2015

Appendix 1: Compliance Statement

The ACT Public Cemeteries Authority Annual Report 2014–15 must comply with the 2015 Annual Report Directions found at the ACT Legislation Register: <http://www.legislation.act.gov.au/ni/annual/2015.asp>

The index below indicates the subsections of the Annual Report Directions that are applicable and the location of the information that satisfies these requirements. The ACT Public Cemeteries Authority Annual Report 2014–15 complies with all applicable subsections.

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D	Notices of Non Compliance	nil to report
D.1	Dangerous Substances	nil to report
D.2	Medicines, Poisons and Therapeutic Goods	nil to report
E	Education and Training	not applicable
F	Health	not applicable
G	Gambling and Racing	not applicable
H	Ministerial and Director-General Directions	nil to report
I	Public Land Management Plans	nil to report
J	Third Party Insurance	not applicable
K	Victims of Crime	not applicable
L	Waste Minimisation Contraventions	not applicable

Whole-of-Government Reporting

All subsections listed under whole-of-government reporting are aggregated with the contributions of other directorate's as follows:

- M Community Engagement and Support—see Chief Minister, Treasury and Economic Development Directorate 2014–15 Annual Report**
- N Justice and Community Safety—see Justice and Community Safety Directorate 2014–15 Annual Report**
 - N.1 Bushfire Risk Management
 - N.2 Freedom of Information
 - N.3 Human Rights
 - N.4 Legal Services Directions
- O Public Sector Standards and Workforce Profile—see Commissioner for Public Administration 2014–15 State of Service Report**
 - O.1 Culture and Behaviour
 - O.2 Public Interest Disclosure
 - O.3 Workforce Profile
- P Territory Records—see Chief Minister, Treasury and Economic Development Directorate 2014–15 Annual Report**

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