



BUNBURY CEMETERY BOARD ANNUAL REPORT 2021 - 2022

ACKNOWLEDGEMENT OF COUNTRY

The Bunbury Cemetery Board acknowledges the Wardandi Noongar people as the traditional custodians of this land and their continuing connection to land, waters and community. We pay our respects to all member of Aboriginal Communities and their cultures; and to Elders both past and present.

This report informs key stakeholders and the community about the Bunbury Cemetery Board, its priorities, challenges and performance for the 2021 - 2022 financial year.

For more information or to provide feedback, email
info@bcb.wa.gov.au



Statement of Compliance



To the Hon. David Michael MLA

Minister for Ports, Local Government, Road Safety, Minister assisting the Minister for Transport

We submit for your information, the Annual Report of the Bunbury Cemetery Board for the financial year ended 30 June 2022.

We advise that the Financial Statements contained in the attached report have been audited by the Office of the Auditor General and contain the relevant audit opinions.



Michael Finn
Chairman



Kristy Constantine
Chief Executive



CONTENTS

OVERVIEW	4
Board Objectives	5
Chairman’s Report	6
Chief Executive’s Report	7
Our Values	8
2021 – 2026 Strategic Plan	9
Operational Structure	10
Our Board	11

BOARD PERFORMANCE	12
Our Year at a Glance	12
Summary of Financial Targets and Key Performance Indicators	14-15
Report on Operations	17
Memorial Gardens, Cemetery and Crematorium	17
Stakeholder and Community Engagement	18
Environmental Sustainability	19
Capital Investment and Buildings	20

DISCLOSURES AND LEGAL COMPLIANCE	21
Independent Auditors Report	21-22
Audited Financial Statement	23-38

BOARD OBJECTIVES

- To provide the community with a range of socially acceptable burials, cremations, and memorial services at a reasonable cost.
- To ensure that such services meet the needs of the community, while complying with applicable Acts and the Board By-Laws.
- To ensure that long term requirements are included in planning.
- To ensure that services provided conform with the community expectations of efficiency, sensitivity, and care.
- To inform and maintain public awareness of the range of facilities and services available.
- To ensure that the resources of the Board are managed and applied to achieve optimum performance and to conform with sound business principles.

CHAIRMANS REPORT

The Bunbury Cemetery was established in 1914 and has respectively operated under the auspices of the Bunbury Roads Board and later the Bunbury City Council. Through a Ministerial directive, the Bunbury Cemetery Board was established in 1992 and during this reporting period, the Board celebrated its 30th year as a government appointed instrumentality.

Although a government instrumentality, it has only over the past 2 years that the Board has been operating in accordance with the Western Australian Public Sector Commission guidelines for the Governance of WA Government appointed Boards and Committees. This reporting period has seen a consolidation of the alignment with the Public Sector Standards and has included ensuring that the Board now completes an annual self-assessment of Board performance to assist in identifying areas that might require attention in order to improve Board governance practices.

As a part this process, the Board has provided the previous and the current Minister, Hon John Carey, Minister for Housing; Lands; Homelessness; Local Government with an overview of Board functions and how these align with Public Sector Standards. The Board has for some time functioned with 6 members and in December 2022 with the resignation of an existing member, operated with 5 members. While the Cemeteries Act identifies that the Board can consist of up to 7 members, during this reporting period these vacant positions were not filled by the Minister.

While the world was enduring some of the worse of the COVID-19 Pandemic, Bunbury Cemetery functioned without any major disruptions even with the additional pressures brought to bear with the decommissioning of the diesel-powered cremator.

The Board has continued to support the Chief Executive through restructuring of the employee work practices and implementation of a range of efficiencies as well as a major review of policies and procedures. Demands on Cemetery services has continued to grow, and the Bunbury Cemetery Board is confident that with changes implement over the year, that the governance and financial management of the Cemetery will ensure the continued healthy viability of the Cemetery for the foreseeable future.



BUNBURY
CEMETERY BOARD
Service with dignity

A handwritten signature in black ink, appearing to read 'M. Finn', written over the Bunbury Cemetery Board logo.

Michael Finn
Chairman

CHIEF EXECUTIVE'S REPORT

There have been a number of significant changes for the 2021 - 2022 Financial year through the structure of the organisation and the implementation of Strategic Plan items.

The Bunbury Cemetery Board was officially integrated into the Public Sector in October 2021. Whilst a number of challenges have been presented in the alignment to the Public Sector the Board and myself have worked diligently to ensure a smooth transition.

2021 – 2022 saw the completion of the diesel cremator decommissioning and installation of a coolroom to maintain the temperature of coffins before cremation. This has meant a significant reduction in carbon emissions, 16,900 kg (or the equivalent of 704 trees) in total to June 30, further increasing the Boards commitment to environmental sustainability.

The application to apply for a clearing permit was submitted to the Dept of Water and Environment to further expand the cemetery with the Strategic Plan development of Lawn Lakeside, the new Peninsular Gardens and the Operations Centre.

The development and introduction of Bunbury Cemetery Board's first DAIP was drafted in June 2022 to be submitted to the Disability Services Commission in July 2022. This was completed after extensive community consultation and involvement of Board Members to complete the requirements and ensure compliance.

Enhancement of the Memorial Gardens began with the purchase of new memorial options for members of the community and new garden beds were built throughout the grounds.

Community Engagement was strengthened through the hosting of a Transplant Australia memorial service, honouring Western Australian organ donors, and providing tours of the Crematorium and Memorial Grounds for "Dying to Know Day" in August 2022.

The Board underwent a modernisation of its logo in Feb 2022 with a new logo depicting the "Tree of Life" with the continued growth of the cemetery whilst maintaining its heritage and "roots" within the local community. The Boards domain names were amalgamated into the government domain, and I will work towards the update of the website in the coming year.

The dedication and hard work of our team has ensured that all of these achievements have been realised. I am very proud to work with them all to ensure the continuity and sustainability of the cemetery for many decades to come.

As voluntary members, I would also like to thank the Board Members, for their continued support, and extend my sincere appreciation to our Chairman, Michael Finn. His ongoing dedication to the sector has allowed the Bunbury Cemetery Board to work more effectively towards good governance and compliance with Public Sector standards.



A handwritten signature in blue ink, appearing to read 'K Constantine'. The signature is stylized and fluid.

Kristy Constantine
Chief Executive

The Board's Values

“Service with dignity for our families”



COMPASSION

With choice for the families of our community.



INTEGRITY

In everything we do.



TRANQUILITY

A peaceful environment for reflection.



GROWTH & INNOVATION

For future generations.



TEAMWORK

“One Team” focussed on continually improving.

BUNBURY
CEMETERY BOARD
Service with dignity

2021 – 2026 STRATEGIC PLAN

Our Strategic Plan continues to guide and progress the development of the Bunbury Cemetery Board. It demonstrates our desire to deliver a preferred place to memorialise and inter loved ones in a well maintained and tranquil setting.

Our objectives inform our operational planning and continue to guide to the development of the Strategic Plan 2021 -2026. Our achievements towards the Strategic Plan are articulated and aligned through our performance management framework and Board Performance.



“Lawn Lakeside” will encompass approx 1200m2 of Cemetery Land providing approx 800 Lawn gravesites for future use



Operations Centre to be built within existing Cemetery Grounds to house plant and equipment



Existing Memorial Gardens to be developed and extended to create the new "Peninsular Gardens"



Decommission Diesel Cremator and install Coolroom

2021 - 2026

OPERATIONAL STRUCTURE

Hon John Carey M.L.A

Minister for Housing, Local Government, Land
and Homelessness

Michael Finn

Bunbury Cemetery Board Chair

Errol Barrett

Board Member

Jenny Hanley

Board Member

Ben Andrew

Board Member

Jethro Hepton

Board Member

Rosalie Pederick

Board Member

Vacant

Board Member

Kristy Constantine

Chief Executive

Memorial Sales Consultants

2 x 0.8 FTE

Site Team Leader

1 x 1.0 FTE

Cemetery Workers

(Grounds)

3 x 1.0 FTE

1 x 0.6 FTE

2 x 0.4 FTE

1 x 0.6 Casual

Cemetery Workers

(Burials)

3 x FTE

Cemetery Worker

(Crematorium)

1 x 1.0 FTE

BUNBURY CEMETERY BOARD
Service with dignity

OUR BOARD

Mr Michael Finn
Chairman



Mr Finn was appointed to the Board by the Minister for Local Government, in June 2020 and was elected to the position of Chair at the end of the 2020 financial year Board meeting. With a background in health management, quality auditing, disability sector and business, Michael brings skills and expertise to the Board especially in the field of Board Governance. Michael is also a volunteer with several not-for-profit community organisations and hopes to bring some expertise from the NFP sector to assist in future developments of the Cemetery.

Mr Errol Barrett
Board Member



Mr. Barrett was appointed to the Board in 1992. He is a Funeral Director, Member of the Australian Institute of Embalmers, British Institute of Embalmers, and Member by invitation to Selected Independent Funeral Homes. A former National President of AFDA & Member of State Division of AFDA, Errol has also served on sporting club administrations and is involved in other community health projects. Errol was recently made a Life Member of the AFDA.

Mrs Jennifer Hanley
Board Member



Mrs Hanley was appointed to the Board on 1st July 2015. Jenny brings to the Board over 12 years' experience in the monumental industry. Having gained front line exposure with community members during this time, Jennifer Hanley shares this knowledge with the Board especially with the many emotionally sensitive decisions that have to be made. Her small business background in management and sales also assists in her finance committee role.

Mr Ben Andrew
Board Member



Mr Andrew was appointed to the Board on the 1st July 2018 with nearly 10 years experience in the Funeral industry and over 8 years as a marriage and funeral celebrant. In 2021 Ben was elected to the Bunbury City Council and currently holds board positions with the Dolphin Discovery Centre, Bunbury Harvey Regional Shire and South Bunbury Rotary.

Ms Rosalie Pederick
Board Member

Ms Pederick was appointed to the Board on 1st July 2020. Her strong background of over 25 years as a HR specialist has benefitted the employee relations with the Board and provided insight into the HR section of the business. Ms Pederick resigned from her position in Dec 2021

Mr Jethro Hepton
Board Member



Mr Hepton was appointed to the Board on the 1st July 2021. He has always lived in the Bunbury area, and served on several Committees, including Department of Housing Regional Appeals Committee, has been the Chairperson of Advocacy WA and is a former member of the Ministerial Advisory Council on Disability. He is a former lecturer on Individual Support Disability Certificate III at North Metropolitan TAFE, MT Lawley, and is a strong advocate of disability awareness. He strongly believes in empowering people with a disability to lead their own life however they choose.

OUR YEAR AT A GLANCE

Mausoleum and Vault Entombments

We provided

2



interments

Cremations

We undertook

1116



cremations

Burials

We booked in

67



burials

Memorials-Plaques

We arranged

138



memorials

Governance

The Regional Cemetery Boards were integrated into the Public Sector in October 2021.



Monuments

We processed

59



monumental permits

Records Management

We created over

1185



new records

Vision for the Future

Strategic Plan item "cool room construction" completed and applications submitted to DWER for the new Operations Centre, Memorial Gardens and Lawn Cemetery.



P&Q Upgrades

2 x new ATV's and a new Articulated Loader were purchased to improve mobility and ease of access through the Cemetery areas.



Environment

The diesel cremator was decommissioned reducing Carbon emissions by approx. 16,900kg which is the equivalent of 704 trees



citypartof.com | 1013276



Community Engagement





Hosting of the Transplant Australia memorial service commemorating 28 organ donors in Western Australia and All Souls Day commemorations.









SUMMARY OF FINANCIAL TARGETS AND KEY PERFORMANCE INDICATORS

ECONOMIC		
	Target 2021-22	Actual 2021-22
FINANCIAL RESULTS 	-\$207,747	\$487,500
PLANT AND EQUIPMENT 	\$106,500	\$95,568 Investment in 2 new ATV's and 1 x Articulated Loader and other plant and equipment



GROUNDS IMPROVEMENTS		
	Target 2021-22	Actual 2021-22
NEW SCATTERING and PILLAR MEMORIALS 	Purchase and installation	Scattering Tree Installed in September 2021. Pillar memorials purchased Feb 2022
COOL ROOM INSTALLATION 	Installation and commissioning for use	Installed 18-22nd Oct 2021. Commissioned for use week beginning 25th Oct.
INCREASED VISIBILITY OF SIGNAGE 		2 x new signs installed on Main Road for directional access.
ACCOUSTIC PANEL INSTALLATION 	Install acoustic panels to Condolence Lounge ceiling to reduce noise levels	Completed May 2022

BUNBURY
CEMETERY
Service with dignity

BEST PRACTICE

	Target 2021 – 2022	Actual 2021 - 2022
TIME LOST TO INJURIES 	0	1
	Time lost injuries	Time lost injuries
INTRODUCTION OF DAIP 	Development and Implementation	Community consultation completed, DAIP developed, and draft completed in June 2022
LEVEL CLASSIFICATION OF STAFF 	All staff Job Description Forms to be developed and classified under the WA State Government Employment Guidelines	External HR Specialist with experience in Public Sector level classification engaged and all JDF's and staff levels classified
OHS COMPLIANCE and TRAINING 	Further evaluate job specific Risk Assessments, Engage Site OSH Rep, and compliance training. All staff to be cross trained in all aspects of cemetery operations.	Gravedigging Risk Assessment undertaken, and recommendations implemented for OHS compliance. OSH Rep nominated and training attended. Auschem and Plant and Machinery training undertaken by all external staff. First Aid training undertaken by all staff

BEST PRACTICE

	Target 2021 – 2022	Actual 2021 - 2022
NEW LOGO 	Development and Implementation	New logo developed by external graphics designer and implemented Mar 2022
NEW WEBSITE AND EMAIL ADDRESSES 	Initiate new domain name website and email addresses to reflect integration into State Government	.wa.gov.au domain name accepted and initiated in June 2022

BUNBURY
 CEMETERY BOARD
Service with dignity



REPORT ON OPERATIONS

Memorial Gardens, Cemetery and Crematorium

The Bunbury Cemetery Board's operations team successfully managed over 25.8 hectares of landscaped memorial gardens, native bushland and Lawn and General cemeteries to the highest of standards over the year.

With 13 internal and external staff our team delivered an exceptionally high standard of service to our community through well maintained gardens and cemeteries, Burial and Cremation services and Memorial Garden placements.

The continuing impact of COVID -19 continued to disrupt families and Funeral Directors. The quality of the service supplied to each family and Funeral Director remained at a very high standard despite these trying times and the BCB hopes this will dissipate in the future.

Progression of the 2021 – 2026 Strategic Plan items of the new peninsular gardens Lawn Lakeside Cemetery and the new Ops Centre were initiated, and Applications submitted to DWER for development. The BCB is working very closely with DWER to ensure minimal impact on the environment whilst ensuring sustainability of operations for the future.



Stakeholder and Community Engagement

Our commitment to the community we serve was the driving force behind a range of new community and stakeholder partnerships in 2021-2022, with excellent results.



The Leschenault Catchment Council conducts an extensive weed killing and replanting of native bushland to major conservation areas within the grounds. Native seeds are collected for propagation and will be used to sustain the native trees within the area.



On the 21st November 2021 in conjunction with Sandra Hampton, the custodian of the South West Donor Memorial, Transplant Australia WA, and with sponsorship from Arrow Bronze, the Bunbury Cemetery Board hosted a memorial service to commemorate the lives of Organ Donors from the South West of WA. 28 new plaques were unveiled, and family members reflected on their loved one's loss and subsequent gift of their donor organs to recipients. Organ donation plays an integral part in many people's lives and the Bunbury Cemetery Board is proud to be a part of such an important endeavour.



The Bunbury Cemetery Board conducted tours of the Crematorium as a part of "Dying to Know" Day on August 8th, 2021. 19 people attended overall with very positive feedback. The BCB will continue to support the SW Compassionate Communities with tours for this event

The Bunbury Cemetery Board is proud to be members and supporters of the Australasian Cemeteries and Crematoria Association and the Cemeteries and Crematoria Association of Western Australia. These affiliations allow the Bunbury Cemetery Board to have access to the latest trends and ensure Best Practise within the Cemetery and Crematoria Industry whilst assisting many other Cemetery authorities within the state.



AUSTRALASIAN
CEMETERIES & CREMATORIA
ASSOCIATION



All Souls Day was celebrated in the Cemetery Grounds on Monday 2nd November 2021 with a local Catholic Priest and parishioners in attendance. The Board is pleased host this event on a yearly basis.

The Bunbury Cemetery Board became members of the Greater Bunbury Heritage Organisation in April 2022. This a forum of local organisations dedicated to the heritage preservation of the Greater Bunbury region. The BCB applied to hold a stall at the Family History Expo day to be held on the 6th August 2022. A Heritage Walk brochure was developed to promote the Bunbury Heritage Walk at the Bunbury Cemetery

Environmental Sustainability

The Board maintains an ongoing commitment to the protection and preservation of our environment. Biological diversity is preserved, habitats protected, and resources used sustainably.



The Bunbury Cemetery and Memorial Gardens encompass 25.8 hectares of Cemeteries, Memorial Gardens and native bushland in the heart of the City of Bunbury. It is home to a large variety of birds and the natural bushland supports an array of native fauna and flora.

The Board continues to embrace Industry Best Practice in environmental sustainability to reduce waste, optimise reuse, and enhance and revegetate sparsely landscaped areas.

The Bunbury Cemetery Board encourages water harvesting practices, by utilising surface drainage water to assist with landscape irrigation. One natural and one man-made lake are used for irrigation throughout the grounds. Bore water is pumped through 2 fountains within the Memorial Gardens to remove the oxides and re-circulate the water for aeration. This oxygenates the water to reduce algal blooms and oxide staining to Cemetery headstones and Memorial Garden markers.

Our staff operate under a 'zero harm' goal for themselves and the natural environment in which they work and operate. In practical terms at the Bunbury Cemetery Board, this means that staff, members of the public and the natural environment are protected through careful risk assessment, planning and procedures before any work occurs within the grounds. A safety analysis is always completed, which details the tasks, hazards, controls and persons responsible, to ensure that the impact on members of the public is always minimised.

Our teams also comply with specific regulations that apply to relevant work activities – for example, the use of chainsaws, chemical and fuel use and other related works. Our staff and contractors operate under the requirements of all relevant Acts and Regulations including the Workplace Health and Safety Act 2020



De-commissioning of the Diesel fuelled Cremator began in January 2021. The Cremator was only one of two still operating in Australia and was first installed in 1977. The sustainability, environmental impact of the CO2 emissions and the cost of diesel encouraged the Board to investigate alternatives. The 2021 -2026 Strategic Plan was to install a cool room for maintaining the temperature of the delivered coffins within a specified timeframe. This was completed in Oct 2021. The carbon emissions has reduced by approx. 16,900 kg in the 2021 - 2022 FY which is the equivalent to 704 trees.

Capital Investment and Buildings

The purchase of a new articulated loader has greatly enhanced the capabilities to maintain the grounds and dig graves in previously hard to access areas.

It will also be used to further develop Strategic Plan Items “Peninsular Gardens” and “Lawn Lakeside”.



With the development of the DAIP and feedback received the Board agreed to install Rockfon Sonar 20mm acoustic panels to the ceiling in the condolence lounge. This has almost halved the residual noise to the area and created a better experience for patrons and the hearing impaired.



The new coolroom was installed from the 18th – 22 Oct and became operational on the 25th Oct 2021. There is the capacity to hold up to 12 coffins in a more comforting environment until cremation occurs.





Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Bunbury Cemetery Board

To the Minister for Local Government and the Bunbury Cemetery Board

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Bunbury Cemetery Board which comprise:

- the Statement of Financial Position as at 30 June 2022, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and records and present fairly, in all material respects, the operating results and cash flows of the Bunbury Cemetery Board for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Bunbury Cemetery Board in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the *Accounting Professional Accountants (Including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibility of the Board for the Financial Statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards
- such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
- complying with the *Cemeteries Act 1986* (the Act).

In preparing the financial statements, the Board is responsible for:

- assessing the Cemetery's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made decisions affecting the continued existence of the Cemetery.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.aasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Bunbury Cemetery Board. The controls exercised by the Board are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of moneys, and the acquisition and disposal of property, incurring of liabilities have been in accordance with the legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Bunbury Cemetery Board are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of moneys, and the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

The Board's Responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of moneys, and the acquisition and disposal of property, and the incurring of liabilities are in accordance with *Cemeteries Act 1986* (the Act) and other relevant law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

My independence and quality control relating to the reports on controls

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial statements

This auditor's report relates to the financial statements and controls of the Bunbury Cemetery Board for the year ended 30 June 2022 included on the Cemetery's website. The Cemetery's management is responsible for the integrity of the Cemetery's website. This audit does not provide assurance on the integrity of the Cemetery's website. The auditor's report refers only to the financial statements and controls as described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements and controls. If users of the financial statements and controls are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements and controls.



Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 May 2023

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Statement of Comprehensive Income For the year ended 30 June 2022

	Note	2022 \$	2021 \$
INCOME			
Revenue			
Trading profit	3.1	231,519	174,616
Provision of services and Cemetery leases	3.2	1,572,792	1,243,034
Interest revenue	3.3	8,756	25,676
Other revenue	3.4	86,077	17,862
Gains			
Gain on disposal of non-current assets	3.5	15,682	6,644
TOTAL INCOME		1,914,826	1,467,831
EXPENSES			
Cost of sales	3.1	86,745	116,917
Employee benefits expense	4.1	861,401	821,867
Supplies and services	4.2	8,852	12,696
Depreciation and amortisation expense	5.1, 5.2	118,524	109,371
Cemetery lease and other expenses	4.3	351,794	288,729
Losses			
Loss on disposal of non-current assets	3.5	-	-
TOTAL EXPENSES		1,427,316	1,349,580
PROFIT FOR THE PERIOD		487,510	118,251
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Changes in land revaluation surplus	9.8	-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		487,510	118,251

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Statement of Financial Position As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	2,039,769	1,221,292
Inventories	3.1	77,039	74,838
Receivables	6.1	77,478	97,735
Financial assets at amortised cost (term deposits)	7.2	2,691,981	2,816,377
Total Current Assets		4,886,267	4,210,242
Non-Current Assets			
Property, plant, equipment, and vehicles	5.1	3,448,480	3,397,468
Intangible assets	5.2	2,377	3,984
Total Non-Current Assets		3,450,857	3,401,452
TOTAL ASSETS		8,337,124	7,611,694
LIABILITIES			
Current Liabilities			
Payables	6.2	70,346	54,908
Employee benefits provisions	4.1	156,924	159,872
Pre-need agreements	6.3	200,000	195,000
Deferred leases income	6.4	112,292	107,888
Total Current Liabilities		539,562	517,668
Non-Current Liabilities			
Provisions	4.1	92,899	72,927
Pre-need agreements	6.3	2,783,432	2,690,084
Deferred leases income	6.4	2,094,491	1,991,778
Total Non-Current Liabilities		4,970,822	4,754,789
TOTAL LIABILITIES		5,510,384	5,272,457
NET ASSETS		2,826,740	2,339,237
Equity			
Contributed equity	9.8	308,923	308,923
Retained earnings		2,517,817	2,030,314
TOTAL EQUITY		2,826,740	2,339,237

The Statement of Financial Position should be read in conjunction with the accompanying notes.



FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Statement of Changes in Equity For the year ended 30 June 2022

	Notes	Contributed Equity \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2019		308,923	3,208,153	3,517,076
Initial application of new accounting standards and change in accounting policy	9.8	-	(1,407,919)	(1,407,919)
Restated 1 July 2021 balance		308,923	1,800,234	2,109,157
Profit (loss) for the period	9.8	-	111,829	111,829
Other comprehensive income	9.8	-	-	-
Total comprehensive income for the period		-	111,829	111,829
Balance at 30 June 2021		308,923	1,912,063	2,220,986
Balance at 1 July 2021		308,923	1,912,063	2,220,986
Profit (loss) for the period	9.8	-	118,251	118,251
Other comprehensive income	9.8	-	-	-
Total comprehensive income for the period		-	118,251	118,251
Balance at 30 June 2022		308,923	2,030,314	2,339,237

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Statement of Cash Flows For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services and Cemetery leases		1,802,097	1,583,623
Sale of Memorial Products		142,604	54,647
Interest received		5,163	12,946
GST receipts on sales		201,214	180,268
GST receipts from taxation authority		-	-
Other receipts		86,077	17,862
Payments			
Supplies and services		(376,503)	(272,592)
Employee benefits		(849,710)	(884,531)
GST payments on purchases		(59,103)	(54,901)
GST payments to taxation authority		(105,515)	(103,085)
Net cash provided by operating activities	7.1	846,325	534,260
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of non-current physical assets		15,682	11,864
Proceeds from the maturity of term deposits		-	-
Payments			
Investments in term deposits		124,396	(97,053)
Purchase of non-current physical assets		(167,925)	(145,487)
Net cash used in investing activities		(27,847)	(230,676)
Net increase/(decrease) in cash and cash equivalents		818,478	303,583
Cash and cash equivalents at the beginning of the period		1,221,292	917,708
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	7.1	2,039,770	1,221,292

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

1. Basis of preparation

The Bunbury Cemetery Board is a Western Australian government appointed body corporate under the *Cemeteries Act 1985*. The Board is a not-for-profit entity, as profit is not its principal objective.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) Australian Accounting Standards (AAS) – Reduced Disclosure Requirements including applicable Interpretations; and
- 2) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

Where modification (i.e., the application, disclosure, format and wording) is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar (\$). Comparative figures are reclassified to be comparable with the figures presented in the current financial year.

Judgement and estimates

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Significant judgements and estimates have been made to meet the requirements of the new standards AASB 16 and AASB 15.

AASB 16:

For contracts with the Board's customers, key judgements to be made for AASB 16 include identifying leases within the contracts, classifying leases income as either operating or finance lease, determining whether there is reasonable certainty around exercising extension and termination options and determining the stand-alone selling prices for lease and non-lease components.

AASB 15:

Key judgements include determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations. Management's estimation uncertainty includes determining the transaction prices, allocating the transaction price, including estimating stand-alone selling prices and allocating discounts and variable consideration.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

1. Basis of preparation (continued)

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions.

Reduced disclosure requirements – Tier 2 not-for-profit public sector entity

The Board is both a not-for-profit entity and a Western Australian government appointed body corporate (public sector entity), that is outside of the definition of an Australian Government and State, Territory and Local Governments posited by both AASB 1053 and AASB 1049. The Board has therefore adopted Tier 2 requirements (commonly known as Reduced Disclosure Requirement) in preparing these general-purpose financial statements.

These general-purpose financial statements comply with AAS – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board and have been prepared in accordance with AAS, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

2. Board outputs

How the Board operates

This section includes information regarding the nature as well as the funding the Board receives and how this funding is utilised to achieve the Board's objectives.

The Bunbury Cemetery and Crematorium was established in 1914. Up until 30 June 1992, Bunbury Cemetery and Crematorium was operated by the Bunbury City Council. After several years of community consultation and steering committee work, on 1 July 1992 saw the appointment of an independent Bunbury Cemetery Board under the Cemeteries Act 1986.

The Board is a 'user pays, not-for-profit' organisation, audited by the Auditor General of WA and responsible to the Minister for Housing, Local Government. Excess profits resulting from the ordinary course of operation are re-invested back to the cemetery for future operation purposes. Under the Cremation Act 1920, the Board is also required to report to the Minister for Health, the extent of the management of the crematorium and provision of cremation services to the community.

2.1 Board objectives

Mission

The Board's mission is to be a place of commemoration, peace and tranquility and a place where families and friends can remember the lives of those who were so close to them.

Service

The Board provides the community with a range of socially acceptable burials, cremations and memorial services at a reasonable cost.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

3. Our funding sources

How we obtain our funding

This section provides additional information about how the Board obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Board and the relevant notes are:

Notes	2022	2021	
	\$	\$	
Trading profit	3.1	231,519	57,699
Provision of services and Cemetery leases	3.2	1,572,792	1,243,120
Interest revenue	3.3	8,746	25,676
Other revenue	3.4	86,077	17,862
Gains / (Losses)	3.5	15,682	6,644

3.1 Trading profit

	2022	
	\$	\$
Sales of Vaults	-	11,562
Sales of Memorial products	231,519	163,054
Gross Trading Profit	231,519	174,616

Cost of Sales:

Opening Inventory (Vaults and Memorials)	(72,363)	(69,312)
Less Transfer to Property, Plant and Equipment	-	-
Add reclass inventory previously classified as not for resale	-	-
Add Purchases (at cost)	(88,915)	(119,968)
Less Closing Inventory	74,533	72,363
Cost of Sales	(86,745)	116,917
Net Trading Profit	144,774	57,699

Closing Inventory comprises of:

	2022	
	\$	\$
Burial vaults - at cost	14,308	14,308
Memorials, urns, and benches - at cost	60,224	58,055
Total Inventories held for resale	74,533	72,363

Inventories not held for resale:

Fuel stock - at cost	8,852	2,475
Total inventories not held for resale	8,852	2,475

Total Current Inventory

83,384	74,838
---------------	---------------

Sales of Memorial products and Vaults

Sales of Memorial products (henceforth Memorial contract) can be purchased at the time of death (at-need) or in advance of death (pre-need) and are partially within the scope of both AASB 15 and AASB 16.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

3.1 Trading Profit (continued)

Aside from specific Memorial keepsakes and metal plaque purchase contracts, each Memorial contract is considered to be a bundled product containing distinct set of goods or services that represent the combined output for which the customer has contracted:

- Interment or placement of ash service and a sale of Memorial product; and
- Grant of Right of Memorial (refer Note 3.2 'Provision of services and Cemetery leases')

Memorial product is any plaque, monumental work, inscription, kerbing, enclosure, and any other fixture sold and placed on a stated BCB memorial plot, to commemorate the placement of ashes. Price of commemorative plaque, tribute or monument and the burying of ash remains are included in the purchase price of a 'first interment' and 'companion' Memorial contracts.

Revenue from the purchase price of at-need placement of ashes and memorial product will be recognised as revenue at a point in time when the interment service and memorial product is provided to the customer. The allocation will be measured at the consideration received from the customer, based on a prevalent fee set through a Gazetted Board resolution.

A similar accounting policy has been adopted for single use, open-air setting burial vaults. Vaults are concrete lined and sealed outer receptacle that houses a deceased's coffin. The vaults were built and are marketed by BCB to the general public.

Where payment for Memorial products or Vaults is received prior to control transferring to the customer, revenue recognition is deferred in contract liabilities within Note 6.3 'Pre-need Agreements'.

Inventories

The Board states its inventories at the lower of cost and net realisable value, where cost is calculated using the average cost method. Judgement has to be exercised on assessing the net realisable value of the inventories, which is the estimated selling price in the ordinary course of operation, less the cost of completion and selling expenses.

Stock of memorial products held for resale is valued at the lower of cost and net realisable value. No write-off has been recognised in the Statement of Comprehensive Income (2021: Nil).

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

3.2 Provision of Services and Cemetery leases

	2022	2021
	\$	\$
Burial services	82,685	72,290
Cremation services	1,158,815	967,313
Others	7,540	27,630
Grant of Right of Burial (grave, entombment, and cemetery land leases)	59,788	42,741
Grant of Right of Memorial (cemetery infrastructure leases)	3,000	37,814
Certificate of Entitlement (Mausoleum building leases)	260,963	14,024
Total income collected from the provision of services and cemetery leases	1,572,791	1,243,034

Burial (interment) services

Interment refers to the act of burying a coffin into a stated burial plot. Interment fee or agreement can be purchased at the time of death (at-need) or can be purchased in advance of death (pre-need).

- For at-need services, revenue is recognised and measured at the transaction price of consideration received or receivable at point in time that the interment service is provided to the customer.
- Where payment for the interment service is received prior to control transferring to the customer, revenue recognition is deferred in contract liabilities within Note 6.3 'Pre-need Agreements'.

Cremation Services

Cremation is the process in which a deceased human body is reduced to ashes by fire through purpose-built cremators. Cremation fee or agreement can be purchased at-need or can be purchased pre-need.

- For at-need services, revenue is recognised and measured at the transaction price of consideration received or receivable at point in time that the cremation service is provided to the customer.
- Where payment for the cremation service is received prior to control transferring to the customer, revenue recognition is deferred in contract liabilities within Note 6.3 'Pre-need Agreements'.

Grant of Right of Burial (grave and cemetery land leases)

Tenure agreement over a stated burial plot (either a grave, land or a mausoleum crypt) which confers upon the holder of the Grant, the exclusive right to conduct burials, erect a monument within the burial plot and the right to receive maintenance on the burial plot (e.g., mowing of lawns, maintenance of surrounding patches or mausoleum floor) over the period of the agreement. Grant agreements can be purchased at-need or can be purchased pre-need. Grant of right of Burial will be accounted for as operating leases as income on a straight-line basis over the lease term.

- Where full payment for at-need Grant of Right of Burial is received in advance of the completion of the lease/agreement period, revenue recognition is deferred in contract liabilities within Note 6.4 'Deferred lease income'. BCB considers all unexpired portion of the Grant of Right of Burial as an AASB 16 contract liability where an obligation to transfer leasing services to a customer exists, for which MCB has received full consideration (of the amount due) from the customer.
- Where payment for pre-need Grant of Right of Burial is received in advance of death, revenue recognition is deferred in contract liabilities within Note 6.3 'Pre-need Agreements'.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

3.2 Provision of services and Cemetery leases (continued)

Certificate of Entitlement (Mausoleum Crypt leases)

An agreement that grants the certificate holder, an exclusive entitlement over a stated crypt or mausoleum. This entitlement also grants the holder the 'option' to exercise the purchase and associate a Grant of Right of Burial and interment fee against the Certificate of Entitlement. The Certificate can be purchased at-need or pre-need. Certificate of Entitlement will only be activated when a Grant of Right of Burial is purchased and associated to the crypt, or when a body is interred into the cryptossuary as stated in the Certificate of Entitlement (whichever is the earliest).

- BCB considers all unexpired portion of at-need Certificate of Entitlements as an AASB 16 contract liability where an obligation to transfer leasing services to a customer exists for which the Board has received full consideration from the customer. Where full payment for Certificate of Entitlement is received in advance of the completion of the lease/agreement period, revenue recognition is deferred in contract liabilities within Note 6.4 'Deferred lease Income'.
- Pre-need Certificate of Entitlement purchased in advance of death is deferred in contract liabilities within Note 6.4 'Deferred lease Income' as the form and substance of contract is substantially different to other Pre-need agreements in Note 6.3 'Pre-need Agreements'.

Grant of Right of Memorial (cemetery infrastructure leases)

Memorial contract can be purchased at-need or pre-need. Each Memorial contract are partially within the scope of both AASB 15 and AASB 16.

Aside from specific Memorial keepsakes and metal plaque purchase contracts, each Memorial contract is considered to be a bundled product containing distinct set of goods or services that represent the combined output for which the customer has contracted:

- Interment/placement of ash service and a sale of Memorial product (refer Note 3.1 'Trading profit'); and
- Grant of Right of Memorial.

Grant of Right of Memorial is a tenure agreement over a stated memorial plot which confers upon the holder of the Grant, the exclusive right to inter (place) ashes, erect/display memorial product(s) within the stated plot and the right to receive maintenance on the memorial plot (e.g., mowing of lawns, maintenance of surrounding patches) over the period of the agreement. The original amount paid/consideration received will be accounted for as operating leases as income on a straight-line basis over 25 years, less any non-leasing components.

- Where full payment for Grant of Right of Memorial component of memorial contract is received in advance of the completion of the lease/agreement period, revenue recognition is deferred in contract liabilities within Note 6.5 'Deferred lease Income'. The Board considers all unexpired portion of the Grant of Right of Burial as an AASB 16 contract liability where an obligation to transfer leasing services to a customer exists for which the Board has received full consideration from the customer.
- Pre-need Certificate of Entitlement purchased in advance of death is deferred in contract liabilities within Note 6.3 'Pre-need Agreements'.

Significant assumptions and judgement – Recognition of non-leasing and operating lease Income components:

Grant of Right of Memorial contracts have both a leasing component and non-leasing component.

Management, pursuant to paragraph 17 of the AASB 16, have applied the provisions of paragraphs 73 through to 90 (allocating the transaction price to performance obligations) of AASB 15, in order to determine and allocate stand-alone prices of the lease and non-lease components. Transaction price was measured at the consideration received, set in accordance with the prevalent fee approved through a Board resolution.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

3.2 Provision of services and Cemetery leases (continued)

Non-leasing component:

- Each Grant of Right of Memorial contract contains an up-front component recognised as revenue at a point in time the contract is issued or becomes at-need. This is costed at the difference in the transaction price between 'first interment' Memorial products and 'subsequent' interment products.
- The up-front component comprises fee to conduct the interment of the remains, placement of ashes/remains, plaques and any other tributes of the person to whom the Grant of Right of Memorial relates, at the site identified in, or determined in accordance with, the Grant of Right of Memorial establish cemetery grounds that are fit for burial and memorialisation purposes and meeting record keeping requirements of the Cemeteries Act 1986 surrounding the Grant holder.

As an illustration, if an at-need 'first interment' Memorial product is costed at \$1,000 whilst 'subsequent' Memorial product of the same kind is costed at \$750, transaction price will be allocated in the following manner:

- \$750 non-leasing component being the interment/placement of ash service and a sale of Memorial product (refer Note 3.1 'Trading profit') recognised at point in time; and
- \$250 Grant of Right of Memorial fee received in advance of the completion of the lease/agreement period, where revenue recognition is deferred in contract liabilities within Note 6.4 'Deferred lease Income'.

Leasing Component:

- Transaction price in each Grant of Right of Burial and Certificate of Entitlement will be accounted for as operating leases as income on a straight-line basis over the lease term.
- This judgement was made on the basis that these lease contracts provide economic benefits and exclusive rights to our customers or lessees, to direct the use of the underlying asset (e.g., cemetery land, memorial infrastructure, land, garden beds or mausoleum building) over the lease or contract tenure and upon the completion of the contract tenure, BCB retains the right to the underlying asset.
- All lease contracts have been assessed as being operating leases in accordance with AASB 16 paragraph 62 as the contract tenure (up to a maximum of 75 years) is not for substantially all of the useful life of the underlying asset being leased.
- Underlying assets subject to operating leases have been disclosed in the statement of financial position, according to the nature of the underlying asset (buildings, land or infrastructure) and the Board have applied depreciation expense policy consistent with depreciation policy for similar assets. Refer Note 5 'Key Assets' for the disclosure of underlying assets subject to operating leases.

3.3 Interest revenue

	2022	2021
Interest from Bank account and term deposits	\$ 8,746	\$ 25,676
Total Interest revenue	8,746	25,676

Revenue is recognised when the right to receive interest income is established (as it accrues).

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

3.4 Other revenue

	2022	2021
	\$	\$
Licence fees	5,324	3,678
Monumental permits	11,106	11,160
Sundry income	69,647	3,024
Total other revenue	86,077	17,862

Monumental permits, other and sundry income are recognised and measured at the fair value of consideration received or receivable.

3.5 Gains/(Losses)

	2022	2021
	\$	\$
Net proceeds on disposal of non-current assets		
Plant, equipment and vehicles	15,682	11,864
Carrying amount of non-current assets disposed		
Cost of non-current assets disposed	(90,473)	(12,462)
Depreciation reversed on disposals	90,473	17,682
Carrying Amount – Costs of disposal	-	(5,220)
Net gain/(loss) on non-current assets disposed	15,682	6,644
Total Gains/(Losses)	15,682	6,644

Gains or Losses, either realised or unrealised are recognised on a net basis. These include gains/losses arising on the disposal of non-current assets. Non-current asset revaluation gains or losses are recognised in the Board's equity reserves and upon the disposal of the non-current assets, will not be reclassified to profit or loss.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount (net book value) of the asset and related selling expenses.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

4. Use of our funding

Expenses Incurred in the delivery of services

This section provides additional information about how the Board's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

The primary expenses incurred by the Board in achieving its objectives and the relevant notes are:

	Notes	2022	2021
		\$	\$
Employee benefits expenses	4.1(a)	861,401	821,867
Employee related provisions	4.1(b)	249,823	276,451
Supplies and Services	4.2	8,851	12,696
Cemetery lease and other expenses	4.3	351,794	347,555

4.1(a) Employee benefits expenses

	2022	2021
	\$	\$
Wages and Salaries ^(a)	789,392	755,478
Superannuation – defined contributions plans ^(b)	72,009	66,389
Total employee benefits expense	861,401	821,867

^(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component, leave entitlements including superannuation contribution component.

^(b) Defined contribution plans include choice super, Local Government Super (LGS) and other eligible funds.

Wages and salaries: Employee expenses include all costs related to employment including wages, salaries, fringe benefits tax and leave expenses. Provision for employees' on-costs is included as part of the Board's wages and salaries expense for the year. Actual employment on-cost expenses, such as workers' compensation insurance expense, are included at Note 4.3 'Cemetery lease and other expenses'.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises of contributions to accumulation fund superannuation plans in respect of its employees. The superannuation expense for the reporting period is the amount of the statutory and non-statutory contribution obligation under the Cemetery Employees Industrial Agreement 2021 superannuation arrangements. The Board's legal or constructive obligation is limited to these contributions. Contributions for all employees are expensed for the period in which they are incurred.

Employees of the BCB are entitled, under the government's superannuation choice legislation, to elect to have their contributions paid into qualifying superannuation funds of their choice.

The Board has no liabilities under the Pension Scheme.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

4.1(b) Employee related provisions (continued)

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Board's long service leave provision. These include:

- Expected future salary rates
- Discount rates, and
- Expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

4.2 Supplies and Services

	2022	2021
	\$	\$
Fuel	8,851	12,696
Total supplies and services expenses	8,851	12,696

Supplies and services: Supplies and services are recognised as an expense in the reporting period in which they are incurred. Fuel stocks are expensed when they are consumed or used. At balance date, the remaining fuel supplies are carried at the lower of cost and net realisable value per Note 3.1 'Trading Profit'.

4.3 Cemetery lease and other expenses

	2022	2021
	\$	\$
Cemetery lease expenses		
Building and infrastructure maintenance	25,227	28,246
Equipment repairs and maintenance	127,227	66,263
Insurance	27,505	33,093
Utilities	53,138	42,972
Vehicle repairs and maintenance	710	888
Total Cemetery lease expenses	233,808	171,462
Other expenses		
Annual report	19,063	18,948
Communication	13,651	9,961
Administration/office costs	23,032	
Stationery and postage	6,822	36,688
Advertising	16,951	16,149
Conference costs	732	3,891
Other staff costs	25,669	23,837
Bank and merchant fees	1,934	
Purchase of Minor Assets - \$2,000	10,132	7,794
Total other expenses	117,986	117,267
Total Cemetery lease and other expenses	351,794	288,729

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

4.3 Cemetery lease and other expenses (continued)

Cemetery lease expenses:

Pursuant to paragraph 82 of AASB 16, expenses incurred in earning the operating lease income are accounted for in the Cemetery lease expenses line of the Statement of Comprehensive Income. These expenses, which directly relate to the operating lease of the Board's assets, include maintenance, utility and council rates, insurance expenses and renovations and improvements.

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated. Insurance expense includes Worker's Compensation (RiskCover) premium expense (employment on-cost).

Miscellaneous and other expenses:

Miscellaneous and administration expenses generally represent the day-to-day running costs incurred in normal operations. Other cemetery operation costs are recognised as expenses in the reporting period in which they are incurred.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

5. Key assets

Assets the Board utilises for economic benefit or service potential

This section includes information regarding the key assets the Board utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2022	2021
		\$	\$
Property, plant, equipment and vehicles	5.1	3,448,480	3,397,468
Intangible assets	5.2	2,377	3,984
Total key assets		3,450,857	3,401,452

5.1 Property, plant, equipment and vehicles

Year ended 30 June 2022	Plant and equipment	Motor Vehicles	Office equipment	Freehold land	Buildings & improvements	Projects under construction	Total property, plant and equipment and vehicles
	\$	\$	\$	\$	\$	\$	\$
At 30 June 2022							
1 July 2021							
Gross Carrying Amount	837,620	37,445	60,180	285,000	4,063,383	-	5,283,628
Accumulated Depreciation	(582,727)	(15,534)	(55,749)	-	(1,232,160)	-	(1,886,160)
Carrying amount at start of year	254,893	21,911	4,431	285,000	2,831,224	-	3,387,468
Additions	153,212	-	-	-	14,715	-	167,927
Transfers from (out of) projects under construction	-	-	-	-	-	-	-
Disposals (at written down value)	-	-	-	-	-	-	-
Revaluation Increments/(Decrements) ⁽ⁱ⁾	-	-	-	-	-	-	-
Depreciation	(44,575)	(9,608)	(1,861)	-	(60,472)	-	(116,517)
Carrying amount at 30 June 2022	363,530	12,303	2,570	285,000	2,786,468	-	3,448,480
Gross Carrying amount	900,361	37,445	50,580	285,000	4,078,099	-	5,351,485
Accumulated Depreciation	(537,231)	(25,132)	(48,009)	-	(1,292,633)	-	(1,903,005)

⁽ⁱ⁾ Impairment losses (if any) are recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. A brief information on the Board's fair value measurements is provided in 'Basis of valuation of Land (Level 3 fair values)' section below.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

5.1 Property, plant and equipment (continued)

Initial recognition

Items of property, plant and equipment, buildings and vehicles, costing \$2,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment, depreciation and vehicles costing less than \$2,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of the Board's land, and the cost model for buildings and plant and equipment.

Land is carried at fair value; Buildings and infrastructure are carried at cost less accumulated depreciation and accumulated impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land is independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land was revalued as at 1 July 2021 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2022 and recognised at 30 June 2022. In undertaking the revaluation, fair value was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land) for land: \$285,000 (2021: \$285,000).

Revaluation model:

Where market-based evidence is available, the fair value of land is determined on the basis of current market buying values determined by reference to recent market transactions. In the absence of market-based evidence and due to specialised and restricted nature of the Board's land, fair value of land is determined on the basis of existing use.

Significant assumptions and judgements: The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets. Professional judgement by the Western Australian Land Information Authority (Valuations and Property Analytics) is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Restricted use land:

Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Basis of valuation of Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by Western Australian Land Information Authority and represents the application of a significant Level 3 input in this valuation methodology. In the absence of market-based evidence due to the specialised nature of the Board's non-financial assets, Land are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal of the assets. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Board's enabling legislation. Thus, value is typically based on 'bush forever' land.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

5.1 Property, plant and equipment (continued)

Information about significant unobservable inputs (level 3) in fair value measurements

Description	Fair value 2022 \$	Fair value 2022 \$	Valuation technique	Unobservable inputs
Land	\$285,000	\$285,000	Market Approach	Selection of land with similar approximate utility

5.1.1 Depreciation and impairments

	2022 \$	2021 \$
Plant and equipment	44,975	39,931
Motor Vehicles	9,608	12,481
Office equipment	1,861	1,512
Building and Improvements	60,472	53,840
Total depreciation for the period	116,917	107,764

As at 30 June 2022 there were no indications of impairment to property, plant and equipment, vehicles or infrastructure (2021: nil).

Finite useful lives

All buildings, plant and equipment and vehicles having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The sole exception to this rule is for land held by the Board.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life in years
Buildings, including Mausoleum	40 to 100 years
Building Improvements	6.5 to 20 years
Plant and equipment	2.5 to 50 years
Office equipment ^(a)	5 to 6.5 years
Motor vehicles	3 years
^(a) Includes Software that is integral to the operation of related hardware	

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss. Where a previously revalued asset (i.e., land) is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income. As the Board is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

5.1.1 Depreciation and impairments (continued)

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

Significant assumptions and judgements:

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the Western Australian Land Information Authority (Valuations and Property Analytics) is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

5.2 Intangible Assets

Year ended 30 June 2022

	Computer Software	Total Intangible assets
1 July 2021	\$	\$
Carrying amount at start of year	3,984	5,591
Additions	-	-
Amortisation expense	1,607	1,607
Carrying amount as at 30 June 2022	2,377	3,984
Gross Carrying amount	8,035	8,035
Accumulated depreciation	5,658	4,051

Initial recognition

Acquisitions of intangible assets costing \$2,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income. Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
 - An intention to complete the intangible asset and use or sell it;
 - The ability to use or sell the intangible asset;
 - The intangible asset will generate probable future economic benefit;
 - The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
 - The ability to measure reliably the expenditure attributable to the intangible asset during its development.
- Costs incurred in the research phase of a project are immediately expensed.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

5.2 Intangible Assets (continued)

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

5.2.1 Amortisation and Impairment

	2022	2021
	\$	\$
Computer Software	1,607	1,607
Total amortisation for the period	1,607	1,607

As at 30 June 2022 there were no indications of impairment to intangible assets. The Board held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Board have a finite useful life and zero residual value. Estimated useful lives are reviewed annually. The estimated useful lives for each class of intangible asset are:

Intangible Asset	Useful life in years
------------------	----------------------

Computer Software ^(a)	3 to 5 years
----------------------------------	--------------

^(a) Software that is not integral to the operation of any related hardware.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing property, plant, equipment and vehicles for impairment is outlined in Note 5.1.1 'Depreciation and Impairment'.

Website Costs

Website costs costing less than \$2,000 are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset, in the Board's instance the 'On-line booking system'. In this instance they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing the Board's website as well as the 'On-line booking system' that can be reliably measured, will only be capitalised to the extent that they represent probable future economic benefits.

Computer Software

Software that is an integral part of the related hardware is recognised as part of the plant, equipment and vehicles under Note 5.1 'Property, Plant, Equipment'. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$2,000 is expensed in the year of acquisition.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Board's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2022	2021
		\$	\$
Receivables	6.1	77,478	97,734
Payables	6.2	(70,346)	(54,909)
Pre-need agreements	6.3	(2,983,432)	(2,885,083)
Deferred leases income	6.4	(2,206,784)	(2,099,666)

6.1		2022	2021
		\$	\$
Receivables			
Current			
Receivables		82,988	99,556
Accrued revenue ^(a)		(5,510)	(1,927)
Prepayments		-	104
Balance at end of period		77,478	97,734

(a) The accrued revenue balance includes accruals for cash at bank and term deposit interests. The balance is negative in 2020-2021 as a result of under provisioning in prior periods.

The Board does not hold any collateral or other credit enhancements as security for receivables. Receivables (trade debtors) are recognised at original invoice amount less any allowances for uncollectible amounts (i.e., impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment of receivables

The maximum exposure to credit risk at the end of the reporting period for trade debtors is the carrying amount of the asset inclusive of any allowance for impairment. The allowance for uncollectible amounts is raised using a forward-looking expected credit loss (ECL) approach.

The Board only deals with bona-fide funeral directors and in very limited circumstances, will only issue a debtor account to select surviving family member estates. During the year, there were no debtor accounts that become uncollectible and the Board do not have a history or instances of trade debtors becoming uncollectible. Thus, ECL for the Board's trade debtors is deemed to be nil (2021: Nil). The Board does not hold any collateral as security or other credit enhancements for trade debtors.

6.2		2022	2021
		\$	\$
Payables			
Current			
Trade payables		20,315	15,712
GST payable		24,231	6,443
Accrued expenses		10,969	32,754
PAYG payable		14,831	
Balance at end of period		70,346	54,909

Payables are recognised at the amounts payable when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

In 2022, Accrued expenses represent unpaid Pay-as-you-Go (PAYG) Staff member income tax obligations whereas in 2021, the balance comprises of Accrued salaries (2022: 1 day, 2021: nil) or amount due to staff

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Board considers the carrying amount of accrued salaries to be equivalent to its fair value.

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

6.2 Payables (continued)

Salaries and PAYG liabilities to be equivalent to its fair value. Payables are initially recorded at fair value and subsequently recorded at amortised cost.

	2022	2021
	\$	\$
6.3 Pre-need Agreements		
<u>Current</u>		
Cremation and burial agreements	200,000	195,000
Total current pre-need agreements	<u>200,000</u>	<u>195,000</u>
<u>Non-Current</u>		
Cremation and burial agreements	2,242,252	2,196,034
Pre-Need Memorials	541,180	494,050
Total Non-current pre-need agreements	<u>2,783,432</u>	<u>2,690,084</u>
Balance at end of period	<u>2,983,432</u>	<u>2,885,084</u>

Pre-need agreements

Pre-need agreements represent consideration received for performance obligations not yet satisfied. Refer to Note 3.1 'Trading profit' and 3.2 'Provision of services and Cemetery leases' for details of the Board's revenue recognition policy. The balance does not include Certificate of Entitlement which is included as part of Note 6.4 'Deferred leases Income'.

Substantially all of the income deferred at period end will be recognised as income when:

- Pre-need cremation – at the time of passing or death and the cremation service is provided to the customer. Transfer to revenue will be measured at the transaction price of consideration received at the time of purchase of the pre-need agreement.
- Pre-need burial – at the time of passing or death and the burial/interment service is provided to the customer. Transfer to revenue will be measured at the transaction price of consideration received at the time of purchase of the pre-need agreement.
- Pre-need Memorials – at the time of passing or death and the memorial product is provided to the customer. Transfer to revenue will be measured at:
 1. Non-leasing component - the transaction price of consideration received at the time of purchase of the pre-need agreement; and
 2. Leasing component - transaction price in each Grant of Right of Memorial will be accounted for as operating leases as income on a straight-line basis over the lease term.

All customers' payments in advance are either held at cash at bank or deposited into term deposits per Note 7.1 'Cash and cash equivalents' to 7.2 'Financial Assets at amortised cost' respectively.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

	2022	2021
	\$	\$
6.4 Deferred leases income		
<u>Current</u>		
Grant of Right of Memorial	43,387	41,615
Grant of Right of Burial - (General and Lawn)	53,009	50,377
Mausoleum Certificate of Entitlement	15,896	15,896
Total current Deferred Grant and leases income	<u>112,292</u>	<u>107,888</u>
<u>Non-Current</u>		
Grant of Right of Memorial	671,917	616,693
Grant of Right of Burial - (General and Lawn)	812,165	748,760
Mausoleum Certificate of Entitlement	308,939	324,835
Pre-need Mausoleum Certificate of Entitlement	301,470	301,470
Total Non-current Deferred Grant and leases income	<u>2,094,491</u>	<u>1,991,778</u>
Balance at end of period	<u>2,206,783</u>	<u>2,099,666</u>

In 2021, to manage expectations and to assist with performance forecasts, the presentation of the settlement of performance obligation surrounding the Board Deferred Leases income were revised and brought in-line with the timing of revenue recognition per internal Cemetery leasing schedules. Aside from the timing and classification of current/non-current liabilities, there are no financial impacts and thus, prior period comparatives were not restated pursuant with Note 1 'Basis of Preparation'.

Where full payment for Grant of Right of Burial, Grant of Right of Memorial or Certificate of Entitlement is received in advance of the completion of the lease period, revenue recognition is deferred as deferred leases income (contract liabilities).

The unexpired tenure is recognised as deferred leases income to recognise the fact that an obligation to transfer or provide leasing services to customer exists for which Board has received full consideration of the amount due, in advance of satisfying the performance obligation. The Board has a performance obligation of providing a lease or exclusive right to the Grant or Certificate of Entitlement holder over an underlying asset (e.g., cemetery land, memorial infrastructure, land and garden beds or mausoleum assets etc.) over the lease term.

Thus, transfer to revenue will be made over the remaining unexpired lease term of the agreement on a straight-line basis and at the transaction price of consideration received at the time of purchase.

Refer to Note 3.1 'Trading profit' and 3.2 'Provision of services and Cemetery leases' for details of the Board's revenue recognition policy and the distinction between the leasing and non-leasing components with the Board's contracts with customers.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

7. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Board.

	<u>Notes</u>
Cash and cash equivalents	7.1
Financial assets at amortised cost	7.2
Capital Commitments	7.3

7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash

	2022	2021
	\$	\$
Cash and cash equivalents	<u>2,039,770</u>	<u>1,221,292</u>
Balance at end of period	<u>2,039,770</u>	<u>1,221,292</u>

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprises of cash at bank, net of outstanding bank overdrafts and petty cash.

7.1.2 Reconciliation of net cost of services to net cash flows provided by / (used in) operating activities

	<u>Notes</u>	2022	2021
		\$	\$
Profit from ordinary activities			118,252
<u>Profit attributable to financing activities:</u>			
Proceeds on sale of plant, equipment and vehicles	3.5	(15,682)	(11,864)
<u>Non-cash items:</u>			
Cost of disposal of plant, equipment and vehicles	3.5	-	5,220
Depreciation of non-current assets	5.1	118,524	109,371
Reclassification of Mausoleum Buildings from Inventory to Property, Plant and Equipment	3.1, 5.1	-	-
<u>(Increase) / decrease in assets</u>			
Receivables		20,257	(32,713)
Current inventories		(2,201)	(3,232)
<u>Increase / (decrease) in liabilities</u>			
Current accounts payable ^(a)		(2,351)	29,890
Employee provisions		17,025	(43,653)
Pre-need agreements		98,348	213,708
Deferred leases income		107,118	146,864
Change in GST in payables ^(b)		17,787	2,476
Net cash provided by operating activities		<u>846,325</u>	<u>534,260</u>

^(a) Note that the Australian Taxation Office (ATO) payable in respect of GST collected from sales revenue are not included in these items as they do not form part of the reconciling items.

^(b) This reverses out the GST in payables.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

7.2 Financial assets at amortised cost

	2022	2021
	\$	\$
<u>Current</u>		
Financial assets at amortised cost	<u>2,691,981</u>	<u>2,816,377</u>
Balance at end of period	<u>2,691,981</u>	<u>2,816,377</u>
<u>Composition of Financial assets at amortised cost:</u>		
Term Deposits	<u>2,691,981</u>	<u>2,816,377</u>
Balance at end of period	<u>2,691,981</u>	<u>2,816,377</u>

The Board measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Board holds a number of term deposit accounts, and each account has a fixed rate of interest. The term deposits have maturity dates ranging from 9 to 282 days from the reporting date. These term deposits are convertible to a known amount of cash.

The Board deems contractual cash flows from term deposits represent payments of principal and interest on the outstanding term deposit balance. Thus, the Board's term deposits are initially measured at its fair value and are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the term deposit is derecognised, modified or impaired.

The allowance for expected credit losses (ECL) of term deposits is measured at the lifetime expected credit losses at each reporting date. As the Board only invests in low risk AA rated financial institutions, no loss allowance for credit losses was raised. Further, as at 30 June 2022, there is no indication of impairments.

The term deposits will primarily be used for future settlement of existing pre-need agreement liabilities as disclosed at Note 6.3 'Pre-Need Agreements'.

7.3 Capital expenditure commitments

	2022	2021
	\$	\$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year		
Total Capital Commitments	<u>-</u>	<u>-</u>

The capital commitments comprised of:

Mausoleum Stage 2	-	-
Total Capital Commitments	<u>-</u>	<u>-</u>

The totals presented for capital commitments are GST inclusive.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

8. Financial instruments and Contingencies

	<u>Notes</u>
Financial instruments	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2

8.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2022	2021
	\$	\$
<u>Financial assets</u>		
Cash and cash equivalents	2,039,769	1,221,292
Financial assets at amortised cost ^(b)	2,769,459	2,914,007
Total financial assets	4,809,228	4,135,299
<u>Financial liabilities</u>		
Financial liabilities at amortised cost ^{(a)(c)}	46,115	48,466
Total financial liability	46,115	48,466

^(a) The amount of financial liabilities at amortised cost excludes the GST payable to the ATO (statutory obligation).

^(b) The balance of receivables/financial assets at amortised cost exclude pre-paid expenses as these are outside of the definition of a financial asset under AASB 9 and 7.

^(c) Contract liabilities and deferred income under AASB 15 and AASB 16 are outside of the definition of financial liabilities at amortised cost under AASB 9 2.1(b) and 2.1(j).

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

8.2.1 Contingent assets

There were no contingent assets in existence at 30 June 2022 and up to the date of this report.

8.2.2 Contingent liabilities

There were no contingent liabilities in existence at 30 June 2022 and up to the date of this report.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

9. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	<u>Notes</u>
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Remuneration of auditor	9.7
Equity	9.8
Explanatory statement	9.9

9.1 Events occurring after the end of the reporting period

There were no known events occurring after the end of the reporting period and up to date of this report.

9.2 Initial application of Australian Accounting Standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity and applies to annual reporting periods beginning on or after 1 January 2021.

As at the reporting period and up to date of this report, the Board does not have any arrangements with third-party suppliers to:

- provide public services related to a service concession asset, on behalf of the Board; or
- manage at least some of those public services under the suppliers' own discretion.

9.3 Key management personnel

The BCB has determined key management personnel to include Minister for Housing; Local Government, the Minister for Health, Board members and senior officer of the BCB. The BCB does not incur expenditures to compensate Ministers and those disclosures may be found in the State of Western Australia's *Annual Report on State Finances*.

Compensation of Board Members

The number of members of the Board whose total fees, salaries, superannuation, non-monetary benefits and other benefits received for the financial year, fall within the following bands are:

Compensation bands	2022	2021
Nil ^(a)	7	7

^(a) Members of the Board are not compensated.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

9.3 Key management personnel (continued)

Compensation of Senior Officers

The number of Senior Officer, other than senior officers reported as members of the Board; whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands is:

Compensation bands	2022	2021
\$120,001 - \$130,000	1	-
\$100,001 - \$110,000		1
\$80,001 - \$90,000 ^(a)		1
\$10,001 - \$20,000		-
	2022	2021
	\$	\$
Total compensation of senior officers	126,918	184,880

(a) One senior officer retired during the period. Significant year on year increase was due to the senior officer's termination benefits which comprised solely of lump sum payment of unused annual and long service leave balances.

The total remuneration includes the superannuation expense incurred by the Board in respect of senior officer other than senior officers reported as members of the Board. The senior officer is not a member of any Pension Scheme.

9.4 Related party transactions

The Bunbury Cemetery Board is a Western Australian government appointed body corporate under the *Cemeteries Act 1986*. Although the Board is responsible to the Minister for Housing; Local Government and the Minister for Health, the Board is not consolidated as part of the Government of Western Australia. In conducting its activities, the Board is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State, entities related to the State and other independent Cemetery Boards appointed under the same Act.

Related parties of the BCB include:

- Both Ministers and their close family members, and their controlled or jointly controlled entities; and
- all senior officers and their close family members, and their controlled or jointly controlled entities.

Material transactions with related parties

The Board had transacted with one related party, Board member, Mr. Errol Barrett, who is the Managing Director of Barrett Funerals WA Pty Ltd. All funeral directors operating within the Bunbury region transact with the Board as provider of cemetery funeral services. Funeral Directors are charged fees which are approved by the Board and the WA Government.

Barrett Funerals WA Pty Ltd transacts with the Board in a commercial, arm's length manner, on the same terms and conditions as all other funeral directors who operate in the Bunbury region. Barrett Funerals WA Pty Ltd do not transact with the Board in any other manner. For the reported period, Barrett Funerals WA Pty Ltd had \$933,082 worth of funeral transactions, being burials and cremations with Bunbury Cemetery Board, based on the appropriate and approved funeral fees.

In addition, all Board members must disclose any conflict of interests at Board meetings, or before making any decisions for the Board. During the reported period, Mr Barrett nor Barrett Funerals WA Pty Ltd is afforded any benefit that may affect the Board's financial position and performance.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

9.5 Related bodies

The Board does not have related bodies.

9.6 Affiliated bodies

The Board does not have affiliated bodies.

9.7 Remuneration of auditor

Remuneration payable to the Auditor General for the reporting period is as follows:

	2022	2021
	\$	\$
Auditing the accounts and financial statements	12,600	12,300
Total remuneration	12,600	12,300

9.8 Equity

	2022	2021
	\$	\$
<u>Contributed equity</u>		
Balance at start of year	308,923	308,923
Contributed equity balance at end of period	308,923	308,923
<u>Asset Revaluation Surplus</u>		
Balance at start of year	-	-
Net revaluation increments/(decrements)		
Land	-	-
Reserves balance at end of period	-	-
<u>Retained earnings</u>		
Balance at start of period	2,030,314	1,912,063
Effect of the adoption of AASB 16	-	-
Effect of the adoption of AASB 15 [#]	-	-
Changes in accounting policy	-	-
Net profit/(loss) for the period	487,500	118,251
Retained earnings balance at end of period	2,517,814	2,030,314
Total Equity at end of period	2,826,737	2,339,237

[#] Though the review of contracts with customers was warranted through AASB 15, pursuant with AASB 15 paragraph 5(a), increases in liability (unexpired operating leases) and reduction to retained earnings as at transition date were attributable to AASB 16.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

Notes to the Financial Statements FOR THE YEAR ENDED 30 June 2022

9.9 Explanatory statement

Details and reasons for the significant variations between actual results in 2022 with the corresponding items in the preceding year are detailed below. Narratives are provided for significant variations.

Significant variations are considered to be those greater than \$30,000.

Significant variances between current and prior year - actual revenues and expenditures

	Variance Note	2022 Actual \$	2021 Actual \$	Variance \$
INCOME				
Revenue				
Trading profit	1	231,520	174,616	56,904
Provision of services and cemetery leases	2	1,572,792	1,243,034	329,757
Interest revenue		8,746	25,676	(16,930)
Other revenue	3	86,077	17,862	68,215
Gains				
Gain on disposal of non-current assets		15,682	6,644	9,038
TOTAL INCOME		1,914,816	1,467,832	446,984
EXPENSES				
Cost of sales – Memorials and vaults	4	86,745	116,917	(30,171)
Employee benefits expense	5	861,401	821,867	39,535
Supplies and services		8,852	12,696	(3,844)
Depreciation and amortisation expense		118,524	109,371	9,152
Cemetery lease and other expenses	6	351,794	288,729	63,065
TOTAL EXPENSES		1,427,316	1,349,580	77,736
PROFIT FOR THE PERIOD		487,500	118,251	369,249

Variance Notes

1. Trading profit

The higher trading profit is a direct relation to the higher number of cremations performed and memorial products sold within the Financial Year and no expenses relating to ongoing capital expenditure commitments.

2. Provision of services and cemetery leases

The Board delivered a significantly higher number of cremation and interment services in 2022 when compared to 2021. There was a 12% increase in cremations (total number 120) when comparable increases from 2001 – 2021 have been 4-6%. Moreover, general price escalations to the Board's cremation and interment fees contributed further to the year-on-year increase.

3. Other revenue

In 2020, the Board introduced an initiative whereby metals remaining after cremation are recycled by a third-party foundry and metal recycling plant. In 2022, the Board received \$44,268.00 from this initiative, in comparison, to \$35,171.00 in 2020. No revenue was received from this source in 2021. \$17,134.00 from Workers Compensation payments were allocated to other revenue.

FINANCIAL STATEMENTS

BUNBURY CEMETERIES BOARD

4. Cost of sales

The variance was as a result of the following factors:

- The Board did not sell Burial Vault in 2022 (2021: 1 sold). Vault coverings are treated as inventory stock.
- The Board recorded a higher number of sales of Memorial Products during the 2020 – 2021 Financial Year.
- To commensurate this increase, the Board purchased a wider range of keepsakes, urns and tribute stocks held for resale during 2021. This stock level is now consistent and no extra major expenditure on keepsake memorials and urns is required.

5. Employee benefits expense

The year-on-year expenditure increases were as a result of integration into the Public Sector and a review of the Chief Executive's and Memorial Sales Consultants levels, and subsequent salary increases. This totalled approx. \$26,000.00 within the Financial Year

6. Cemetery lease and other expenses

Plant and Equipment Maintenance costs were significantly higher in the 2021-2022 period as upgrades and necessary maintenance to the cremator were required and totalled in excess of \$23,000.00 This was not completed in the 2020 – 2021 FY due to travel restrictions relating to COVID. More memorial gardens were constructed, and hardscaping costs rose as a result of this. The Cemetery gates were also contracted to be opened on the weekends by an existing supplier and this cost totalled approximately \$5,000.00. This will be an ongoing cost.