

LITCHFIELD COUNCIL



Community effort is essential

Thorak Regional Cemetery Board Meeting BUSINESS PAPER WEDNESDAY 21/06/2017

Meeting to be held and will commence following the Litchfield
Council Meeting at 6:00pm
In Council Chambers at 7 Bees Creek Road, Freds Pass

Kaylene Conrick, Chief Executive Officer

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.



THORAK REGIONAL CEMETERY BOARD MEETING

Notice of Meeting

To be held in the Council Chambers, Litchfield
On Wednesday, 21 June 2017

Kaylene Conrick
Chief Executive Officer

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Audio Disclaimer

An Audio recording of this meeting will be made for minute taking purposes as authorised by the Chief Executive Officer.

Acknowledgement of Traditional Ownership

It is acknowledged that the meeting is held on the land of the traditional owners and Council respect the Elders past and present for their continuing custodianship of the land and the children of this land across generations.

Number

Agenda Item

- 1 Opening of Meeting
- 2 Apologies and Leave of Absence
- 3 Confirmation of Minutes
THAT the minutes of the Thorak Regional Cemetery Board Meeting held 17 May 2017, 3 pages, be confirmed.
- 4 Business Arising from the Minutes
- 5 Conflict of Interest
- 6 Accepting or Declining Late Items
- 7 Notices of Motion
- 8 Officer's Report
 - 8.1 Finance Report – May 2017
- 9 Other Business

- 10 Confidential Items
- 11 Next Meeting
- 12 Close of Meeting

Agenda Item Number: 8.1
Report Title: Finance Report May 2017
Meeting Date: 21/06/2017
Attachments:

Purpose

The purpose of this report is to present the monthly financial report for Thorak Regional Cemetery for the period ended 31 May 2017.

Recommendation

THAT Council receive the Thorak Regional Cemetery finance report for the period ended 31 May 2017.

OPERATING RESULT

The forecast end of year result for 2016/17 is a \$49,308 favourable variance to budget, with a forecast overall operating surplus of \$13,900.

End of financial year revenue is forecast to be unfavourable to budget by \$53,424 due to the 30% reduction in burials from 2016/17 financial year, demonstrating the national trend that cremations are preferable to burials.

Thorak Cemetery had 13 internments and cremations (4 burials and 9 cremations) compared to 19 (10 burials and 9 cremations) at the same time last year. Year to date total at the end of May was 228 interments and cremations (89 burials and 127 cremations), similar to the total number of 225 at the same period last year. The main difference however is the split of 127 burials and 85 cremations.

Expenditure is forecast to be \$102,732 less than budget.

Revenue and expenditure levels will continue to be monitored closely as the end of the financial year draws near.

	2016/17 YTD Actuals	2016/17 Budget	2016/17 Forecast	Variance +ve (-ve)
REVENUE				
User Fees and Charges	742,834	842,450	789,026	(53,424)
TOTAL REVENUE	742,834	842,450	789,026	(53,424)
EXPENSES				
Contractors	104,963	143,500	127,546	(15,954)
Materials	159,395	163,781	166,643	2,863
Other Expenses	28,179	42,000	30,437	(11,563)
Employee Costs	394,205	528,578	450,500	(78,078)
TOTAL EXPENSES	686,742	877,859	775,126	(102,732)
TOTAL	56,092	(35,409)	13,900	49,308

CAPITAL RESULTS

The 2016/17 net capital expenditure relates to the trade-in and purchase of a new motor vehicle, in accordance with Council's Motor Vehicle policy. Thorak Cemetery's Case Tractor was also disposed of, the proceeds received from Pickles Auctions was \$26,827 after fees and charges.

	2016/17 YTD Actuals	2016/17 Budget	2016/17 Forecast	Variance +ve (-ve)
REVENUE				
Thorak Regional Cemetery	37,891	12,000	37,891	25,891
TOTAL REVENUE	37,891	12,000	37,891	25,891
EXPENSES				
Thorak Regional Cemetery	30,201	40,000	30,201	9,799
TOTAL EXPENSES	30,201	40,000	30,201	9,799
TOTAL	7,690	(28,000)	7,690	35,690

CASH & INVESTMENTS

Date Invested	Invested Amount	Days Invested	Invested with	Interest Rate	Maturity Date	Return
30/06/2016	406,398	365	Bendigo	2.86%	30/06/2017	11,623

DEBTORS

Total Sundry Debtors at 31 May 2017 are \$74,602. The outstanding debtors are with the three funeral service providers and reflects the activity at the Cemetery over the past few months.

Category	Current	30 Days	60 Days	90 Days and over	Balance
Cemetery	\$24,915	\$48,294	\$0	\$1,393	\$74,602
% of TOTAL DEBTORS	33.4%	64.7%	0.0%	1.9%	

Action summary of 90 Days Debtors:

\$1,393.00

Two invoices are in 90 days and over. Reminder notices have been sent to the postal addresses associated with the outstanding invoices. The debt recovery process has been implemented for \$1,152. Attempts are being made to contact the family of the \$241 prior to the debt recovery process implementation.



CEMETERY FINANCIAL RESERVE




The 2016/17 forecast result will no longer draw down the Reserve because of staffing positions not at full capacity, therefore the Cemetery Reserve balance as at 30 June 2017 is forecast to be \$159,049.

	Balance as at 1/7/2016	Forecast TO Reserve	Forecast FROM Reserve	Forecast Net Movement	Forecast Balance as at 30/06/2017
Cemetery Reserve	137,459	21,590	-	21,590	159,049

THORAK CEMETERY KEY PERFORMANCE INDICATORS (KPI)

The table below tracks the KPI's for the Thorak Regional Cemetery as set out in the 2016/17 Municipal Plan.

Key Performance Indicator	Target	Status	Comment
Compliance with Cemetery Regulations	100%		
Achievement of Operational Budget	100%		

-  KPI met
-  KPI in progress, on track
-  KPI not met

Links with Strategic Plan

5. Effective Council Management

Legislative and Policy Implications

Local Government (Accounting) Regulations and the Northern Territory Cemeteries Act.

Risk

There remains an ongoing financial sustainability challenge for Council in operating the Thorak Regional Cemetery.

The Mayor and CEO met with the Minister for Housing and Community Development; the Hon Gerald McCarthy on 10 May 2017 to discuss the Thorak Regional Cemetery.

The proposition Litchfield Council presented was that the Minister support Litchfield Council with its legislative responsible for the Cemetery, recognising that it is a regional (not local) service and that a funding model needs to be developed to ensure long term sustainability.

The Minister committed to considering this matter further and appeared to be sympathetic to Council's argument that it is impractical and inequitable to expect Litchfield ratepayers to subsidise a regional community service and to maintain liabilities and capital expenditure over time.

Financial Implications

The forecast result for 30 June 2017 is expected to be favourable to budget despite the continued preference trend of cremations to burials resulting in a reduction in revenue. The unique circumstances of 2016/17 has realised operating savings which have contributed to the overall forecast operating surplus.

Recommending Officer: **Silke Reinhardt, Director Community and Corporate Services**

Any queries on this report may be directed to the Recommending Officer on telephone (08) 8983 0600.

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