

Richmond Tweed Regional Library

Meeting Notice

An Extra Ordinary meeting of the Richmond Tweed Regional Library will be held at the RTRL Support Services on Wednesday, 19 June 2024 at 1pm

Members of the Committee are requested to attend.

Richmond Tweed Regional Library acknowledges the people of the Bundjalung nation, traditional custodians of the land on which we meet.

Sarah Sullivan
Executive Officer – RTRL

14 June 2024



ETHICAL DECISION MAKING AND CONFLICTS OF INTEREST

A guiding checklist for councillors, staff and community committees

Ethical decision making

- Is the decision or conduct legal?
- Is it consistent with government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny? Conflict of interest

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- Pecuniary – an interest that you have in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to yourself or another person or entity defined in part 4 of the Lismore City Council Code of Conduct with whom you are associated.
- Non-pecuniary – a private or personal interest that you have that does not amount to a pecuniary interest as defined in the Lismore City Council Code of Conduct. These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.

The test for conflict of interest

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of "corruption" – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

Identifying problems

- Do I have private interests affected by a matter I am officially involved in?
- Is my official role one of influence or perceived influence over the matter?
- Do my private interests' conflict with my official role?

Disclosure and participation in meetings

- A councillor or a member of a Council Committee who has a pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or Committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.
- The councillor or member must not be present at, or in sight of, the meeting of the Council or Committee:
 - a. at any time during which the matter is being considered or discussed by the Council or Committee, or
 - b. at any time during which the Council or Committee is voting on any question in relation to the matter.

No Knowledge - a person does not breach this clause if the person did not know and could not reasonably be expected to have known that the matter under consideration at the meeting was a matter in which he or she had a pecuniary interest.

Non-pecuniary Interests - Must be disclosed in meetings.

There are a broad range of options available for managing conflicts & the option chosen will depend on an assessment of the circumstances of the matter, the nature of the interest and the significance of the issue being dealt with. Non-pecuniary conflicts of interests must be dealt with in at least one of the following ways:

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. participate in discussion but not in decision making or vice versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as of the provisions in the Code of Conduct (particularly if you have a significant non-pecuniary interest)

Whilst seeking advice is generally useful, the ultimate decision rests with the person concerned.

Agenda

- 1. Acknowledgement of Country and welcome to delegates**
- 2. Apologies**
- 3. Disclosure of Interest**
- 4. Reports/Recommendations**
 - 4.1 2022-2023 Special Purpose Financial Statements6
- 5. Next Meeting & Meeting Close**

Reports/Recommendations



Reports/Recommendations

Subject	2022-2023 Special Purpose Financial Statements
TRIM Record No	BP24/623:EF24/72
Prepared by	Manager Finance
Item Number	4.1

Overview of Report

The purpose of this report is to provide the Richmond Tweed Regional Library Committee (Committee) with an overview of the 2022-2023 Special Purpose Financial Statements, and for the Committee to then approve the 'Statement by Richmond Tweed Regional Library Committee and Management'. The Auditor relies on this Statement as part of the independent audit process.

The 2022-2023 Special Purpose Financial Statements, including the Independent Audit Report are attached to this report for review by the Committee before the meeting.

The following is a summary of the key financial results and information:

- Net operating result for the year is a \$71,000 surplus
- Other comprehensive income for the year is (\$184,000) loss on revaluation of infrastructure, property, plant and equipment resulting from the 2022 flood event
- Net operating result before capital grants and contributions is a (\$707,000) deficit
- Total income from continuing operations increased from \$7.86 million in 2021-2022 to \$9.103 million in 2022-2023
- Total expenses from continuing operations increased from (\$7.67) million in 2021-2022 to (\$9.032) million in 2022-2023
- Net assets decreased from \$5.496 million in 2021-2022 to \$5.383 million in 2022-2023
- Cash, cash equivalents and investments total increased from \$1.866 million in 2021-2022 to \$2.648 million in 2022-2023
- Unrestricted Current Ratio is 3.46:1

At the time of this report the Auditor, Thomas Noble and Russell, had undertaken an audit but had not finalised the audit. The Draft 2022-2023 Special Purpose Financial Statements are attached to this report for review by the Committee before the meeting. Any changes identified during the finalisation of the audit will be reported to Committee at the meeting.

Recommendation

That:

1. the Richmond Tweed Regional Library Committee adopts the 2022-2023 Special Purpose Financial Statements and the 'Statement by Richmond Tweed Regional Library Committee and Management'

Reports and/or Recommendations

2. the Committee delegate to the Chair and Deputy Chair authority to sign the 'Statement by Richmond Tweed Regional Library Committee and Management' on behalf of the Richmond Tweed Regional Library Committee

BACKGROUND

The 2022-2023 Special Purpose Financial Statements for Richmond Tweed Regional Library (RTRL) have been prepared and detailed information on the results reported. To finalise, the Committee must approve the signing of the 'Statement by Richmond Tweed Regional Library Committee and Management'.

This Statement attests that from the Committee's perspective:

Where considered applicable the attached Financial Statements have been prepared in accordance with:

- *the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board*
- *the Local Government Code of Accounting Practice and Financial Reporting, where considered relevant to Member Councils*

To the best of our knowledge and belief, these statements:

- *present fairly the Richmond Tweed Regional Library's operating result and financial position for the year*
- *accord with Richmond Tweed Regional Library's accounting and other records.*

We are not aware of any matter that would render these statements false or misleading in any way.

The Auditor relies on this Statement as part of the independent audit process.

It is recommended that the Committee approve the Statement and delegate to the Chair and Deputy Chair authority to sign the 'Statement by Richmond Tweed Regional Library Committee and Management' on behalf of the Committee.

Special Purpose Financial Statements – Key Financial Results

For consistency, where an amount is 'favourable' to RTRL's financial result for the year or financial position as of 30 June, it will be shown without brackets. Where an amount is 'unfavourable' to RTRL's financial result for the year or financial position as of 30 June, it will be shown with (brackets).

Income Statement

The following table displays the summarised information from 2021-2022 to 2022-2023:

Item	2022-2023 \$'000	2021-2022 \$'000
Revenues from continuing operations	9,103	7,865
Expenses from continuing operations	(9,032)	(7,666)
Net operating result for the year	71	199
Net operating result before capital grants and contributions	(707)	43

A summary of the movements follows:

Total revenues from continuing operations have increased from \$7.86 million in 2021-2022 to \$9.103 million in 2022-2023. This represents a 15.74% increase.

Reports and/or Recommendations

Expenses from continuing operations have increased from (\$7.66) million in 2021-2022 to (\$9.032) million in 2022-2023. This represents a 17.81% increase.

Statement of Financial Position

The Statement of Financial Position is used to summarise the total net assets. The total net assets as at 30 June 2023 were \$5.383 million compared to \$5.496 million as at 30 June 2022.

Type	2022- 2023 \$'000	2021- 2022 \$'000
Cash and Cash Equivalents	2,648	1,866
Receivables	16	143
Infrastructure, Property, Plant and Equipment (IPP&E)	4,319	4,621
Intangible Assets	-	-
Right of Use Assets	45	2
Payables	(279)	(141)
Lease Liabilities	(48)	(2)
Provisions	(1,318)	(993)
Total Net Assets	5,383	5,496

Infrastructure, Property, Plant and Equipment at 30 June 2023 totalled \$4.319 million. The major components of IPP&E are Library Resources \$2.202 million, Buildings \$961,000, Office Equipment \$180,000 and Land \$850,000.

Revenues from continuing operations

A summary of the individual categories and comparisons is provided below:

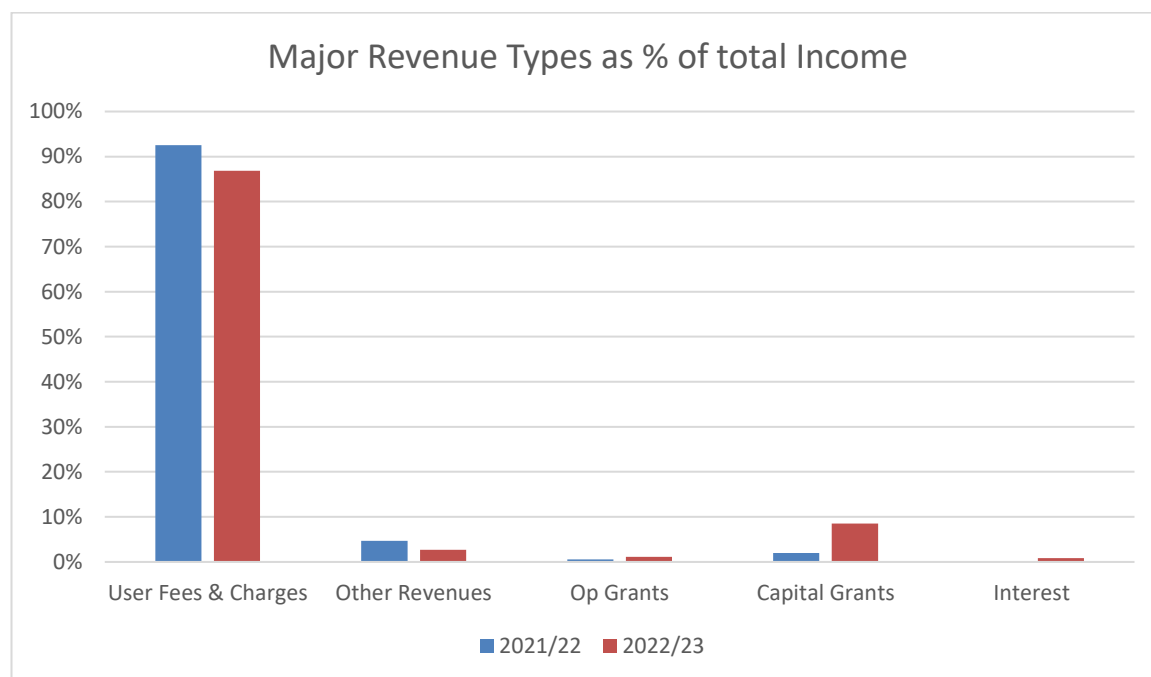
Type	2022- 2023 \$'000	2021- 2022 \$'000
User Charges and Fees	7,904	7,280
Interest	74	12
Other revenues	242	371
Grants and Contributions – Operating	105	46
Grants and Contributions – Capital	778	156
Gain on Disposal of Assets	0	-
Total	9,103	7,865

- **User Charges and Fees** –increased by 8.50% or \$624,000. The increase is mainly attributable to a increase in Member Council contributions of \$573,000 or 8.08%, and an increase in revenues from Printouts \$31,000 resulting from reduced demand for border passes.

Reports and/or Recommendations

- **Interest** – revenues have increased from 2021-2022 by \$62,000 due to increased interest rates.
- **Other Revenues** – decreased by (\$129,000) or (34.7%). The decrease is mainly attributable to a decrease in donations received (\$140,000).
- **Grants and Contributions** – increased by \$681,000. This is attributable to an increase in capital grants of \$622,000 being for the replacement of the mobile library \$475,000 and \$212,000 non-cash contributions in library resources.

The following graph represents the main types of revenue from continuing operations expressed as a percentage of total continuing revenue for the years 2020-2021 and 2021-2022.



Expenses from continuing operations

A summary of the individual categories and comparisons is provided below:

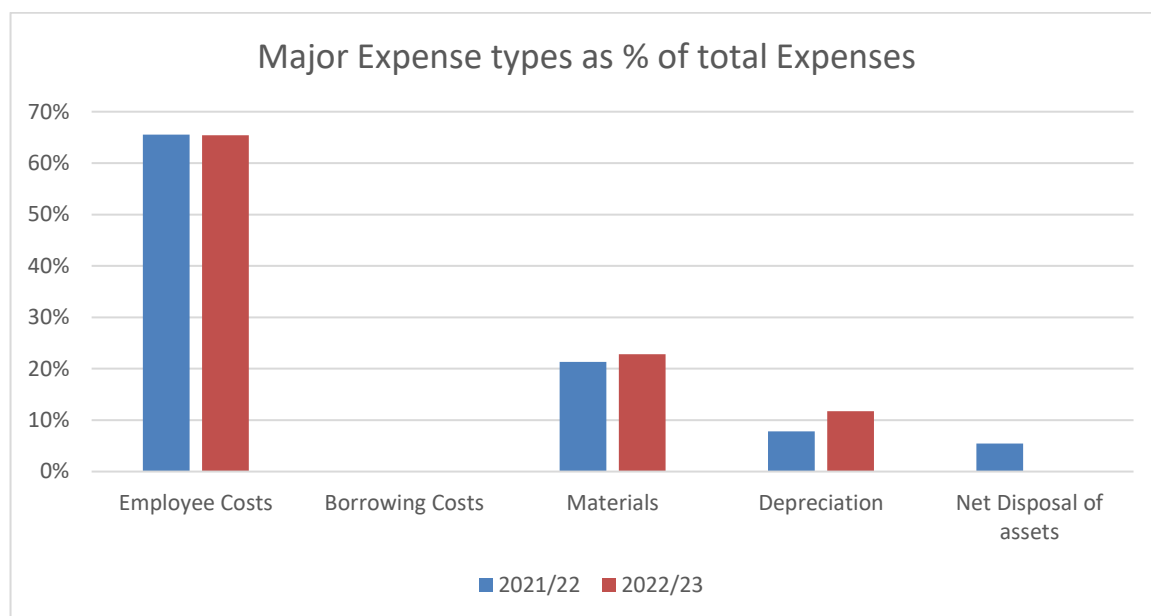
Type	2022-2023 (\$'000)	2021-2022 (\$'000)
Employee Costs	(5,910)	(5,022)
Borrowing costs	(2)	-
Materials and Contracts	(2,061)	(1,629)
Depreciation	(1,059)	(898)
Asset Disposal	-	(417)
Total	(9,032)	(7,666)

- **Employee Costs** – A increase is reported for employee costs of (\$888,000) or (17.7%) for the period. This comprises a salary increase (\$622,000), increase in leave entitlements expense (\$193,000), superannuation expense increased of (\$30,000) and a Workers' Compensation premiums increase of (\$9,000).
- **Materials and Services** – An increase is reported of (\$432,000).

Reports and/or Recommendations

- Depreciation** – Depreciation expense has increased from 2021-2022 by (\$461,000). The 2022-2023 year includes an adjustment to depreciation from 2022. The depreciation charge in 2022 was calculated up to February 2022, the date of the flood. In the 2022-2023 year we included the remaining for months to 30 June 2022 in addition to the normal 12 month to bring the written value of the asset in line with fair value.

The following graph represents the types of expenses from continuing operations expressed as a percentage of total continuing expenses for years 2021-2022 and 2022-2023 inclusive:



Cash, Cash Equivalents and Investments

The total cash, cash equivalents and investments were \$1.866 million as of 30 June 2022, compared to \$2.648 million in 2022-2023, an increase of \$782,000. Typically, total cash, cash equivalents and investments are reasonably stable, but can fluctuate depending on the timing of work-related cash flows.

Statement of performance measurements

To clarify the meaning and implication, a simple definition of each indicator is listed below:

- Operating Performance Ratio – This ratio measures RTRL’s achievement of containing operating expenditure within operating revenue. The benchmark is greater than 0%;
- Unrestricted Current Ratio – This ratio represents the ability to meet short term obligations as they fall due. It is the total cash or cash convertible assets available to meet liabilities within the next twelve months, or current period, expressed on a dollar for dollar basis excluding assets and liabilities. The benchmark is greater than 1.5; and
- Cash Expenses Cover Ratio – This liquidity ratio indicates the number of months RTRL can continue paying for its immediate expenses without additional cash inflows. The benchmark is greater than three months.

The following table is a summary of the key performance indicators from 2021-2022 to 2022-2023:

Performance Indicator	2021-2022	2021-2022
Operating Performance Ratio	(8.49%)	5.97%
Unrestricted Current Ratio	3.46	3.76
Cash Expense Cover Ratio	4.23	3.25

Reports and/or Recommendations

Commentary on all performance indicator results is provided below:

- a) Operating Performance Ratio – Unfavourable at (8.49%). RTRL is reporting a deficit before Capital Grants and Contributions.
- b) Unrestricted Current Ratio – Favourable. This result is above the benchmark; and
- c) Cash Expenses Cover Ratio – Favourable. This result is above the benchmark. The result reflects the increased expenditure of funds held in Internal Reserves for the purposes intended, and Member Council contributions generally received on a quarterly (three monthly) basis i.e., potentially expended in full by the end of each quarter.

Conclusion

The RTRL is in a solid financial position with cash, cash equivalents and investments at reasonable levels to support services.

The implementation of an adopted long term financial plan should be considered to assist in ensuring the RTRL's financial sustainability.

Attachment/s

1. 2023 Special Purpose Financial Statements

Richmond Tweed Regional Library

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023

Richmond Tweed Regional Library
Special Purpose Financial Statements
for the year ended 30 June 2023

Contents	Page
Statement by Richmond Tweed Regional Library Committee	3
Primary Special Purpose Financial Statements:	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Independent Auditor's Reports:	
On the Financial Statements	30

Richmond Tweed Regional Library

Special Purpose Financial Statements

for the year ended 30 June 2023

Statement by Richmond Tweed Library Committee and Management

Where considered applicable the attached Financial Statements have been prepared in accordance with:

- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*, where considered relevant to Member Councils

To the best of our knowledge and belief, these statements:

- present fairly the Richmond Tweed Regional Library's operating result and financial position for the year
- accord with Richmond Tweed Regional Library's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of the RTRL Committee made on 19 June 2024.

Cr Darlene Cook
Chairperson
19 June 2024

Cr Simon Chate
Deputy Chairperson
19 June 2024

Ms Sarah Sullivan
Executive Officer
19 June 2024

Richmond Tweed Regional Library | Income Statement | for the year ended 30 June 2023

Richmond Tweed Regional Library

Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Income from continuing operations				
8,034			7,904	7,280
–			242	371
2			105	46
–			778	156
21			74	12
<u>8,057</u>			<u>9,103</u>	<u>7,865</u>
Expenses from continuing operations				
5,637			5,910	5,022
1,814			2,061	1,629
–			2	–
793			1,059	598
–			–	417
<u>8,244</u>			<u>9,032</u>	<u>7,666</u>
<u>(187)</u>			<u>71</u>	<u>199</u>
<u>(187)</u>			<u>71</u>	<u>199</u>
<u>–</u>			<u>(707)</u>	<u>43</u>

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

Richmond Tweed Regional Library | Statement of Comprehensive Income | for the year ended 30 June 2023

Richmond Tweed Regional Library

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Net operating result for the year – from Income Statement		71	199
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-4	(184)	730
Total items which will not be reclassified subsequently to the operating result		(184)	730
Total other comprehensive income for the year		(184)	730
Total comprehensive income for the year		(113)	929

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

Richmond Tweed Regional Library | Statement of Financial Position | for the year ended 30 June 2023

Richmond Tweed Regional Library

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	2,648	1,866
Receivables	C1-3	<u>16</u>	<u>143</u>
Total current assets		<u>2,664</u>	<u>2,009</u>
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-4	4,319	4,621
Right of use assets	C2-1	<u>45</u>	<u>2</u>
Total non-current assets		<u>4,364</u>	<u>4,623</u>
Total assets		<u>7,028</u>	<u>6,632</u>
LIABILITIES			
Current liabilities			
Payables	C3-1	279	141
Lease liabilities	C2-1	48	2
Employee benefit provisions	C3-2	<u>1,305</u>	<u>987</u>
Total current liabilities		<u>1,632</u>	<u>1,130</u>
Non-current liabilities			
Employee benefit provisions	C3-2	<u>13</u>	<u>6</u>
Total non-current liabilities		<u>13</u>	<u>6</u>
Total liabilities		<u>1,645</u>	<u>1,136</u>
Net assets		<u>5,383</u>	<u>5,496</u>
EQUITY			
Accumulated surplus	C4-1	4,663	4,592
IPPE revaluation reserve	C4-1	<u>720</u>	<u>904</u>
Richmond Tweed Regional Library equity interest		<u>5,383</u>	<u>5,496</u>
Total equity		<u>5,383</u>	<u>5,496</u>

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

Richmond Tweed Regional Library | Statement of Changes in Equity | for the year ended 30 June 2023

Richmond Tweed Regional Library

Statement of Changes in Equity

for the year ended 30 June 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		4,592	904	5,496	4,393	174	4,567
Opening balance		4,592	904	5,496	4,393	174	4,567
Net operating result for the year as reported in the financial statements		71	–	71	199	–	199
Net operating result for the period		71	–	71	199	–	199
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-4	–	(184)	(184)	–	730	730
Other comprehensive income		–	(184)	(184)	–	730	730
Total comprehensive income		71	(184)	(113)	199	730	929
Closing balance at 30 June		4,663	720	5,383	4,592	904	5,496

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

Richmond Tweed Regional Library | Statement of Cash Flows | for the year ended 30 June 2023

Richmond Tweed Regional Library

Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Cash flows from operating activities				
<i>Receipts:</i>				
8,477	User charges and fees		7,888	7,280
21	Interest received		74	12
156	Grants and contributions		671	197
60	Other		385	228
<i>Payments:</i>				
(6,210)	Payments to employees		(5,561)	(5,218)
(1,960)	Payments for materials and services		(1,989)	(1,634)
–	Borrowing costs		(2)	–
–	Other		42	(35)
544	Net cash flows from operating activities	F1-1	1,508	830
Cash flows from investing activities				
<i>Payments:</i>				
(600)	Payments for IPPE		(699)	(279)
–	Purchase of intangible assets		(30)	(4)
(600)	Net cash flows from investing activities		(729)	(700)
Cash flows from financing activities				
<i>Payments:</i>				
–	Principal component of lease payments		3	(1)
–	Net cash flows from financing activities		3	(1)
(56)	Net change in cash and cash equivalents		782	129
1,866	Cash and cash equivalents at beginning of year		1,866	1,737
1,810	Cash and cash equivalents at end of year	C1-1	2,648	1,866

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

Richmond Tweed Regional Library

Contents for the notes to the Financial Statements for the year ended 30 June 2023

A About Council and these financial statements	10
A1-1 Basis of preparation	10
B Financial Performance	11
B1 Sources of income	11
B1-1 User charges and fees	11
B1-2 Other revenues	11
B1-3 Grants and contributions	12
B1-4 Interest and investment income	12
B2 Costs of providing services	14
B2-1 Employee benefits and on-costs	14
B2-2 Materials and services	15
B2-3 Borrowing costs	15
B2-4 Depreciation, amortisation and impairment of non-financial assets	15
B3 Gains or losses	16
B3-1 Gain or loss from the disposal, replacement and de-recognition of assets	16
C Financial position	17
C1 Assets we manage	17
C1-1 Cash and cash equivalents	17
C1-2 Restricted and allocated cash, cash equivalents and investments	17
C1-3 Receivables	18
C1-4 Infrastructure, property, plant and equipment	19
C1-5 Intangible assets	20
C2 Leasing activities	21
C2-1 RTRL as a lessee	21
C3 Liabilities of Council	23
C3-1 Payables	23
C3-2 Employee benefit provisions	24
C4 Reserves	25
C4-1 Nature and purpose of reserves	25
D Risks and accounting uncertainties	26
D1-1 Contingencies	26
E People and relationships	27
E1 Related party disclosures	27
E1-1 Key management personnel (KMP)	27
E2 Other relationships	28
E2-1 Audit fees	28
F Other matters	28
F1-1 Statement of Cash Flows information	28
F2 Statement of performance measures	28
F2-1 Statement of performance measures	28

A About Council and these financial statements

A1-1 Basis of preparation

Principal accounting policies

The principal accounting policies adopted by Richmond Tweed Regional Library (RTRL) in the preparation of these financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards (AASBs), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case RTRL) in preparing and presenting its financial statements.

These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are special purpose financial statement which have been prepared in accordance with;

- Australian Accounting Standards and Australian Accounting Interpretations,
- the Local Government Code of Accounting Practice and Financial Reporting where considered relevant to Member Councils.

RTRL is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment and investment property.

Significant accounting estimates and judgements

RTRL makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actuals results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financials year are set out below:

- (i) Estimated fair values of property, plant and equipment

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

B Financial Performance**B1 Sources of income****B1-1 User charges and fees**

\$ '000	AASB	2023	2022
Other user charges and fees			
(ii) Fees and charges – other (incl. general user charges (per s608))			
RTRL Contributions by Member Councils	15 (1)	7,666	7,093
Reservation and Registration Fees	15 (1)	72	54
Lost Book Charges	15 (1)	17	14
PC Usage	15 (1)	5	3
Printouts	15 (1)	101	70
Other	15 (1)	43	46
Total fees and charges – other		7,904	7,280
Total other user charges and fees		7,904	7,280
Total user charges and fees		7,904	7,280
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time		–	–
User charges and fees recognised at a point in time		7,904	7,280
Total user charges and fees		7,904	7,280

B1-2 Other revenues

Fines – other	1058 (1)	6	6
Insurance claims recoveries		134	122
Donations – Friends of the Library	15 (1)	102	242
Other	1058 (1)	–	1
Total other revenue		242	371
Timing of revenue recognition for other revenue			
Other revenue recognised over time		–	–
Other revenue recognised at a point in time		242	371
Total other revenue		242	371

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

B1-3 Grants and contributions

\$ '000	AASB	Operating 2023	Operating 2022	Capital 2023	Capital 2022
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Other					
Other grants		46	–	475	–
Amount recognised as income during current year		46	–	475	–
Special purpose grants and non-developer contributions (tied)					
Previously specific grants:					
Pensioners' rates subsidies:					
Library – special projects	1058 (1)	–	17	16	90
Diesel Rebate	1058 (1)	2	1	–	–
Local Priority Grants		57	28	75	66
Previously contributions:					
Total special purpose grants and non-developer contributions – cash		59	46	91	156
Non-cash contributions					
Heritage/cultural		–	–	212	–
Total other contributions – non-cash		–	–	212	–
Total special purpose grants and non-developer contributions (tied)		59	46	303	156
Total grants and non-developer contributions		105	46	778	156
Comprising:					
– Other funding		105	46	778	156
		105	46	778	156

Developer contributions

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Total grants and contributions	105	46	778	156
Timing of revenue recognition for grants and contributions				
Grants and contributions recognised over time	–	–	–	–
Grants and contributions recognised at a point in time	105	46	778	156
Total grants and contributions	105	46	778	156

B1-4 Interest and investment income

\$ '000	2023	2022
Interest on financial assets measured at amortised cost		
– Interest earned on Investments (interest income)	74	12
Total interest and investment income (losses)	74	12

Interest and investment income is attributable to:

Unrestricted investments/financial assets:		
General Richmond Tweed Regional Library cash and investments	74	12

continued on next page ...

Page 12 of 30

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

B1-4 Interest and investment income (continued)

\$ '000	2023	2022
Total interest and investment income	74	12

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

B2 Costs of providing services**B2-1** Employee benefits and on-costs

\$ '000	2023	2022
Salaries and wages	4,320	3,698
Employee leave entitlements (ELE)	947	754
Superannuation	541	511
Workers' compensation insurance	68	59
Training costs (other than salaries and wages)	18	-
Other	16	-
Total employee costs	5,910	5,022
Total employee costs expensed	5,910	5,022
Number of 'full-time equivalent' employees (FTE) at year end	69	59

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

B2-2 Materials and services

\$ '000	Notes	2023	2022
Raw materials and consumables		2,051	1,619
Audit Fees	E2-1	10	10
Previously other expenses:			
Total materials and services		2,061	1,629
Total materials and services		2,061	1,629

B2-3 Borrowing costs

(i) Interest bearing liability costs

Interest on leases		2	–
Total interest bearing liability costs		2	–
Total interest bearing liability costs expensed		2	–

(ii) Other borrowing costs

Fair value adjustments on recognition of advances and deferred debtors			
Total borrowing costs expensed		2	–

B2-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2023	2022
Depreciation and amortisation			
Plant and equipment		13	16
Office equipment		84	102
Furniture and fittings		6	6
Infrastructure:	C1-4		
– Buildings – specialised		59	29
Right of use assets	C2-1	–	–
Other assets:			
– Library Resources		867	438
Intangible assets	C1-5	30	7
Total gross depreciation and amortisation costs		1,059	598
Total depreciation and amortisation costs		1,059	598
Total depreciation, amortisation and impairment for non-financial assets		1,059	598

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

B3 Gains or losses**B3-1 Gain or loss from the disposal, replacement and de-recognition of assets**

\$ '000	Notes	2023	2022
Gain (or loss) on disposal of plant and equipment	C1-4		
Proceeds from disposal – plant and equipment		–	(417)
Gain (or loss) on disposal		–	(417)
Net gain (or loss) from disposal of assets		–	(417)

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

C Financial position**C1 Assets we manage****C1-1 Cash and cash equivalents**

\$ '000	2023	2022
Cash assets		
Cash on hand and at bank	1,444	661
Cash equivalent assets		
– Deposits at call	1,204	1,204
– Other financial assets	–	1
Total cash and cash equivalents	2,648	1,866

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	2,648	1,866
Balance as per the Statement of Cash Flows	2,648	1,866

C1-2 Restricted and allocated cash, cash equivalents and investments

\$ '000	2023	2022
Plant and vehicle replacement	1,015	465
Infrastructure replacement	–	–
Employees leave entitlement	859	750
Carry over works	774	651
Deposits, retentions and bonds	–	–
Other	–	–
\$ '000	2023	2022

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

C1-3 Receivables

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
User charges and fees	16	-	-	-
Other debtors	-	-	143	-
Capital debtors (being sale of assets)				
Accrued revenues				
Total	16	-	143	-
Total net receivables	16	-	143	-

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

C1-4 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period			At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Depreciation expense	Revaluation decrements to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000									
Plant and equipment	312	(189)	123	–	(13)	–	312	(202)	110
Office equipment	626	(434)	192	72	(84)	–	699	(519)	180
Furniture and fittings	57	(35)	22	–	(6)	–	57	(41)	16
Land:									
– Operational land	850	–	850	–	–	–	850	–	850
Infrastructure:									
– Buildings	2,603	(1,399)	1,204	–	(59)	(184)	2,832	(1,871)	961
Other assets:									
– Lending and Reference Collection	5,018	(2,788)	2,230	839	(867)	–	5,857	(3,655)	2,202
Total infrastructure, property, plant and equipment	9,466	(4,845)	4,621	911	(1,029)	(184)	10,607	(6,288)	4,319

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period						At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Plant and equipment	652	(542)	110	116	(456)	(16)	369	–	–	312	(189)	123
Office equipment	593	(332)	261	33	–	(102)	–	–	–	626	(434)	192
Furniture and fittings	57	(30)	27	–	–	(6)	1	–	–	57	(35)	22
Land:												
– Operational land	490	–	490	–	–	–	–	360	–	850	–	850
Infrastructure:												
– Buildings – specialised	2,233	(1,370)	863	–	–	(29)	–	–	370	2,603	(1,399)	1,204
Other assets:												
– Lending and reference collection	5,117	(2,665)	2,452	547	(647)	(438)	316	–	–	5,018	(2,788)	2,230
Total infrastructure, property, plant and equipment	9,142	(4,939)	4,203	696	(1,103)	(591)	686	360	370	9,466	(4,845)	4,621

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

C1-5 Intangible assets

Intangible assets are as follows:

\$ '000	2023	2022
Software		
Opening values at 1 July		
Gross book value (1/7)	26	26
Accumulated amortisation (1/7)	(26)	(23)
Net book value – opening balance	–	3
Movements for the year		
Other movements	–	4
Amortisation charges	–	(7)
Closing values at 30 June		
Gross book value (30/6)	26	26
Accumulated amortisation (30/6)	(26)	(26)
Total software – net book value	–	–
Total intangible assets – net book value	–	–

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

C2 Leasing activities

C2-1 RTRL as a lessee

RTRL has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Vehicles

RTRL leases vehicles with term varying from 1 to 5 years; these lease payments are fixed during the lease term and there is generally not a renewal option.

(a) Right of use assets

\$ '000	Vehicles	Total
2023		
Opening balance at 1 July	2	2
Additions to right of use assets	73	73
Depreciation charge	(30)	(30)
Balance at 30 June	45	45
2022		
Opening balance at 1 July	4	4
Additions to right of use assets	–	–
Depreciation charge	–	–
Balance at 30 June	2	2

(b) Lease liabilities

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Lease liabilities	48	–	2	–
Total lease liabilities	48	–	2	–

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2023					
Cash flows	48	–	–	48	48
2022					
Cash flows	2	–	–	2	2

(d) Income Statement

The amounts recognised in the Income Statement relating to leases where RTRL is a lessee are shown below:

\$ '000	2023	2022
Interest on lease liabilities	2	–

continued on next page ...

Page 21 of 30

C2-1 RTRL as a lessee (continued)

 2

(e) Leases at significantly below market value – concessionary / peppercorn leases

Accounting policy**Accounting policy – RTRL as a lessee**

At inception of a contract, RTRL assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

RTRL has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, RTRL recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where RTRL believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the RTRL's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

RTRL has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. RTRL recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

RTRL has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

C3 Liabilities of Council**C3-1 Payables**

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Goods and services – operating expenditure	72	–	–	–
Accrued expenses:				
– Salaries and wages	159	–	135	–
– Other expenditure accruals	48	–	–	–
Other	–	–	6	–
Prepaid rates	–	–	–	–
Total payables	279	–	141	–

Payables relating to restricted assets

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Total payables relating to unrestricted assets	279	–	141	–
Total payables	279	–	141	–

Current payables not anticipated to be settled within the next twelve months

The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

C3-2 Employee benefit provisions

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Annual leave	517	–	392	–
Long service leave	781	13	593	6
Other leave	7	–	2	–
Total employee benefit provisions	1,305	13	987	6

Employee benefit provisions relating to restricted assets

Total employee benefit provisions relating to restricted assets	–	–	–	–
Total employee benefit provisions relating to unrestricted assets	1,305	13	987	6
Total employee benefit provisions	1,305	13	987	6

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	861	595
	861	595

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Risks and accounting uncertainties

D1-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Richmond Tweed Regional Library's financial report.

LIABILITIES NOT RECOGNISED

1. Guarantees

(ii) Statewide Limited

RTRL is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. RTRL's share of the net assets or liabilities reflects RTRL's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that RTRL will be required to fund or share in respectively.

(iii) StateCover Limited

RTRL is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically RTRL.

RTRL has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

(iv) Other guarantees

RTRL has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

The RTRL is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

RTRL believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

Key Management Personnel (KMP) of Richmond Tweed Regional Library (RTRL) are those persons having the authority and responsibility for planning, directing and controlling the activities of the library, directly or indirectly. KMP for the RTRL are considered to include Committee Members, RTRL Manager and staff members acting in the position of Manager. Committee members and staff other than the RTRL Manager do not receive direct benefits from RTRL.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2023	2022
Compensation:		
Short-term benefits	119	113
Post-employment benefits	9	9
Other long-term benefits	4	4
Total	132	126

Other transactions with KMP and their related parties

Richmond Tweed Regional Library has determined that transactions at arm's length between KMP and the committee and management as part of delivering public service objectives (e.g. access to library by KMP) will not be disclosed.

KMP and their related parties attend various functions from time to time as part of their position held within RTRL. Tickets, meals and small tokens of appreciation that are provided at these functions are considered immaterial and will not be disclosed.

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

E2 Other relationships

E2-1 Audit fees

\$ '000	2023	2022
(i) Audit and other assurance services		
Audit and review of financial statements	10	10
Total audit fees	10	10

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
Net operating result from Income Statement	71	199
Add / (less) non-cash items:		
Depreciation and amortisation	1,059	598
Non-cash capital grants and contributions	(212)	–
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	127	(143)
Increase / (decrease) in payables	72	(10)
Increase / (decrease) in other accrued expenses payable	72	5
Increase / (decrease) in other liabilities	(6)	5
Increase/(decrease) in employee leave entitlements	325	(241)
Net cash flows from operating activities	1,508	830

F2 Statement of performance measures

F2-1 Statement of performance measures

\$ '000	Amounts 2023	Indicator 2023	Indicator 2022	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(707)	(8.49)%	5.97%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	8,325			
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions ¹	8,220	90.30%	97.43%	> 60.00%
Total continuing operating revenue ¹	9,103			
3. Unrestricted current ratio				
Current assets less all external restrictions	2,664	3.46x	3.76x	> 1.50x
Current liabilities less specific purpose liabilities	771			

continued on next page ...

Page 28 of 30

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

F2-1 Statement of performance measures (continued)

\$ '000	Amounts 2023	Indicator 2023	Indicator 2022	Benchmark
5. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	2,648	4.23	3.25	> 3.00
Monthly payments from cash flow of operating and financing activities	626	months	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

End of the audited financial statements

Richmond Tweed Regional Library | Notes to the Financial Statements 30 June 2023

Richmond Tweed Regional Library

Special Purpose Financial Statements

for the year ended 30 June 2023

Independent Auditor's Reports:

On the Financial Statements