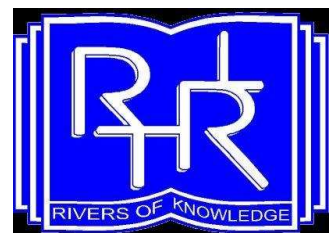


Richmond Tweed Regional Library

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2012

Mission Statement :-

"To enrich our community, by providing and promoting access to quality library materials and services in a responsive, friendly environment."



Richmond Tweed Regional Library

General Purpose Financial Statements

for the financial year ended 30 June 2012

Contents

Page

1. Independent Auditor's Reports:

- On the Financial Statements (Sect 417 [2]) x

2. Statement by Richmond Tweed Regional Library Committee and Management

1

3. Primary Financial Statements:

- Income Statement 2
- Statement of Comprehensive Income 3
- Statement of Financial Position 4
- Statement of Changes in Equity 5
- Statement of Cash Flows 6-7

4. Notes to the Financial Statements

8

Overview

(i) These financial statements are General Purpose Financial Statements and cover the operations of Richmond Tweed Regional Library.

(ii) Richmond Tweed Regional Library is empowered by an agreement between Ballina, Byron, Lismore and Tweed Shire Councils' to provide library services for the respective local government areas.

Annually, the member Councils contribute to the library to fund activities based upon a prescribed formula.

Lismore City Council is the "Executive Council" of the Richmond Tweed Regional Library, all financial reporting is consolidated into Lismore City Council's Financial statements.

A description of the nature of RTRL's operations and its principal activities are provided in Note 2(b).

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Richmond Tweed Regional Library Committee on 29 November 2013.

Richmond Tweed Regional Library

General Purpose Financial Statements

for the financial year ended 30 June 2012

Statement by Richmond Tweed Library Committee and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- The Australian Accounting Standards and professional pronouncements, and
- 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 Financial Statements:

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

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

Signed in accordance with a resolution of Committee made on 29 November 2013.

Cr Simon Richardson (Byron Shire)
CHAIRPERSON

Cr Jeff Johnson (Ballina Shire)
DEPUTY CHAIRPERSON

Jo Carmondy
MANAGER

Wendy Adriaans
EXECUTIVE OFFICER

Richmond Tweed Regional Library

Income Statement

for the financial year ended 30 June 2012

Budget ⁽¹⁾			Actual	Actual
2012	\$ '000	Notes	2012	2011
Income from Continuing Operations				
Revenue:				
-	Rates & Annual Charges	3a	-	-
5,631	User Charges & Fees	3b	5,643	5,471
60	Interest & Investment Revenue	3c	84	65
118	Other Revenues	3d	148	172
3	Grants & Contributions provided for Operating Purposes	3e,f	57	39
-	Grants & Contributions provided for Capital Purposes	3e,f	127	72
Other Income:				
-	Net gains from the disposal of assets	5	-	12
5,812	Total Income from Continuing Operations		6,059	5,831
Expenses from Continuing Operations				
4,244	Employee Benefits & On-Costs	4a	4,157	3,641
-	Borrowing Costs	4b	-	-
595	Materials & Contracts	4c	807	799
954	Depreciation & Amortisation	4d	877	1,022
-	Impairment	4d	-	-
114	Other Expenses	4e	146	142
-	Interest & Investment Losses	3c	-	-
-	Net Losses from the Disposal of Assets	5	-	-
5,907	Total Expenses from Continuing Operations		5,987	5,604
(95)	Operating Result from Continuing Operations		72	227
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	20	-	-
(95)	Net Operating Result for the Year		72	227
(95)	Net Operating Result attributable to RTRL		72	227
-	Net Operating Result attributable to Non-controlling Interests		-	-
(95)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(55)	155

(1) Original Budget as approved by the Committee

Richmond Tweed Regional Library

Statement of Comprehensive Income for the financial year ended 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
Net Operating Result for the year (as per Income statement)		72	227
Other Comprehensive Income:			
<i>Amounts which will not be reclassified subsequently to the Operating Result</i>			
Gain/(loss) on revaluation of I,PP&E	17b (ii)	-	-
Adjustment to correct prior period errors		-	-
Impairment (loss) reversal relating to I,PP&E	17b (ii)	-	-
Other Movements in reserves	17b (ii)	-	-
Other Movements		-	-
Total Items which will not be reclassified subsequently to the Operating Result		-	-
<i>Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met</i>			
Realised (gain)/loss on available-for-sale investments recognised in P&L	17b (ii)	-	-
Gain/(loss) on revaluation of available-for-sale investments	17b (ii)	-	-
Realised (gain)/loss from other reserves recognised in P&L	17b (ii)	-	-
Gain/(loss) on revaluation of other reserves	17b (ii)	-	-
Other Movements in reserves	17b (ii)	-	-
Other Movements		-	-
Total Items which will be reclassified subsequently to the Operating Result when specific conditions are met		-	-
Total Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the Year		72	227
Total Comprehensive Income attributable to RTRL		72	227
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Richmond Tweed Regional Library

Statement of Financial Position

as at 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	1,365	1,191
Investments	6b	-	-
Receivables	7	66	25
Inventories	8	-	-
Other	8	-	-
Non-current assets classified as "held for sale"	18	-	-
Total Current Assets		1,431	1,216
Non-Current Assets			
Investments	6b	-	-
Receivables	7	-	-
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	4,952	4,869
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	21	-	-
Non-current assets classified as "held for sale"	18	-	-
Other	8	-	-
Total Non-Current Assets		4,952	4,869
TOTAL ASSETS		6,383	6,085
LIABILITIES			
Current Liabilities			
Payables	10	18	61
Borrowings	10	-	-
Provisions	10	1,239	984
Liabilities associated with assets classified as "held for sale"	18	-	-
Total Current Liabilities		1,257	1,045
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	-	-
Provisions	10	25	11
Liabilities associated with assets classified as "held for sale"	18	-	-
Total Non-Current Liabilities		25	11
TOTAL LIABILITIES		1,282	1,056
Net Assets		5,101	5,029
EQUITY			
Retained Earnings	17	4,720	4,648
Revaluation Reserves	17	381	381
Richmond Tweed Regional Library Equity Interest		5,101	5,029
Non-controlling Interests		-	-
Total Equity		5,101	5,029

This Statement should be read in conjunction with the accompanying Notes.

Richmond Tweed Regional Library

Statement of Changes in Equity

for the financial year ended 30 June 2012

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	RTRL Interest	Non- controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		4,648	381	5,029	-	5,029
a. Correction of Prior Period Errors	17 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	17 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		4,648	381	5,029	-	5,029
c. Net Operating Result for the Year		72	-	72	-	72
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	17b (ii)	-	-	-	-	-
- Revaluations: Other Reserves	17b (ii)	-	-	-	-	-
- Transfers to Income Statement	17b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	17b (ii)	-	-	-	-	-
- Other Movements (enter details here)	17b (ii)	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		72	-	72	-	72
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity	17b (ii)	-	-	-	-	-
Equity - Balance at end of the reporting period		4,720	381	5,101	-	5,101
2011						
Opening Balance (as per Last Year's Audited Accounts)		4,421	381	4,802	-	4,802
a. Correction of Prior Period Errors	17 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	17 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		4,421	381	4,802	-	4,802
c. Net Operating Result for the Year		227	-	227	-	227
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	17b (ii)	-	-	-	-	-
- Revaluations: Other Reserves	17b (ii)	-	-	-	-	-
- Transfers to Income Statement	17b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	17b (ii)	-	-	-	-	-
- Other Movements (enter details here)	17b (ii)	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		227	-	227	-	227
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity	17b (ii)	-	-	-	-	-
Equity - Balance at end of the reporting period		4,648	381	5,029	-	5,029

Richmond Tweed Regional Library

Statement of Cash Flows

for the financial year ended 30 June 2012

Budget 2012	\$ '000	Notes	Actual 2012	Actual 2011
Cash Flows from Operating Activities				
Receipts:				
-			-	
5,631			5,643	5,471
60			84	65
3			184	111
-			-	-
118			107	242
Payments:				
(4,244)			(3,931)	(3,813)
(595)			(807)	(799)
-			-	-
-			-	-
(114)			(146)	(142)
-			-	-
859	Net Cash provided by Operating Activities	11b	1,134	1,135
Cash Flows from Investing Activities				
Receipts:				
-			-	-
-			-	-
-			-	-
-			-	42
-			-	-
-			-	-
-			-	-
-			-	-
-			-	-
-			-	-
-			-	-
-			-	-
-			-	-
(902)			(960)	(911)
-			-	-
-			-	-
-			-	-
-			-	-
-			-	-
-			-	-
(902)	Net Cash used in Investing Activities		(960)	(869)

Richmond Tweed Regional Library

Statement of Cash Flows

for the financial year ended 30 June 2012

Budget		Notes	Actual Actual	Actual Actual
-	\$ '000			
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		-	-
-	Proceeds from Finance Leases		-	-
-	Other Financing Activity Receipts		-	-
Payments:				
-	Repayment of Borrowings & Advances		-	-
-	Repayment of Finance Lease Liabilities		-	-
-	Distributions to Non-controlling Interests		-	-
-	Other Financing Activity Payments		-	-
-	Net Cash Flow provided by Financing Activities		-	-
(43)	Net Increase/(Decrease) in Cash & Cash Equivalents		174	266
1,191	plus: Cash & Cash Equivalents - beginning of year	11a	1,191	925
1,148	Cash & Cash Equivalents - end of the year	11a	1,365	1,191
Additional Information:				
	plus: Investments on hand - end of year	6b	-	-
	Total Cash, Cash Equivalents & Investments		1,365	1,191

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

Notes to the Financial Statements

for the financial year ended 30 June 2012

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9-16
2(a)	Council Functions / Activities - Financial Information	17
2(b)	Council Functions / Activities - Component Descriptions	18
3	Income from Continuing Operations	19-24
4	Expenses from Continuing Operations	25-28
5	Gains or Losses from the Disposal of Assets	29
6(a)	Cash & Cash Equivalent Assets	30
6(b)	Investments	31
6(c)	Restricted Cash, Cash Equivalents & Investments - Details	32-33
7	Receivables	34
8	Inventories & Other Assets	35
9(a)	Infrastructure, Property, Plant & Equipment	36
9(b)	Externally Restricted Infrastructure, Property, Plant & Equipment	37
9(c)	Infrastructure, Property, Plant & Equipment - Current Year Impairments	38
10(a)	Payables, Borrowings & Provisions	39
10(b)	Description of (and movements in) Provisions	40
11	Statement of Cash Flows - Additional Information	41-42
12	Commitments for Expenditure	43
13	Statement of Performance Measures:	44
14	Investment Properties	45
15	Financial Risk Management	46-48
16	Contingencies and Other Liabilities/Assets not recognised	49-50
17	Equity - Retained Earnings and Revaluation Reserves	51-52
18	"Held for Sale" Non Current Assets & Disposal Groups	53
19	Events occurring after the Reporting Period	53
20	Discontinued Operations	54
21	Intangible Assets	54

Notes to the Financial Statements

for the financial year ended 30 June 12

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Richmond Tweed Regional Library (RTRL) in the preparation of these consolidated 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.

(a) Basis of preparation

(i) Background

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

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

For the purpose of preparing these financial statements, RTRL has been deemed to be a not-for-profit entity.

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Accordingly in preparing these financial statements and accompanying notes, RTRL has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

(iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

RTRL has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2012.

Refer further to paragraph (aa) relating to a summary of the effects of Standards with future operative dates.

(v) Basis of Accounting

These financial statements have been prepared under the historical cost convention except for:

- (i) the write down of any Asset on the basis of Impairment (if warranted) and
- (ii) certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

(vi) Changes in Accounting Policies

RTRL's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].

(vii) Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASBs).

Accordingly this requires management to exercise its judgement in the process of applying the RTRL's accounting policies.

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

RTRL makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual 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 financial year are set out below.

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

Critical judgements in applying the entity's accounting policies

There were no critical judgements made in applying RTRL's accounting policies.

(b) Revenue recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met.

RTRL bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Grants and Contributions

Grants and contributions are recognised as revenues when the RTRL obtains control over the assets comprising these receipts.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier

notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, (i) it is probable that the economic benefits comprising the contribution will flow to the RTRL and (ii) the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

User Charges, Fees and Other Income

User charges, fees and other income are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided as at balance date.

Sale of Infrastructure, Property, Plant and Equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and Rents

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(c) Leases

All Leases entered into by RTRL are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

Finance Leases

Leases of property, plant and equipment where RTRL has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes;

- cash on hand,
- deposits held **at call** with financial institutions,
- other short-term, highly liquid investments **with original maturities of three months or less** that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and

- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(e) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with RTRL's policy.

A provision for impairment (ie. an allowance account) relating to receivables is established when there is objective evidence that the RTRL will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(f) Property, Plant and Equipment (PP&E)

Acquisition of assets

RTRL's non current assets are continually revalued (over a 5 year period)

At balance date, the following classes of PP&E were stated at their Fair Value:

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

- **Buildings – Specialised/Non Specialised**
(External Valuation)

- **Plant and Equipment**
(as approximated by depreciated historical cost)

- **Operational Land**
(external valuation)

- **Other Assets**
(as approximated by depreciated historical cost)

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (ie. date of exchange) of the asset to arrive at fair value.

The discount rate used is the RTRL's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to RTRL and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Asset Revaluations

In accounting for Asset Revaluations relating to Property, Plant & Equipment:

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Full revaluations are undertaken for all assets on a 5 year cycle.

Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

Land	
- council land	100% Capitalised
- open space	100% Capitalised

Plant & Equipment	
Office Furniture	> \$1,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$1,000

Buildings & Land Improvements	
Building	
- construction/extensions	100% Capitalised
- renovations	> \$10,000
Other Structures	
	> \$2,000

Depreciation

Depreciation on RTRL's property, plant and equipment assets is calculated on the opening written down value over the remaining useful life of the assets.

Land is not depreciated.

Estimated useful lives for RTRL's P,P&E include:

Plant & Equipment	
- Office Equipment	5 to 10 years

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

- Office furniture	10 to 20 years
- Computer Equipment	4 years
- Vehicles	3 to 8 years
- Other plant and equipment	5 to 15 years

Buildings

- Buildings : Masonry	50 to 100 years
- Buildings : Other	20 to 40 years

Library Books

- Library Books	4 to 5 years
-----------------	--------------

The RTRL committee have determined that useful lives of library books are generally 4-5 year. This assessment is considered adequate based on the nature of the entity and the use of the library collection.

All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(i) on Asset Impairment of assets.

Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

(g) Land

Land is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

(h) Intangible Assets

IT Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where RTRL has an intention and ability to use the asset.

(i) Impairment of assets

All RTRL's PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(j) Payables

These amounts represent liabilities and include goods and services provided to the RTRL prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the RTRL has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) Borrowing costs

Borrowing costs are expensed.

(m) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- RTRL has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

(n) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages and salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

classified as Current, as it has been deemed that RTRL does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of the RTRL are entitled to benefits on retirement, disability or death.

RTRL contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, RTRL can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

RTRL is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the “Local Government Superannuation Scheme – Pool B”

This Scheme has been deemed to be a “multi employer fund” for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

RTRL has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Defined Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Employee Benefit On-Costs

RTRL has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30 June 2012.

(o) Self insurance

RTRL does not self-insure.

(p) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the RTRL's operational cycle.

Exceptions

In the case of liabilities where RTRL does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

(q) Taxes

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

The RTRL is exempt from both Commonwealth Income Tax and Capital Gains Tax

Goods & Services Tax (GST)

RTRL is not a separate legal entity and is not registered for GST. The entity's ABN was cancelled for June 2010. Lismore City Council, in its capacity as Executive Council, is responsible for any GST commitments.

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the statement of financial position are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the statement of financial position.

RTRL's assessment of the impact of these new standards and interpretations is set out below.

(r) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(s) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(t) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 2(a). Richmond Tweed Regional Library's Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2012	2012	2011	2012	2012	2011	2012	2012	2011	2012	2011	2012	2011
Recreation & Culture	5,812	6,059	5,831	5,907	5,987	5,604	(95)	72	227	3	3	6,383	6,085
Total Functions & Activities	5,812	6,059	5,831	5,907	5,987	5,604	(95)	72	227	3	3	6,383	6,085
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Result from Continuing Operations	5,812	6,059	5,831	5,907	5,987	5,604	(95)	72	227	3	3	6,383	6,085

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 2(b). Functions / Activities - Component Descriptions

Details relating to the RTRL'S functions / activities as reported in Note 2(a) are as follows:

RECREATION & CULTURE

Public libraries and library related services.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
(a) Rates & Annual Charges			
Ordinary Rates			
Nil			
Total Ordinary Rates		-	-
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Nil			
Total Annual Charges		-	-
<u>TOTAL RATES & ANNUAL CHARGES</u>		<u>-</u>	<u>-</u>

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Nil			
Total User Charges		-	-
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions			
Nil			
Total Fees & Charges - Statutory/Regulatory		-	-
(ii) Fees & Charges - Other (incl. General User Charges)			
RTRL Contributions by Member Councils		5,468	5,302
Reservation and Registration Fees		82	86
Lost Book Charges		19	17
PC Usage		15	14
Printouts		35	30
Photocopying Charges		15	14
Other		9	8
Total Fees & Charges - Other		5,643	5,471
TOTAL USER CHARGES & FEES		5,643	5,471

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest earned on Investments (interest income)		84	65
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		-	-
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>84</u>	<u>65</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
General Council Cash & Investments		84	65
Restricted Investments/Funds - External:			
Nil		-	-
<u>Total Interest & Investment Revenue Recognised</u>		<u>84</u>	<u>65</u>
(d) Other Revenues			
Fines - Other		107	103
Donations - Friends of the Library		11	12
Other		30	57
<u>TOTAL OTHER REVENUE</u>		<u>148</u>	<u>172</u>

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
(e) Grants				
General Purpose (Untied)				
Nil				
Total General Purpose	-	-	-	-
Specific Purpose				
Library	3	3	-	-
Total Specific Purpose	3	3	-	-
Total Grants	3	3	-	-
Grant Revenue is attributable to:				
- Commonwealth Funding	2	3	-	-
- State Funding	1	-	-	-
- Other Funding	-	-	-	-
	3	3	-	-

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
(f) Contributions				
Other Contributions:				
Library	54	36	127	72
Total Other Contributions	54	36	127	72
Total Contributions	54	36	127	72
<u>TOTAL GRANTS & CONTRIBUTIONS</u>	57	39	127	72

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2012	Actual 2011
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by RTRL on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	-	84
add: Grants & contributions recognised in the current period but not yet spent:	1	-
less: Grants & contributions recognised in a previous reporting period now spent:	-	(84)
Net Increase (Decrease) in Restricted Assets during the Period	1	(84)
Unexpended and held as Restricted Assets	<u>1</u>	<u>-</u>
Comprising:		
- Specific Purpose Unexpended Grants	<u>1</u>	<u>-</u>
	<u>1</u>	<u>-</u>

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
(a) Employee Benefits & On-Costs			
Salaries and Wages		2,931	2,673
Employee Leave Entitlements (ELE)		759	480
Superannuation		387	420
Workers' Compensation Insurance		70	60
Fringe Benefit Tax (FBT)		1	-
Payroll Tax		-	-
Training Costs (other than Salaries & Wages)		9	8
Purchases & Uniforms		-	-
Total Employee Costs		4,157	3,641
less: Capitalised Costs		-	-
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>		<u>4,157</u>	<u>3,641</u>
Number of "Equivalent Full Time" Employees at year end		67	60
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Nil			
Total Interest Bearing Liability Costs		-	-
Total Interest Bearing Liability Costs Expensed		-	-
(ii) Other Borrowing Costs			
Nil			
Total Other Borrowing Costs		-	-
<u>TOTAL BORROWING COSTS EXPENSED</u>		<u>-</u>	<u>-</u>

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(c) Materials & Contracts			
Raw Materials & Consumables		806	765
Auditors Remuneration ⁽¹⁾		-	2
Legal Expenses:			
- Legal Expenses: Other		1	32
Total Materials & Contracts		807	799
less: Capitalised Costs		-	-
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>807</u>	<u>799</u>
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Richmond Tweed Regional Library		-	2
Remuneration for audit and other assurance services		-	2
Total Auditor Remuneration		-	2

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2012	Actual 2011	Actual 2012	Actual 2011
Plant and Equipment		-	-	67	95
Office Equipment		-	-	90	70
Furniture & Fittings		-	-	17	17
Buildings - Non Specialised		-	-	6	6
Other Assets					
- Library Books		-	-	697	834
- Other		-	-	-	-
Intangible Assets	25	-	-	-	-
Total Depreciation & Impairment Costs		-	-	877	1,022
less: Capitalised Costs		-	-	-	-
less: Impairments (to)/from ARR [Equity]	9a	-	-	-	-
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>		-	-	877	1,022

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		-	-
Bank Charges		-	-
Electricity & Heating		22	19
Insurance		10	4
Postage		-	-
Telephone & Communications		114	119
Other		-	-
Total Other Expenses		146	142
less: Capitalised Costs		-	-
<u>TOTAL OTHER EXPENSES</u>		<u>146</u>	<u>142</u>

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 5. Gains or Losses from the Disposal of Assets

<u>\$ '000</u>	<u>Notes</u>	<u>Actual 2012</u>	<u>Actual 2011</u>
Property (excl. Investment Property)			
Proceeds from Disposal - Property		-	-
less: Carrying Amount of Property Assets Sold / Written Off		-	-
Net Gain/(Loss) on Disposal		-	-
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		-	42
less: Carrying Amount of P&E Assets Sold / Written Off		-	(30)
Net Gain/(Loss) on Disposal		-	12
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>-</u>	<u>12</u>

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 6a. - Cash Assets and Note 6b. - Investments

\$ '000	Notes	2012	2012	2011	2011
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		2	-	2	-
Cash-Equivalent Assets ¹					
- Deposits at Call		1,363	-	1,189	-
- Short Term Deposits		-	-	-	-
Total Cash & Cash Equivalents		1,365	-	1,191	-
Investments (Note 6b)					
Nil					
Total Investments		-	-	-	-
<u>TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS</u>		<u>1,365</u>	<u>-</u>	<u>1,191</u>	<u>-</u>

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 6b. Investments (continued)

	2012	2012	2011	2011
	Actual	Actual	Actual	Actual
\$ '000	Current	Non Current	Current	Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Nil				
Balance at End of Year	-	-	-	-
Comprising:				
- Managed Funds	-	-	-	-
- Equity Linked Notes	-	-	-	-
- CDO's	-	-	-	-
- Other Long Term Financial Assets	-	-	-	-
Total	-	-	-	-

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2012	2012	2011	2011
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	1,365	-	1,191	-
attributable to:				
External Restrictions (refer below)	1	-	-	-
Internal Restrictions (refer below)	1,364	-	1,191	-
Unrestricted	-	-	-	-
	1,365	-	1,191	-

2012 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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Details of Restrictions

External Restrictions - Included in Liabilities

Nil

External Restrictions - Included in Liabilities	-	-	-	-
--------------------------------------------------------	----------	----------	----------	----------

External Restrictions - Other

Specific Purpose Unexpended Grants (F)	-	1	-	1
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External Restrictions - Other	-	1	-	1
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Total External Restrictions	-	1	-	1
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A Grants which are not yet expended for the purposes for which the grants were obtained (refer Note 1).

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2012 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Richmond Tweed Regional Library	822	270	(242)	850
RTRL - Employee Leave Entitlements	369	145	-	514
Total Internal Restrictions	1,191	415	(242)	1,364
TOTAL RESTRICTIONS	1,191	416	(242)	1,365

A Grants which are not yet expended for the purposes for which the grants were obtained (refer Note 1).

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 7. Receivables

\$ '000	Notes	2012		2011		
		Current	Non Current	Current	Non Current	
Purpose						
Net GST Receivable		-	-	-	-	
Other Debtors		66	-	25	-	
Total		66	-	25	-	
less: Provision for Impairment						
Nil						
Total Provision for Impairment - Receivables		-	-	-	-	
<u>TOTAL NET RECEIVABLES</u>		<u>66</u>	<u>-</u>	<u>25</u>	<u>-</u>	
Externally Restricted Receivables						
Nil						
Total External Restrictions		-	-	-	-	
Internally Restricted Receivables		-	-	-	-	
Unrestricted Receivables		66	-	25	-	
TOTAL NET RECEIVABLES		66	-	25	-	

Notes on Debtors above:

(i) A provision for other doubtful debts is made when there is objective evidence that a receivable is impaired.

(ii) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 8. Inventories & Other Assets

\$ '000	Notes	2012		2011		
		Current	Non Current	Current	Non Current	
Inventories						
Nil						
Total Inventories		-	-	-	-	
Other Assets						
Nil						
Total Other Assets		-	-	-	-	
<u>TOTAL INVENTORIES / OTHER ASSETS</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Externally Restricted Assets						
Total Externally Restricted Assets		-	-	-	-	
Total Internally Restricted Assets		-	-	-	-	
Total Unrestricted Assets		-	-	-	-	
<u>TOTAL INVENTORIES & OTHER ASSETS</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2011					Asset Movements during the Reporting Period									as at 30/6/2012				
	At	At	Accumulated		Carrying	Asset Additions	Reinstatement Costs for Impaired Assets	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	Adjustments & Transfers	Revaluation Decrements to Equity (ARR)	Reversal of prior period Revaluation Decrements to the P&L	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value										Cost	Fair Value	Dep'n	Impairment	Value
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	694	351	-	343	31	-	-	(67)	-	-	-	-	-	-	725	418	-	307
Office Equipment	-	1,936	1,643	-	293	139	-	-	(90)	-	-	-	-	-	-	2,075	1,733	-	342
Furniture & Fittings	-	225	87	-	138	-	-	-	(17)	-	-	-	-	-	-	225	104	-	121
Plant & Equipment (under Finance Lease)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land:																			
- Operational Land	-	457	-	-	457	-	-	-	-	-	-	-	-	-	-	457	-	-	457
- Community Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - non depreciable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - depreciable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings - Non Specialised	-	1,149	699	-	450	-	-	-	(6)	-	-	-	-	-	-	1,149	705	-	444
Buildings - Specialised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets:																			
- Heritage Collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Library Books	-	11,624	8,436	-	3,188	791	-	-	(697)	-	-	-	-	-	-	12,414	9,133	-	3,281
- Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE																			
PROPERTY, PLANT & EQUIP.	-	16,085	11,216	-	4,869	961	-	-	(877)	-	-	-	-	-	-	17,045	12,093	-	4,952

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000

RTRL has no Externally Restricted Infrastructure, Property, Plant & Equipment.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

\$ '000	Notes	Actual 2012	Actual 2011
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Richmond Tweed Regional Library has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		-	-	-	-
Goods & Services - capital expenditure		-	-	-	-
Accrued Expenses:					
- Borrowings		-	-	-	-
- Interest on Bonds & Deposits		-	-	-	-
- Salaries & Wages		18	-	61	-
- Audit Accrual		-	-	-	-
Security Bonds, Deposits & Retentions		-	-	-	-
ATO - Net GST Payable		-	-	-	-
ATO - PAYG Payable		-	-	-	-
Other		-	-	-	-
Total Payables		18	-	61	-
Borrowings					
Bank Overdraft		-	-	-	-
Total Borrowings		-	-	-	-
Provisions					
Employee Benefits;					
Annual Leave		483	-	434	-
Long Service Leave		756	25	550	11
Other Leave		-	-	-	-
Sub Total - Aggregate Employee Benefits		1,239	25	984	11
Asset Remediation/Restoration (Future Works)	26	-	-	-	-
Total Provisions		1,239	25	984	11
Total Payables, Borrowings & Provisions		1,257	25	1,045	11
(i) Liabilities relating to Restricted Assets					
		2012		2011	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Nil		-	-	-	-
Liabilities relating to externally restricted assets		-	-	-	-

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2012	Actual 2011
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(ii) Current Liabilities not anticipated to be settled within the next 12 months

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

Provisions - Employees Benefits	929	929
	929	929

Note 10b. Description of and movements in Provisions

Class of Provision	2011		2012			Closing Balance as at 30/6/13
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	434	278	(229)	-	-	483
Long Service Leave	561	263	(43)	-	-	781
Other Leave	-	-	-	-	-	-
TOTAL	995	541	(272)	-	-	1,264

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2012	Actual 2011
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	1,365	1,191
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		1,365	1,191
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		72	227
Adjust for non cash items:			
Depreciation & Amortisation		877	1,022
Net Losses/(Gains) on Disposal of Assets		-	(12)
Non Cash Capital Grants and Contributions		-	-
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(41)	70
Increase/(Decrease) in Provision for Doubtful Debts		-	-
Decrease/(Increase) in Inventories		-	-
Decrease/(Increase) in Other Assets		-	-
Increase/(Decrease) in Payables		-	-
Increase/(Decrease) in other accrued Expenses Payable		(43)	(142)
Increase/(Decrease) in Other Liabilities		-	-
Increase/(Decrease) in Employee Leave Entitlements		269	(30)
Increase/(Decrease) in Other Provisions		-	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		1,134	1,135

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2012	Actual 2011
(c) Non-Cash Investing & Financing Activities			
Nil			
Total Non-Cash Investing & Financing Activities		-	-
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		-	-
Credit Cards / Purchase Cards		-	-
Total Financing Arrangements		-	-

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2012	Actual 2011
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(a) Commitments (exclusive of GST)

Nil

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 13. Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts	Indicator	Prior Periods	
	2012	2012	2011	2010
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>1,430</u>	4.37 : 1	3.96	2.18
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>328</u>			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

⁽²⁾ Refer to Note 10(a).

⁽³⁾ Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (including. ELE).

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 14. Investment Properties

RTRL has not classified any Land or Buildings as "Investment Properties"

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 15. Financial Risk Management

\$ '000

Risk Management

RTRL'S activities expose it to minimal financial risks.

RTRL does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Lismore City Council's Finance Section (as Executive Council) under approved policies.

A comparison by category of the carrying amounts and fair values of RTRL's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2012	2011	2012	2011
Financial Assets				
Cash and Cash Equivalents	1,365	1,191	1,365	1,191
Investments				
- "Designated At Fair Value on Initial Recognition"	-	-	-	-
Receivables	66	25	66	25
Total Financial Assets	1,431	1,216	1,431	1,216
Financial Liabilities				
Bank Overdraft	-	-	-	-
Payables	18	61	18	61
Total Financial Liabilities	18	61	18	61

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents

RTRL's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

RTRL's investments are managed by Lismore City Council (Council) as the Executive Council.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

Cash & Investments are subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to RTRL - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

The following represents a summary of the sensitivity of RTRL's Income Statement and Accumulated Surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2012				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	14	14	(14)	(14)
2011				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	12	12	(12)	(12)

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 15. Financial Risk Management (continued)

\$ '000

(b) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

RTRL manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended & overdraft facilities utilised as required. The expected cash outflow expected to settle the liabilities approxiamte the carrying values.

Note 16. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

RTRL is not a legal entity however forms part of LCC (executive Council) and therefore the following disclosures are considered applicable.

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

RTRL participates in a Defined Benefit Superannuation Scheme, The Local Government Superannuation Scheme - Pool B (the Scheme), and makes contributions as determined by the Superannuation Scheme's Trustees.

Members bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Scheme is a defined benefit plan, however it has been deemed to be a multi-employer fund in accordance with AASB119 because there is insufficient information to account for it as a defined benefits scheme as the assets are pooled together for all employees.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Define Benefit member category with Members required to make significantly higher contributions in future years.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

(ii) Statewide Mutual 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 members 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 Council will be required to fund or share in respectively.

(iii) StateCover Mutual 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 Council.

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.

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 16. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

Ballina, Byron, Lismore and Tweed Heads Councils authorities have entered into an agreement to operate a regional library, known as the Richmond-Tweed Regional Library.

Annually, member Council's contributes to the library to fund activities based upon a prescribed formula.

Lismore City Council is the "Executive Council" of the Richmond Tweed Regional Library, all financial reporting is consolidated into Lismore City Council's

In the event that a Council wished to withdraw from the agreement, the assets and liabilities of the library attributable to a Council would be determined by the State Library Board of NSW.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 17. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2012	Actual 2011
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		4,648	4,421
d. Net Operating Result for the Year		72	227
f. Transfers between Equity		-	-
Balance at End of the Reporting Period		4,720	4,648
(b) Reserves			
(i) Reserves are represented by:			
- Property, Plant & Equipment Revaluation Reserve		381	381
Total		381	381
(ii) Reconciliation of movements in Reserves:			
Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		381	381
- Revaluations for the year	9(a)	-	-
- Transfer between Equity		-	-
- Balance at End of Year		381	381
TOTAL VALUE OF RESERVES		381	381
(iii) Nature & Purpose of Reserves			
Property, Plant & Equipment Revaluation Reserve			
- The Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non-Current Assets values due to their revaluation.			

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 17. Equity - Retained Earnings and Revaluation Reserves (continued)

(c) Correction of Error/s relating to a Previous Reporting Period

RTRL made no correction of errors during the current reporting period.

(d) Voluntary Changes in Accounting Policies

RTRL made no voluntary changes in any accounting policies during the year.

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 18. "Held for Sale" Non Current Assets & Disposal Groups

RTRL has not classified any Non-Current Assets or Disposal Groups as "Held for Sale".

Note 19. Events occurring after the Reporting Period

Events that occur between the end of the reporting period and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

RTRL has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 29/11/13.

Events that occur after the Reporting Period represent one of two types:

(i) Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2012.

RTRL has not adjusted the financial report for any "adjusting events".

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2012 and which are only indicative of conditions that arose after 30 June 2012.

RTRL is unaware of any material or significant "non-adjusting events" that should be disclosed.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 20. Discontinued Operations

RTRL has not classified any of its Operations as "Discontinued".

Note 21. Intangible Assets

Intangible Assets represent identifiable non-monetary assets without physical substance.

\$ '000

	Actual 2012 Carrying Amount	Actual 2011 Carrying Amount
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7/11)	-	-
Accumulated Amortisation (1/7/11)	-	-
Accumulated Impairment (1/7/11)	-	-
Net Book Value - Opening Balance	-	-
Movements for the year		
- Purchases	-	-
- Development Costs	-	-
- Other Capitalised Costs (specify details)	-	-
- Amortisation charges	-	-
- Impairment charges	-	-
- Gross Book Value written off	-	-
- Accumulated Amortisation charges written off	-	-
- Accumulated Impairment charges written off	-	-
Closing Values:		
Gross Book Value (30/6/12)	-	-
Accumulated Amortisation (30/6/12)	-	-
Accumulated Impairment (30/6/12)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u> ¹	<u>-</u>	<u>-</u>

¹ The Net Book Value of Intangible Assets represent:

- Software	-	-
	<u>-</u>	<u>-</u>