

Richmond Tweed Regional Library

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2016

**Richmond Tweed
Regional Library**

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Richmond Tweed Regional Library

General Purpose Financial Statements for the financial year ended 30 June 2016

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for 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 the Lismore City Council Financial statements.
- A description of the nature of the 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 03 March 2017.
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**RICHMOND TWEED REGIONAL LIBRARY
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Independent Auditor's Report to the Richmond Tweed Regional Library Committee

Report on the Financial Report

We have audited the accompanying financial report of Richmond Tweed Regional Library ("the Library"), which comprises the statement of financial position as at 30 June 2016, the income statement, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Committee and Management.

Library's Responsibility for the Financial Report

The Library is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the relevant requirements of the NSW Office of Local Government Code of Accounting Practice and for such internal control as the Library determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Library's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Library's, as well as evaluating the overall presentation of the financial report.

Our audit responsibility does not extend to the original budget information included in the income statement, statement of cash flows and Note 2(a), and accordingly, we do not express an opinion on such. In addition, our audit did not involve an analysis of the prudence of business decisions made by the Library or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

In our opinion:

- a) The Library's accounting records have been kept in accordance with the relevant requirements of the *NSW Office of Local Government Code of Accounting Practice*;
- b) The financial statements:
 - i. Have been prepared in accordance with the requirements of this Division;
 - ii. Are consistent with the Library's accounting records;
 - iii. Present fairly, in all material respects, the Library's financial position as at 30 June 2016, and of its performance and its cash flows for the year then ended; and
 - iv. Are in accordance with applicable Accounting Standards;
- c) All information relevant to the conduct of the audit has been obtained; and
- d) There are no material deficiencies in the accounting records or financial statements that have come to light in the course of the audit.

Matters relating to the electronic presentation of the audited financial report

This Auditor's Report relates to the financial report of Richmond Tweed Regional Library for the financial year ended 30 June 2016 published in the annual report and included on Library's website. The Committee is responsible for the integrity of the Library's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Dated at Lismore this 3rd day of March 2017.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

.....
A J BRADFIELD (Partner)
Registered Company Auditor

Richmond Tweed Regional Library

General Purpose Financial Statements for the financial year ended 30 June 2016

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:

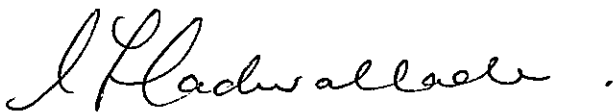
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting where considered relevant to member Councils.

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 Regional Library's accounting and other records.

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

Signed in accordance with a resolution of the Committee made on 03 March 2017.



Cr Sharon Cadwallader
Chairperson



Cr Katie Milne
Committee Member



Jo Carmody
Executive Officer
Richmond Tweed Regional Library Manager

Richmond Tweed Regional Library

Income Statement

for the financial year ended 30 June 2016

Budget ¹ 2016	\$ '000	Notes	Actual 2016	Actual 2015
Income from Continuing Operations				
Revenue:				
-	Rates & Annual Charges	3a	-	-
6,563	User Charges & Fees	3b	6,511	6,341
54	Interest & Investment Revenue	3c	61	74
10	Other Revenues	3d	136	136
3	Grants & Contributions provided for Operating Purposes	3e,f	30	29
-	Grants & Contributions provided for Capital Purposes	3e,f	97	84
Other Income:				
-	Net gains from the disposal of assets	5	-	-
	Net Share of interests in Joint Ventures & Associated			
6,630	Total Income from Continuing Operations		6,835	6,664
Expenses from Continuing Operations				
4,682	Employee Benefits & On-Costs	4a	5,286	4,674
-	Borrowing Costs	4b	-	-
1,174	Materials & Contracts	4c	815	1,126
933	Depreciation & Amortisation	4d	907	956
-	Impairment	4d	-	-
116	Other Expenses	4e	111	103
-	Interest & Investment Losses	3c	-	-
-	Net Losses from the Disposal of Assets	5	-	31
	Net Share of interests in Joint Ventures & Associated			
6,905	Total Expenses from Continuing Operations		7,119	6,890
(275)	Operating Result from Continuing Operations		(284)	(226)
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	20	-	-
(275)	Net Operating Result for the Year		(284)	(226)
(275)	Net Operating Result attributable to Council		(284)	(226)
-	Net Operating Result attributable to Non-controlling Interests		-	-
(275)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(381)	(310)

¹ Original Budget as approved by Committee

Richmond Tweed Regional Library

Statement of Comprehensive Income

for the financial year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
Net Operating Result for the year (as per Income statement)		(284)	(226)
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		-	-
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		-	-
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		(284)	(226)
Total Comprehensive Income attributable to Council		(284)	(226)
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Richmond Tweed Regional Library

Statement of Financial Position

as at 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	1,313	1,530
Investments	6b	-	-
Receivables	7	2	58
Inventories	8	-	-
Other	8	-	-
Total Current Assets		1,315	1,588
Non-Current Assets			
Investments	6b	-	-
Receivables	7	-	-
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	4,214	4,307
Intangible Assets	21	16	18
Other	8	-	-
Total Non-Current Assets		4,230	4,325
TOTAL ASSETS		5,545	5,913
LIABILITIES			
Current Liabilities			
Payables	10	18	132
Borrowings	10	-	-
Provisions	10	1,398	1,365
Total Current Liabilities		1,416	1,497
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	-	-
Provisions	10	25	28
Total Non-Current Liabilities		25	28
TOTAL LIABILITIES		1,441	1,525
Net Assets		4,104	4,388
EQUITY			
Retained Earnings	17	3,978	4,262
Revaluation Reserves	17	126	126
Council Equity Interest		4,104	4,388
Total Equity		4,104	4,388

Richmond Tweed Regional Library

Statement of Changes in Equity for the financial year ended 30 June 2016

\$ '000	Notes	Retained Earnings	Reserves (Refer 17b)	Council Interest	Non- controlling Interest	Total Equity
2016						
Opening Balance (as per Last Year's Audited Accounts)		4,262	126	4,388	-	4,388
a. Correction of Prior Period Errors	17 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	17 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/14)		4,262	126	4,388	-	4,388
c. Net Operating Result for the Year		(284)		(284)	-	(284)
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 Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		(284)	-	(284)	-	(284)
e. Distributions to/(Contributions from) Non-controlling Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		3,978	126	4,104	-	4,104

\$ '000	Notes	Retained Earnings	Reserves (Refer 17b)	Council Interest	Non- controlling Interest	Total Equity
2015						
Opening Balance (as per Last Year's Audited Accounts)		4,488	126	4,614	-	4,614
a. Correction of Prior Period Errors	17 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	17 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		4,488	126	4,614	-	4,614
c. Net Operating Result for the Year		(226)		(226)	-	(226)
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 Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		(226)	-	(226)	-	(226)
e. Distributions to/(Contributions from) Non-controlling Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		4,262	126	4,388	-	4,388

Richmond Tweed Regional Library

Statement of Cash Flows

for the financial year ended 30 June 2016

Budget 2016	\$ '000	Notes	Actual 2016	Actual 2015
Cash Flows from Operating Activities				
Receipts:				
-	Rates & Annual Charges		-	-
6,561	User Charges & Fees		6,511	6,341
54	Investment & Interest Revenue Received		61	74
3	Grants & Contributions		127	264
10	Other		192	78
Payments:				
(4,682)	Employee Benefits & On-Costs		(5,362)	(4,699)
(1,150)	Materials & Contracts		(815)	(1,126)
-	Borrowing Costs		-	-
-	Bonds, Deposits & Retention amounts refunded		-	-
(116)	Other		(119)	(103)
680	Net Cash provided (or used in) Operating Activities	11b	595	829
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		-	-
-	Sale of Real Estate Assets		-	-
-	Sale of Infrastructure, Property, Plant & Equipment		-	33
Payments:				
-	Purchase of Investment Securities		-	-
(703)	Purchase of Infrastructure, Property, Plant & Equipment		(812)	(900)
-	Purchase of Real Estate Assets		-	-
-	Deferred Debtors & Advances Made		-	-
(703)	Net Cash provided (or used in) Investing Activities		(812)	(867)
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		-	-
Payments:				
-	Repayment of Borrowings & Advances		-	-
-	Net Cash Flow provided (used in) Financing Activities		-	-
(23)	Net Increase/(Decrease) in Cash & Cash Equivalents		(217)	(38)
1,163	plus: Cash & Cash Equivalents - beginning of year	11a	1,530	1,568
1,140	Cash & Cash Equivalents - end of the year	11a	1,313	1,530

Lismore City Council

Statement of Cash Flows

for the financial year ended 30 June 2016

Budget			Actual	Actual
2016	\$ '000	Notes	2016	2015
Additional Information:				
plus:	Investments on hand - end of year	6b	-	-
Total Cash, Cash Equivalents & Investments			<u>1,313</u>	<u>1,530</u>

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

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Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

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 Australian Accounting 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.

(ii) New and amended standards adopted by RTRL

There have been no new accounting standards adopted in the 2016 financial statements which would have any material impact on the reported financial performance or cash flow statement.

(iii) 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 2015.

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

(iv) Basis of Accounting

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

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of non current assets (eg. Property, Plant & Equipment and Investment Property) that are accounted for at fair valuation.

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

(v) 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 17(d)].

(vi) Critical Accounting Estimates

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

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

Accordingly this requires management to exercise its judgement in the process of applying the RTRL's 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 RTRL 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 property, plant and equipment.

Critical judgements in applying RTRL's accounting policies

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

(b) Revenue recognition

Revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to it and specific criteria have been met for each of the RTRL's activities as described below.

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

- i) RTRL either obtains control of the contribution or the right to receive it,
- (ii) 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 RTRL'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

Interest Income from Cash & Investments is accounted for using the effective interest rate at the date that interest is earned.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

(c) Leases

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

Finance Leases

Leases of property, plant and equipment where the 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

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, 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 balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(e) Investments and Other Financial Assets

RTRL (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss**,
- **loans and receivables**,
- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are "held for trading".

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the RTRL provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the RTRL's management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

Financial Assets – Reclassification

RTRL may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

RTRL may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at "fair value through profit or loss", directly attributable transactions costs.

Purchases and sales of investments are recognised on trade-date - the date on which the RTRL commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the RTRL has transferred substantially all the risks and rewards of ownership.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

(ii) Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "**fair value through profit or loss**" category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as "**available-for-sale**" are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as "**available-for-sale**" are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Impairment

RTRL assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(iii) Types of Investments

Lismore City Council (LCC) as the Executive Council manages the investments of RTRL in accordance with LCC's Investment Policy. LCC has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to

authorised investments prescribed under the Ministerial Local Government Investment Order.

LCC maintains its Investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing funds.

LCC amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations.

(f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

LCC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the LCC establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the LCC for similar financial instruments.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

(g) 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 (i.e. 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.

(h) Infrastructure, Property, Plant and Equipment (IPP&E)

Acquisition of assets

RTRL's non-current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office of Local Government.

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

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

- **Plant and Equipment** (as approximated by depreciated historical cost)
- **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 infrastructure, 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 (including Indexation)

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.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

- 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.

For all other assets, RTRL assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, RTRL determines the asset's fair value and revalues the asset to that amount.

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	
- land	100% Capitalised

Plant & Equipment

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

Buildings & Land Improvements

Park Furniture & Equipment	> \$2,000
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Buildings

- construction/extensions	100% Capitalised
- renovations	> \$10,000

Other Structures	> \$2,000
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Library Resources

(Excluding periodicals and eResources)	100% Capitalised
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Depreciation

Depreciation on RTRL's property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's PP&E include:

Plant & Equipment

- Office Equipment	5 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	4 years
- Vehicles	5 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 Resources

(Excluding periodicals and eResources)	5 years
--	---------

All asset residual values and useful lives are reviewed and adjusted (if 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(k) on Asset Impairment.

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 or disposal.

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.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

(i) Land

Land (other than Land under Roads) 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).

(j) 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 Council has an intention and ability to use the asset.

(k) Impairment of assets

All RTRL's IPP&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.

(l) 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.

(m) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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 balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

(n) Borrowing costs

Borrowing costs are expensed.

(o) 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.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

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.

(p) 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 wholly 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.

All other short-term employee benefit obligations are presented as payables.

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 & 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 wholly 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 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 balance sheet, 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.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

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 the expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council 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’s share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

RTRL has, however, disclosed a contingent liability in Note 16 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

Council 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 30/6/16.

(q) Self insurance

RTRL does not self-insure.

(r) 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.

In the case of inventories that are “held for trading”, these are also classified as current even if not expected to be realised in the next 12 months.

(s) Taxes

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

RTRL does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

Goods & Services Tax (GST)

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).

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

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 Balance Sheet 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 Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

(t) New accounting standards and interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016.

RTRL has not adopted any of these standards early. Any impacts are considered not material to member Councils.

(u) Rounding of amounts

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

(v) 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.

(w) 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 2016

Note 2(a). Council 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 2016	Actual 2016	Actual 2015	Original Budget 2016	Actual 2016	Actual 2015	Original Budget 2016	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Recreation & Culture	6,630	6,835	6,664	6,905	7,119	6,890	(275)	(284)	(226)	2	-	5,545	5,913
Total Functions & Activities	6,630	6,835	6,664	6,905	7,119	6,890	(275)	(284)	(226)	2	-	5,545	5,913
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)		-	-		-	-	-	-	-		-	-	-
General Purpose Income	-	-	-				-	-	-	-	-		
Operating Result from Continuing Operations	6,630	6,835	6,664	6,905	7,119	6,890	(275)	(284)	(226)	2	-	5,545	5,913

Financial Statements 2016

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 2(b). Council 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 2016

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2016	Actual 2015
(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>		-	-

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(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 (per s.608)			
Nil			
Total Fees & Charges - Statutory/Regulatory		-	-
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
RTRL Contributions by Member Councils		6,260	6,112
Reservation and Registration Fees		89	92
Lost Book Charges		21	20
PC Usage		17	15
Printouts		82	67
Photocopying charges		20	18
Other		22	17
Total Fees & Charges - Other		6,511	6,341
TOTAL USER CHARGES & FEES		6,511	6,341

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest earned on Investments (interest income)		61	74
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		-	-
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>61</u>	<u>74</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
General Cash & Investments		61	74
Restricted Investments/Funds - External:			
Nil		-	-
<u>Total Interest & Investment Revenue Recognised</u>		<u>61</u>	<u>74</u>
(d) Other Revenues			
Fines - Other		93	106
Donations - Friends of the Library		30	23
Other		13	7
<u>TOTAL OTHER REVENUE</u>		<u>136</u>	<u>136</u>

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 3. Income from Continuing Operations (continued)

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
(e) Grants				
General Purpose (Untied)				
Nil				
Total General Purpose	-	-	-	-
Specific Purpose				
Wage Subsidy	-	-	-	-
Diesel Rebate	2	-	-	-
Total Specific Purpose	2	-	-	-
Total Grants	2	-	-	-
Grant Revenue is attributable to:				
- Commonwealth Funding	2	-	-	-
- State Funding	-	-	-	-
- Other Funding	-	-	-	-
	2	-	-	-

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 3. Income from Continuing Operations (continued)

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
(f) Contributions				
Other Contributions:				
Local Priority Grants	28	29	97	84
Total Other Contributions	28	29	97	84
Total Contributions	28	29	97	84
<u>TOTAL GRANTS & CONTRIBUTIONS</u>	<u>30</u>	<u>29</u>	<u>97</u>	<u>84</u>

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2016	Actual 2015
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	-	8
add: Grants & contributions recognised in the current period but not yet spent:	-	-
less: Grants & contributions recognised in a previous reporting period now spent:	-	(8)
Net Increase (Decrease) in Restricted Assets during the Period	-	(8)
Unexpended and held as Restricted Assets	-	-
Comprising:		
- Specific Purpose Unexpended Grants	-	-
- Developer Contributions	-	-
- Other Contributions	-	-
	-	-

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2016	Actual 2015
(a) Employee Benefits & On-Costs			
Salaries and Wages		3,830	3,407
Employee Leave Entitlements (ELE)		846	776
Superannuation		536	468
Workers' Compensation Insurance		71	18
Fringe Benefit Tax (FBT)		3	5
Payroll Tax		-	-
Training Costs (other than Salaries & Wages)		-	-
Total Employee Costs		5,286	4,674
less: Capitalised Costs		-	-
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>		<u>5,286</u>	<u>4,674</u>
Number of "Equivalent Full Time" Employees at year end		68	64
(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 2016

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(c) Materials & Contracts			
Raw Materials & Consumables		806	1,116
Auditors Remuneration ⁽¹⁾		9	10
Legal Expenses:			
- Legal Expenses: Other		-	-
Total Materials & Contracts		815	1,126
less: Capitalised Costs		-	-
TOTAL MATERIALS & CONTRACTS		815	1,126
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		9	10
- Other Services (Advice & Assistance)		-	-
Remuneration for audit and other assurance services		9	10
Total Auditor Remuneration		9	10
2. Operating Lease Payments are attributable to:			
Motor Vehicles		-	-
Other		-	-
		-	-

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2016	Actual 2015	Actual 2016	Actual 2015
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	24	22
Office Equipment		-	-	116	158
Furniture & Fittings		-	-	19	17
Land Improvements (depreciable)		-	-	-	-
Buildings - Non Specialised		-	-	-	-
Buildings - Specialised		-	-	26	30
Other Assets					
- Library Resources		-	-	719	727
Intangible Assets	21	-	-	3	2
Total Depreciation & Impairment Costs		-	-	907	956
less: Capitalised Costs		-	-	-	-
less: Impairments (to)/from ARR [Equity]	9a	-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	907	956

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(e) Other Expenses			
Other Expenses for the year include the following:			
Electricity & Heating		14	15
Insurance		23	17
Telephone & Communications		74	71
Other		-	-
Total Other Expenses		111	103
less: Capitalised Costs		-	-
<u>TOTAL OTHER EXPENSES</u>		<u>111</u>	<u>103</u>

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2016	Actual 2015
Property (excl. Investment Property)			
Proceeds from Disposal - Property		-	-
less: Carrying Amount of Property Assets Sold / Written Off		-	(32)
Net Gain/(Loss) on Disposal		-	(32)
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		-	33
less: Carrying Amount of P&E Assets Sold / Written Off		-	(32)
Net Gain/(Loss) on Disposal		-	1
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		-	(31)

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

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

\$ '000	Notes	2016 Actual Current	2016 Actual Non Current	2015 Actual Current	2015 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		2	-	2	-
Cash-Equivalent Assets ¹					
- Deposits at Call		1,311	-	1,528	-
- Short Term Deposits		-	-	-	-
Total Cash & Cash Equivalents		1,313	-	1,530	-
Investments (Note 6b)					
Nil					
Total Investments		-	-	-	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		1,313	-	1,530	-
¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.					
Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:					
Cash & Cash Equivalents					
a. "At Fair Value through the Profit & Loss"		1,313	-	1,530	-
Investments					
a. "At Fair Value through the Profit & Loss"					
- "Designated at Fair Value on Initial Recognition" 6(b-i)		-	-	-	-
Investments		-	-	-	-

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 6b. Investments (continued)

\$ '000	2016 Actual Current	2016 Actual Non Current	2015 Actual Current	2015 Actual 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	-	-	-	-
- CDO's	-	-	-	-
- Other Long Term Financial Assets	-	-	-	-
Total	-	-	-	-

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

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

\$ '000	2016 Actual Current	2016 Actual Non Current	2015 Actual Current	2015 Actual Non Current
Total Cash, Cash Equivalents and Investments	1,313	-	1,530	-
attributable to:				
External Restrictions (refer below)	-	-	-	-
Internal Restrictions (refer below)	1,313	-	1,530	-
Unrestricted	-	-	-	-
	1,313	-	1,530	-

2016 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Nil

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

External Restrictions - Other

Specific Purpose Unexpended Grants (A)	-	-	-	-
--	---	---	---	---

External Restrictions - Other	-	-	-	-
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Total External Restrictions	-	-	-	-
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Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

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

2016 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Richmond Tweed Regional Library	1,135		(225)	910
RTRL - Employee Leave Entitlements	395	8	-	403
Total Internal Restrictions	1,530	8	(225)	1,313
TOTAL RESTRICTIONS	1,530	8	(225)	1,313

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 2016

Note 7. Receivables

\$ '000	Notes	2016		2015	
		Current	Non Current	Current	Non Current
Purpose					
Other Debtors		2	-	58	-
Total		2	-	58	-
less: Provision for Impairment					
Nil					
Total Provision for Impairment - Receivables		-	-	-	-
<u>TOTAL NET RECEIVABLES</u>		<u>2</u>	<u>-</u>	<u>58</u>	<u>-</u>
Externally Restricted Receivables					
Nil					
Total External Restrictions		-	-	-	-
Internally Restricted Receivables					
Internally Restricted Receivables		-	-	-	-
Unrestricted Receivables		2	-	58	-
TOTAL NET RECEIVABLES		<u>2</u>	<u>-</u>	<u>58</u>	<u>-</u>

Notes on Debtors above:

- (i) A provisions 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 2016

Note 8. Inventories & Other Assets

\$ '000	Notes	2016		2015	
		Current	Non Current	Current	Non Current
Inventories					
Nil					
Total Inventories		-	-	-	-
Other Assets					
Nil					
TOTAL INVENTORIES / OTHER ASSETS		-	-	-	-
Externally Restricted Assets					
There are no restrictions applicable to the above assets.					
Total Externally Restricted Assets		-	-	-	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		-	-	-	-
TOTAL INVENTORIES & OTHER ASSETS		-	-	-	-

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2015					Asset Movements during the Reporting Period							as at 30/6/2016				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	WIP Transfers	Adjustments & Transfers	Revaluation Increments / (Decrements) to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment											Dep'n	Impairment	
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	-	731	413	-	318	-	-	(24)	-	-	-	-	-	731	437	-	294
Office Equipment	-	2,459	2,121	-	338	91	-	(116)	-	-	-	-	-	2,550	2,237	-	313
Furniture & Fittings	-	227	156	-	71	47	-	(19)	-	-	-	-	-	274	175	-	99
Plant & Equipment (under Finance Lease)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land:																	
- Operational Land	-	390	-	-	390	-	-	-	-	-	-	-	-	390	-	-	390
- Community Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - non depreciable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - depreciable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings - Non Specialised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings - Specialised	-	1,932	834	-	1,098	-	-	(26)	-	-	-	-	-	1,932	860	-	1,072
Other Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets:																	
- Heritage Collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Lending and Reference Collection*	-	14,456	12,364	-	2,092	673	-	(719)	-	-	-	-	-	4,270	2,224	-	2,046
- Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	-	20,195	15,888	-	4,307	811	-	(904)	-	-	-	-	-	10,147	5,933	-	4,214

*RTRL disposed of lending material in accordance with its accounting policy. The materials was greater than 5 years and had WDV of Nil.

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

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

\$ '000

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

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

RTRL 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 2016

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2016		2015	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		-	-	-	-
Goods & Services - capital expenditure		-	-	-	-
Payments Received In Advance		-	-	-	-
Accrued Expenses:					
- Salaries & Wages		17	-	123	-
- Other Expenditure Accruals		-	-	9	-
Other		1	-	-	-
Total Payables		18	-	132	-
Borrowings					
Loans - Secured ¹		-	-	-	-
Total Borrowings		-	-	-	-
Provisions					
Employee Benefits;					
Annual Leave		460	-	486	-
Long Service Leave		919	25	859	28
Other Leave		19	-	20	-
Sub Total - Aggregate Employee Benefits		1,398	25	1,365	28
Total Provisions		1,398	25	1,365	28
Total Payables, Borrowings & Provisions		1,416	25	1,497	28

(i) Liabilities relating to Restricted Assets

	2016		2015	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Nil				
Liabilities relating to externally restricted assets	-	-	-	-
Total Liabilities relating to Unrestricted Assets	1,416	25	1,497	28
TOTAL PAYABLES, BORROWINGS & PROVISIONS	1,416	25	1,497	28

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

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

\$ '000	Actual 2016	Actual 2015
(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	<u>1,040</u>	<u>1,055</u>
	1,040	1,055

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2016	Actual 2015
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	1,313	1,530
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		1,313	1,530
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(284)	(226)
<i>Adjust for non cash items:</i>			
Depreciation & Amortisation		907	956
Net Losses/(Gains) on Disposal of Assets		-	31
Non Cash Capital Grants and Contributions		-	-
<i>+/- Movement in Operating Assets and Liabilities & Other Cash Items:</i>			
Decrease/(Increase) in Receivables		56	93
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		(115)	13
Increase/(Decrease) in Other Liabilities		1	-
Increase/(Decrease) in Employee Leave Entitlements		30	(38)
Increase/(Decrease) in Other Provisions		-	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		595	829

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

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

\$ '000	Notes	Actual 2016	Actual 2015
(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		-	-
Credit Cards / Purchase Cards		-	-
Total Financing Arrangements		-	-

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2016	Actual 2015
(a) Capital Commitments (exclusive of GST)			
Nil		_____	_____
(b) Finance Lease Commitments			
Nil			
(c) Operating Lease Commitments (Non Cancellable)			
Nil			

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 13a(i). Statement of Performance Measurement - Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2016	2016	2015	2014
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue				
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	<u>(381)</u>	-5.65%	-4.24%	1.73%
Total continuing operating revenue	6,738			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue				
<u>(less ALL Grants & Contributions)</u>	<u>6,708</u>	98.14%	98.30%	95.70%
Total continuing operating revenue	6,835			
3. Unrestricted Current Ratio				
<u>Current Assets less all External Restrictions</u>	<u>1,315</u>	3.50 : 1	3.60	3.76
Current Liabilities less Specific Purpose Liabilities	376			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents				
<u>including All Term Deposits</u>	<u>1,313</u>	2.50	3.31	3.31
Payments from cash flow of operating and financing activities	525			
	x12			

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

Note 14. Investment Properties

\$ '000	Notes	Actual 2016	Actual 2015
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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 2016

Note 15. Financial Risk Management

\$ '000

Risk Management

RTRL's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk. The level of risk is considered minimal.

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's City Councils 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	
	2016	2015	2016	2015
Financial Assets				
Cash and Cash Equivalents	1,313	1,530	1,313	1,530
Investments				
- "Designated At Fair Value on Initial Recognition"	-	-	-	-
Receivables	2	58	2	58
Total Financial Assets	1,315	1,588	1,315	1,588
Financial Liabilities				
Payables	18	132	18	132
Loans / Advances	-	-	-	-
Total Financial Liabilities	18	132	18	132

Fair Value is determined as follows:

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

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "Held-to-maturity" Investments

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 it's staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Interest Rate Risk** - the risk that movements in interest rates could affect returns and income.
- **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
2016				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	13	13	(13)	(13)
2015				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	16	16	(16)	(16)

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

RTRL's major receivables comprise (i) User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to RTRL's may not be repaid in full.

RTRL's manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2016	2015
	Other Receivables	Other Receivables
(i) Ageing of Receivables - %		
Current (not yet overdue)	100%	100%
Overdue	0%	0%
	<u>100%</u>	<u>100%</u>
(ii) Ageing of Receivables - value		
Current (not yet overdue)	-	58
Past due by up to 30 days	-	-
Past due between 31 and 60 days	-	-
Past due between 61 and 90 days	-	-
Past due by more than 90 days	-	-
Overdue	-	-
	<u>-</u>	<u>58</u>

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

Note 15. Financial Risk Management (continued)

\$ '000

(c) 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 approximate the carrying values.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 16. Contingencies & Other Assets/Liabilities Not Recognised

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

Lismore City Council as Responsible Entity for RTRL participates in a defined benefits superannuation scheme called the Local Government Superannuation Scheme – Pool B (Scheme). Pooled Employers form a sub-group of the Scheme with over 170 employers supporting over 6,500 employees and ex-employees.

The Scheme is considered to be a defined benefit multi-employer plan for the following reasons:

- 1) Assets are not segregated within the sub-group according to the employees of each sponsoring employer;
- 2) The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer;
- 3) Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
- 4) The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Scheme. The standard employer contributions were determined using the new entrant rate method under which a contribution rate.

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$48.7 million per annum and \$40.0 million per annum from 1 July 2016 for 4 years to 30 June 2016, apportioned according to each employer's share of the accrued liabilities as at 30 June 2015. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2015.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Scheme's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

There are no specific provisions under the Scheme's trust deed dealing with deficits or surplus on wind-up.

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

The expected contribution to the Scheme by Lismore City Council for the next annual reporting period is \$791,567. (2015: \$923,852)

The estimated employer reserves financial position for the Pooled Employers at 30 June 2016 is:

Employer reserves only*	\$millions	Asset Coverage
Assets	1,665.2	
Past Service Liabilities	1,739.3	95.7%
Vested Benefits	1,796.0	92.7%

* Excluding member accounts and reserves in both assets and liabilities.

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

Note 16. Contingencies & Other Assets/Liabilities Not Recognised

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	6.5% per annum
Salary inflation*	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers.

The implications are that additional contributions are estimated to remain in place until 30 June 2016.

It is estimated that RTRL's level of participation in the Scheme compared with other participating Pooled Employers is 0.10%.

(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 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 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.

2. Other Liabilities

(i) Third Party Claims

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

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

3. Asset Not Recognised

A grant of \$200,000 was received by Lismore City Council (LCC) from the NSW State Library for the 2015/16 Public Library Infrastructure Grant program. RTRL will commence expenditure on the project in 2016/17 and LCC will transfer grant funds to RTRL for the expenses as they are incurred.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 17. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2016	Actual 2015
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		4,262	4,488
d. Net Operating Result for the Year		(284)	(226)
f. Transfers between Equity		-	-
Balance at End of the Reporting Period		3,978	4,262
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		126	126
Total		126	126
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		126	126
- Revaluations for the year	9(a)	-	-
- Other movements Voluntary change in Accounting Policy		-	-
- Balance at End of Year		126	126
Other Reserves			
TOTAL VALUE OF RESERVES		126	126

(iii) Nature & Purpose of Reserves**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

(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

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

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

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

RTRL did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

Note 19. Events occurring after the Reporting Date

Events that occur between the end of the reporting period ended 30 June 2016 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 03/03/17.

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 2016.

(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 2016 and which are only indicative of conditions that arose after 30 June 2016.

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

Note 20. Discontinued Operations

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

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 21. Intangible Assets

\$ '000	Actual 2016	Actual 2015
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7/2015)	26	26
Accumulated Amortisation (1/7/2015)	(10)	(8)
Net Book Value - Opening Balance	16	18
Movements for the year		
- Purchases	-	-
- Amortisation charges	(2)	(2)
Closing Values:		
Gross Book Value (30/6/2016)	26	26
Accumulated Amortisation (30/6/2016)	(10)	(8)
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u> ¹	<u>16</u>	<u>18</u>

¹ The Net Book Value of Intangible Assets represent:

- Software	16	18
	16	18

Richmond Tweed Regional Library

Notes to the Financial Statements for the financial year ended 30 June 2016

Note 22. Fair Value Measurement

\$ '000

The RTRL measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, Property, Plant and Equipment

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Richmond Tweed Regional Library

Notes to the Financial Statements
for the financial year ended 30 June 2016

Note 22. Fair Value Measurement (continued)

\$ '000

(1) The following table presents all material assets that have been measured & recognised at fair values:

2016	Date	Fair Value Measurement Hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Financial Assets					
Investments - "Designated At Fair Value on Initial Recognition"	30/06/2016	1,313			1,313
Receivables	30/06/2016	2			2
Total Financial Assets		1,315	-	-	1,315
Financial Liabilities					
Payables	30/06/2016	18			18
Loans / Advances	30/06/2016	-			-
Total Financial Liabilities		18	-	-	18
Infrastructure, Property, Plant & Equipment					
Operational Land	30/06/2013			390	390
Buildings - Specialised	30/06/2013			1,072	1,072
Lending and Reference Collection	30/06/2016			2,046	2,046
Total Infrastructure, Property, Plant & Equipment		-	-	4,214	4,214

(2) Transfers between Level 1 & Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 1 and Level 2 Fair Value hierarchies for recurring fair value measurements.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2016

Note 22. Fair Value Measurement (continued)

\$ '000

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where RTRL is unable to derive Fair Valuations using quoted market prices of identical assets (ie. Level 1 inputs) RTRL instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques RTRL has employed while utilising Level 2 and Level 3 inputs are as follows:

Infrastructure, Property, Plant & Equipment

Operational Land

RTRL's operational land includes all land classified as operational land under Local Government Act 1993. RTRL's operational land value is assessed every year and revalued every five years. It is valued at market (highest and best use) after identifying all elements that would be taken into account by buyers and sellers in setting a price including but not limited to zoning, topography, location, size, shape, access, exposure to traffic and businesses. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Buildings - Non Specialised and Specialised

Buildings - Non Specialised and Specialised are valued every five years using the cost approach.

The last valuation was undertaken in 2013 and was conducted by an External Valuer.

The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected and the unit rates based on square metres could be supported from market evidence (Level 2) other inputs (such as estimates of residual value and pattern of consumption) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs. Valuation techniques remained the same for this reporting period.

Lending and Reference Collection

This asset category comprises of assets such as library books, CD's and DVD's.

These assets are valued at cost which is deemed to represent their fair value due to the nature of the items. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market therefore placing these assets in Level 3. Valuation techniques remained the same for this reporting period.