

Richmond Tweed Regional Library

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Richmond Tweed Regional Library
Special Purpose Financial Statements
for the year ended 30 June 2021

Contents	Page
Statement by Richmond Tweed Regional Library Committee	3
Primary Financial Statements:	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Independent Auditor's Reports:	
On the Financial Statements	37

Richmond Tweed Regional Library

Special Purpose Financial Statements

for the year ended 30 June 2021

Statement by Richmond Tweed Library Committee and Management

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

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

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

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

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

Signed in accordance with a resolution of the committee made on 22 April 2022.



Chairperson

22 April 2022

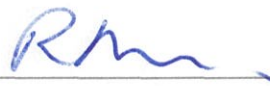
Ch Darlene Cook



Rino Santin

Executive Officer

22 April 2022



Committee Member

22 April 2022

Cr. Rod Bruen.

Richmond Tweed Regional Library

Income Statement

for the year ended 30 June 2021

Original unaudited budget			Actual	Actual
2021	\$ '000	Notes	2021	2020
Income from continuing operations				
7,562	User charges and fees	B1-1	7,375	7,061
24	Other revenue	B1-2	39	78
1	Grants and contributions provided for operating purposes	B1-3	12	54
-	Grants and contributions provided for capital purposes	B1-3	25	56
33	Interest and investment income	B1-4	16	33
-	Net gains from the disposal of assets	B3-1	2	-
<u>7,620</u>	Total income from continuing operations		<u>7,469</u>	<u>7,282</u>
Expenses from continuing operations				
5,462	Employee benefits and on-costs	B2-1	5,377	4,946
1,545	Materials and services	B2-2	1,493	1,295
-	Borrowing costs	B2-3	-	1
780	Depreciation, amortisation and impairment for non-financial assets	B2-4	876	860
<u>7,787</u>	Total expenses from continuing operations		<u>7,746</u>	<u>7,102</u>
<u>(167)</u>	Operating result from continuing operations		<u>(277)</u>	<u>180</u>
<u>(167)</u>	Net operating result for the year		<u>(277)</u>	<u>180</u>
<u>(167)</u>	Net operating result for the year before grants and contributions provided for capital purposes		<u>(302)</u>	<u>124</u>

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

Richmond Tweed Regional Library

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	2021	2020
Net operating result for the year – from Income Statement	(277)	180
Total comprehensive income for the year	(277)	180

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

Richmond Tweed Regional Library

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	1,737	1,607
Total current assets		1,737	1,607
Non-current assets			
Infrastructure, property, plant and equipment	C1-3	4,203	4,455
Intangible Assets	C1-4	3	5
Right of use assets	C2-1	4	14
Total non-current assets		4,210	4,474
Total assets		5,947	6,081
LIABILITIES			
Current liabilities			
Payables	C3-1	141	66
Lease liabilities	C2-1	5	10
Employee benefit provisions	C3-2	1,214	1,135
Total current liabilities		1,360	1,211
Non-current liabilities			
Lease liabilities	C2-1	–	5
Employee benefit provisions	C3-2	20	21
Total non-current liabilities		20	26
Total liabilities		1,380	1,237
Net assets		4,567	4,844
EQUITY			
Accumulated surplus	C4-1	4,393	4,670
IPPE revaluation reserve	C4-1	174	174
Richmond Tweed Regional Library equity interest		4,567	4,844
Total equity		4,567	4,844

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

Richmond Tweed Regional Library

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	as at 30/06/21			as at 30/06/20		
	Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July	4,670	174	4,844	4,490	174	4,664
Opening balance	4,670	174	4,844	4,490	174	4,664
Net operating result for the year as reported in the financial statements	(277)	–	(277)	180	–	180
Net operating result for the period	(277)	–	(277)	180	–	180
Total comprehensive income	(277)	–	(277)	180	–	180
Closing balance at 30 June	4,393	174	4,567	4,670	174	4,844

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

Richmond Tweed Regional Library

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
7,562			7,375	7,061
33			16	33
1			37	110
24			39	104
<i>Payments:</i>				
(5,462)			(5,266)	(5,041)
(1,545)			(1,493)	(1,294)
–			–	(1)
–			42	–
<u>613</u>		F1-1	<u>750</u>	<u>972</u>
Cash flows from investing activities				
<i>Receipts:</i>				
–			2	–
<i>Payments:</i>				
(578)			(611)	(574)
–			(1)	–
<u>(578)</u>			<u>(610)</u>	<u>(574)</u>
Cash flows from financing activities				
<i>Payments:</i>				
–			(10)	(9)
<u>–</u>			<u>(10)</u>	<u>(9)</u>
<u>35</u>			<u>130</u>	<u>389</u>
<u>1,607</u>			<u>1,607</u>	<u>1,218</u>
<u>1,642</u>		C1-1	<u>1,737</u>	<u>1,607</u>

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

Richmond Tweed Regional Library

Contents for the notes to the Financial Statements for the year ended 30 June 2021

A About RTRL and these financial statements	10
A1-1 Basis of preparation	10
B Financial Performance	20
B1 Sources of income	20
B1-1 User charges and fees	20
B1-2 Other revenue	20
B1-3 Grants and contributions	21
B1-4 Interest and investment income	21
B2 Costs of providing services	22
B2-1 Employee benefits and on-costs	22
B2-2 Materials and services	23
B2-3 Borrowing costs	23
B2-4 Depreciation, amortisation and impairment of non-financial assets	23
B3 Gains or losses	24
B3-1 Gain or loss from the disposal, replacement and de-recognition of assets	24
C Financial position	25
C1 Assets we manage	25
C1-1 Cash and cash equivalents	25
C1-2 Restricted cash, cash equivalents and investments	25
C1-3 Infrastructure, property, plant and equipment	26
C1-4 Intangible assets	27
C2 Leasing activities	28
C2-1 RTRL as a lessee	28
C3 Liabilities of RTRL	30
C3-1 Payables	30
C3-2 Employee benefit provisions	31
C4 Reserves	32
C4-1 Nature and purpose of reserves	32
D Risks and accounting uncertainties	33
D1-1 Contingencies	33
E People and relationships	34
E1 Related party disclosures	34
E1-1 Key management personnel (KMP)	34
E2 Other relationships	35
E2-1 Audit fees	35
F Other matters	35
F1-1 Statement of Cash Flows information	35
F2-1 Events occurring after the reporting date	36
F3 Statement of performance measures	36
F3-1 Statement of performance measures	36

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

The principal accounting policies adopted by Richmond Tweed Regional Library (RTRL) in the preparation of these financial statements are set out below 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 special purpose financial statements which, where considered applicable, 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 preparing these financial statements, RTRL has been deemed to be a not-for-profit entity.

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

Because AASBs are sector neutral, some standards either:

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

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

(iii) New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations (i.e., Pronouncements) have been published by Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

RTRL has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of the financial statements RTRL does not consider that any of these new (and still to be applied) standards or interpretations are likely to have a material impact on RTRL's future financial statements, financial position, financial performance, or cash flows.

(iv) New accounting standards adopted during the year

No new standards were adopted during the year.

(v) 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
 - (ii) the write down of any Asset based on Impairment (if warranted) and
 - (iii) certain classes of noncurrent assets (e.g., 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.

(vi) Changes in Accounting Policies

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

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

(vii) Critical Accounting Estimates

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

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

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 RTRLs accounting policies.

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

Coronavirus (COVID 19) Impact

The Library is required to assess whether and how it may be affected by COVID 19 and the impact on its Financial Reports. First reported to the World Health Organisation as an unknown virus in late December 2019, declared a global pandemic in March 2020, COVID 19 caused great uncertainty for the global economy. The impact created significant uncertainty for supply chains and the global economy.

While COVID 19 disrupted the Libraries business practices, it was able to continue to provide some services without a material increase in costs. RTRL undertook an analysis of the potential impacts of COVID 19 on its financial reports and Going

Concern assumptions. The following items were analysed: -

- Asset impairment/changes in assumptions for impairment testing (AASB 136)
- Change in fair value of assets (AASB 13)
- Change in net realisable value of inventory (AASB 102)
- Increased costs and/or reduced demand requiring provision for onerous contracts (AASB 137), reassessment of variable consideration, including refund liability (AASB 15)
- Changes in expected credit losses for loans and other financial assets (AASB 9)
- Material uncertainties that cast significant doubt on the ability to continue as a going concern such as extent of the impact of future cost and revenues (AASB 1010 and AASB 110) and unknown duration of the impact.
- Indirect impacts such as customers, suppliers, financiers, or investments in other entities may be affected leading to impairments, increased costs, or reduced revenues.

While it is difficult to determine what the ongoing impact of COVID 19 on RTRL and the community we operate in will be, at this stage no material impact has been identified and RTRL continues to operate as a going concern.

(b) Revenue from contracts with customers

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:

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

User Fees and Charges

The AASB notation included in Note B1-1 identifies the revenues recognition pattern for material items of RTRL revenue:

15(1) – indicates income recognised under AASB 15 “at a point in time”,

15(2) – indicates income recognised under AASB 15 “over time”,

1058(1) – indicates income recognised under AASB 1058 “at a point in time, while.

1058(2) – indicates income recognised under AASB 1058 “over time”.

Revenue arising from user charges and fees is recognised when or as performance obligation is completed and the customer receives the benefit of the goods/services being provided.

The performance obligation relates to the specific services which are provided to the customer and generally the payment terms are within 30 days of the provision or in some cases cash on service. There is no material obligation for RTRL in relation to refunds or returns.

Other Revenue

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/services provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficient specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

Grants and Contributions.

The AASB notation included in Note B1-3 identifies the revenues recognition pattern for material items of RTRL revenue:

1058(1) – indicates income recognised under AASB 1058 “at a point in time, while.

1058(2) – indicates income recognised under AASB 1058 “over time”.

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations are varied based on the agreements. Payments terms vary depending on the terms of the grant, cash is received upfront and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant Income

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. RTRL considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital Grants

Capital grants received to enable RTRL to acquire or construct an item of infrastructure, property, plant, and equipment to identified specifications which will be under RTRL’s control and which is enforceable are recognised as revenues as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction projects as there is no profit margin.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled.

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.

(c) Cash and Cash Equivalents

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents include:

- 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.

(d) 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.

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

Acquisition of assets

RTRL's non-current assets are assessed yearly and where it is considered that the value as reported varies from its fair value a revaluation is undertaken 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

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

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.
- 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.

Operational Land

Liquid Pacific Holding P/L completed a comprehensive valuation in June 2018.

Buildings

An in-house revaluation of buildings was undertaken in 2017/18 using the cost approach. This approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and considering a range of factors.

Capitalisation Thresholds

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

Land	
- land	100% Capitalised
<hr/>	
Plant & Equipment	
Office Furniture	> \$1,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$1,000
<hr/>	
Buildings & Land Improvements	
Park Furniture & Equipment	> \$2,000
Buildings	
- construction/extensions	100% Capitalised
- renovations	> \$10,000
Other Structures	> \$2,000
<hr/>	
Library Resources	100% Capitalised
(Excluding periodicals, eResources and common use collection)	

Depreciation

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

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

Land is not depreciated.

Estimated useful lives for RTRL'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, eResources and common use collection)	7 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.

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 RTRL's Income Statement in the year the asset is derecognised.

(f) 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.

(g) Intangible Assets

IT Development and Software

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

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

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

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

(h) 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.

(i) 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.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

(j) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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.

(k) 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 the 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.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

Defined Benefit Plans

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

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

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

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

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

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

RTRL'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.

Defined Benefit Superannuation Contribution Plans

RTRL, through Lismore City Council, participates in a defined benefits superannuation scheme called the Local Government Superannuation Scheme – Pool

B (Scheme). The Pooled Employers form a sub-group of the Scheme with over 170 employers supporting over 8,700 employees and ex-employees.

The Scheme is 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 sufficient to fund total benefits over the working life of a typical new entrant is calculated. The current standard employer contribution rates are:

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2017 for 4 years to 30 June 2021. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as of 30 June 2017.

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.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

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 the 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 \$639,362.52. An amount specific to RTRL is not available.

The estimated employer reserves financial position for the Pooled Employers on 30 June 2021 is:

Employer Reserves only*	\$millions	Asset Coverage
Assets	2,620.5	
Past Service Liability	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

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

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

- Investment return 5.75 % 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 group.

The implications are that additional contributions are estimated to remain in place until 30 June 2021 (i.e., \$639,251.52).

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

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

RTRL has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and 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 30/6/21.

(I) 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.

Richmond Tweed Regional Library

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note A1-1 Summary of Significant Accounting Policies

(m) 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).

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.

(n) Rounding of amounts

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

(o) 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.

(p) Disclaimer

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

(q) Going Concern

The current RTRL Deed of Agreement has been extended by a Deed of Variation dated 14 July 2021. The Original Deed has been extended to 30 June 2022 with a one-year option to 30 June 2023.

The continuation of RTRL as a going concern in its current form is contingent upon renewal of the Deed of Agreement between constituent councils.

(r) New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods (and which have not been early adopted by RTRL).

As at the date of authorisation of these financial statements, RTRL does not consider that any of those standards are likely to have a material impact on the RTRL's future financial statements, financial position, financial performance, or cash flows.

RTRL has not elected to apply any pronouncements before their operative date in these financial statements.

B Financial Performance

B1 Sources of income

B1-1 User charges and fees

\$ '000	AASB	2021	2020
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Other user charges and fees			
(ii) Fees and charges – other (incl. general user charges (per s.608))			
RTRL Contributions by Member Councils	15 (1)	7,132	6,846
Reservation and Registration Fees	15 (1)	81	69
Lost Book Charges	15 (1)	13	11
PC Usage	15 (1)	7	10
Printouts	15 (1)	118	102
Other	15 (1)	24	23
Total fees and charges – other		7,375	7,061
Total user charges and fees		7,375	7,061
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time		–	–
User charges and fees recognised at a point in time		7,375	7,061
Total user charges and fees		7,375	7,061

B1-2 Other revenue

Fines – other	1058 (1)	18	49
Donations – Friends of the Library	15 (1)	17	25
Other	1058 (1)	4	4
Total other revenue		39	78
Timing of revenue recognition for other revenue			
Other revenue recognised over time		–	–
Other revenue recognised at a point in time		39	78
Total other revenue		39	78

B1-3 Grants and contributions

\$ '000	AASB	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Pensioners' rates subsidies:					
Library	1058 (1)	1	7	11	25
Library – special projects	1058 (1)	9	42	14	31
Tech Savvy Seniors	1058 (1)	–	3	–	–
Diesel Rebate	1058 (1)	2	2	–	–
Previously contributions:					
Total special purpose grants and non-developer contributions – cash					
		12	54	25	56
Total special purpose grants and non-developer contributions (tied)					
		12	54	25	56
Total grants and non-developer contributions					
		12	54	25	56
Comprising:					
– Other funding		12	54	25	56
		12	54	25	56
Developer contributions					
Total grants and contributions					
		12	54	25	56
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		–	–	–	–
Grants and contributions recognised at a point in time		12	54	25	56
Total grants and contributions		12	54	25	56

B1-4 Interest and investment income

\$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Cash and investments	16	33
Total interest and investment income (losses)	16	33
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Richmond Tweed Regional Library cash and investments	16	33
Total interest and investment income	16	33

B2 Costs of providing services

B2-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	3,838	3,663
Employee leave entitlements (ELE)	926	720
Superannuation	516	505
Workers' compensation insurance	61	57
Training costs (other than salaries and wages)	–	1
Other	36	–
Total employee costs	5,377	4,946
Total employee costs expensed	5,377	4,946
Number of 'full-time equivalent' employees (FTE) at year end	59	60

B2-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		1,389	1,174
Audit Fees	E2-1	10	11
Previously other expenses:			
Electricity and heating		12	14
Insurance		26	29
Telephone and communications		54	67
Total materials and services		1,493	1,295
Total materials and services		1,493	1,295

B2-3 Borrowing costs

(i) Interest bearing liability costs

Interest on leases		-	1
Total interest bearing liability costs		-	1

Total interest bearing liability costs expensed

	-	1
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(ii) Other borrowing costs

Fair value adjustments on recognition of advances and deferred debtors			
Total borrowing costs expensed		-	1

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

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		64	83
Office equipment		105	119
Furniture and fittings		6	6
Infrastructure:	C1-3		
– Buildings – specialised		66	21
Right of use assets	C2-1	10	10
Other assets:			
– Library Resources		622	618
Intangible assets	C1-4	3	3
Total gross depreciation and amortisation costs		876	860
Total depreciation and amortisation costs		876	860
Total depreciation, amortisation and impairment for non-financial assets		876	860

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

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of plant and equipment	C1-3		
Proceeds from disposal – plant and equipment		2	–
Gain (or loss) on disposal		2	–
Net gain (or loss) on disposal of assets		2	–

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	533	403
Cash-equivalent assets		
– Deposits at call	1,204	1,204
Total cash and cash equivalents	1,737	1,607

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	1,737	1,607
Balance as per the Statement of Cash Flows	1,737	1,607

C1-2 Restricted cash, cash equivalents and investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total cash, cash equivalents and investments	1,737	–	1,607	–
attributable to:				
External restrictions	–	–	–	–
Internal restrictions	1,737	–	1,607	–
Unrestricted	–	–	–	–
	1,737	–	1,607	–

\$ '000	2021	2020
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Details of restrictions

External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Internal restrictions

RTRL has internally restricted cash, cash equivalents and investments as follows:

Richmond Tweed Regional Library	1,286	1,164
RTRL – Employee Leave Entitlements	451	443
Total internal restrictions	1,737	1,607
Total restrictions	1,737	1,607

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Committee.

C1-3 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period			At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000									
Plant and equipment	687	(499)	188	–	(14)	(64)	652	(542)	110
Office equipment	3,035	(2,686)	349	17	–	(105)	593	(332)	261
Furniture and fittings	283	(249)	34	–	(1)	(6)	57	(30)	27
Land:									
– Operational land	490	–	490	–	–	–	490	–	490
Infrastructure:									
– Buildings	2,233	(1,304)	929	–	–	(66)	2,233	(1,370)	863
Other assets:									
– Lending and Reference Collection	6,757	(4,292)	2,465	609	–	(622)	5,117	(2,665)	2,452
Total infrastructure, property, plant and equipment	13,485	(9,030)	4,455	626	(15)	(863)	9,142	(4,939)	4,203

C1-4 Intangible assets

Intangible assets are as follows:

\$ '000	2021	2020
Software		
Opening values at 1 July		
Gross book value (1/7)	26	26
Accumulated amortisation (1/7)	(21)	(18)
Net book value – opening balance	5	8
Movements for the year		
Other movements	1	–
Amortisation charges	(3)	(3)
Closing values at 30 June		
Gross book value (30/6)	26	26
Accumulated amortisation (30/6)	(23)	(21)
Total software – net book value	3	5
Total intangible assets – net book value	3	5

C2 Leasing activities

C2-1 RTRL as a lessee

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

Vehicles

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

(a) Right of use assets

\$ '000	Vehicles	Total
2021		
Opening balance at 1 July	14	14
Depreciation charge	(10)	(10)
Balance at 30 June	4	4
2020		
Opening balance at 1 July	–	–
Depreciation charge	(10)	(10)
Balance at 30 June	14	14

(b) Lease liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	5	–	10	5
Total lease liabilities	5	–	10	5

(c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2021					
Cash flows	5	–	–	5	5
2020					
Cash flows	10	5	–	15	15

(d) Income Statement

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

\$ '000	2021	2020
Interest on lease liabilities	–	1
Depreciation of right of use assets	10	10
	10	11

C2-1 RTRL as a lessee (continued)

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

Accounting policy

Accounting policy – RTRL as a lessee

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

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

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / concessionary leases

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

C3 Liabilities of RTRL

C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services – operating expenditure	10	–	10	–
Accrued expenses:				
– Salaries and wages	90	–	57	–
– Other expenditure accruals	40	–	–	–
Other	1	–	(1)	–
Prepaid rates	–	–	–	–
Total payables	141	–	66	–
Total payables	141	–	66	–

Payables relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total payables relating to unrestricted assets	141	–	66	–
Total payables	141	–	66	–

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

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

C3-2 Employee benefit provisions

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Annual leave	432	–	391	–
Long service leave	769	20	740	21
Other leave	13	–	4	–
Total employee benefit provisions	1,214	20	1,135	21

Employee benefit provisions relating to restricted assets

Total employee benefit provisions relating to restricted assets	–	–	–	–
Total employee benefit provisions relating to unrestricted assets	1,214	20	1,135	21
Total employee benefit provisions	1,214	20	1,135	21

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

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	780	760
	780	760

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

D Risks and accounting uncertainties

D1-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

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

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

\$ '000	2021	2020
Compensation:		
Short-term benefits	140	132
Post-employment benefits	16	14
Other long-term benefits	1	2
Total	157	148

Other transactions with KMP and their related parties

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

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

E2 Other relationships

E2-1 Audit fees

\$ '000	2021	2020
(i) Audit and other assurance services		
Audit and review of financial statements	10	11
Total audit fees	10	11

F Other matters

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	(277)	180
Adjust for non-cash items:		
Depreciation and amortisation	876	860
Net losses/(gains) on disposal of assets	(2)	–
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	–	26
Increase/(decrease) in payables	–	2
Increase/(decrease) in other accrued expenses payable	73	12
Increase/(decrease) in other liabilities	2	(1)
Increase/(decrease) in employee leave entitlements	78	(107)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	750	972

F2-1 Events occurring after the reporting date

RTRL has disclosed the impact that COVID 19 has had on operations and financial reporting for the year ended 30 June 2021 at Note A1-1. COVID 19 is ongoing, however it is not practicable to estimate the potential impact, positive or negative, after 30 June 2021.

RTRL is aware of the following 'non-adjusting event' that merits disclosure:

Storms and Flooding February 2022.

Some RTRL assets were damaged or destroyed as a result of severe storms that hit the region at the end of February 2022. On 28 February 2022 the Wilson River reached flood levels higher than at any time in recorded history and inundated Lismore CBD, including Lismore Library.

The following assets were damaged or destroyed:

Lismore Library: Library resources, furniture & fittings and IT hardware.

Mobile Library: Library resources and trailer.

Storm damage was also sustained at the Tweed Library: Library resources were lost however the loss will be recovered through an insurance claim by Tweed Shire Council as the loss occurred as a result of storm damage to their library building.

At the date of this report RTRL are unable to quantify the financial losses sustained as a result of the storms and flood damage. RTRL expect that some of the losses will be recouped through insurance proceeds and donations.

F3 Statement of performance measures

F3-1 Statement of performance measures

\$ '000	Amounts 2021	Indicator 2021	Indicator 2020	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(304)	(4.08)%	1.72%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	7,442			
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions ¹	7,430	99.50%	98.49%	> 60.00%
Total continuing operating revenue ¹	7,467			
3. Unrestricted current ratio				
Current assets less all external restrictions	1,737	2.99x	3.56x	> 1.50x
Current liabilities less specific purpose liabilities	580			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	572	57.20x	98.50x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	10			
5. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	1,737	3.10 mths	3.04 mths	> 3.00 mths
Monthly payments from cash flow of operating and financing activities	561			

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

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

Independent Auditor's Report to the Members of Richmond Tweed Regional Library

Report on the audit of the financial report

Opinion

We have audited the financial report of Richmond Tweed Regional Library ("the Entity") which comprises the statement of financial position as at 30 June 2021, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Richmond Tweed Library Committee and Management.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2021, and its financial performance and its cash flow for the year then ended in accordance with the accounting policies described in Note A1-1 of the financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Regarding Going Concern

We draw attention to Note A1-1(q) in the financial report, which indicates that the continuation of the Entity as a going concern in its current form is contingent upon extending the option for continuation of the existing RTRL Deed of Agreement. This condition indicates that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Events Occurring after the Reporting Date

We draw attention to Note F2-1 in the financial report, which describes the impact on the Entity arising from the Storms and Flooding Event in February 2022. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note A1-1(a) to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity meet the financial reporting requirements of member Council's. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Responsibilities of the Library Committee for the Financial Report

Management is responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note A1-1 of the financial report and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Library Committee are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

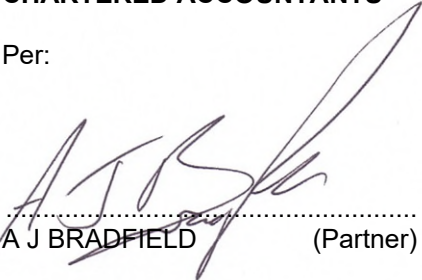
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Library Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:



A J BRADFIELD (Partner)

Dated at Lismore this 22nd day of April 2022