

**SOUTH-WEST
REGIONAL LIBRARY**

**GENERAL PURPOSE
FINANCIAL
STATEMENTS**

YEAR ENDED

30th June, 2006

SOUTH-WEST REGIONAL LIBRARY

GENERAL PURPOSE FINANCIAL REPORT for the year ended 30th June, 2006

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This Financial Report, is a General Purpose Financial Report of the South-West Regional Library, and its controlled entities, and is presented in Australian currency.

The South-West Regional Library, is constituted under the Local Government Act (1993), and its principal place of business is located at:

**Town Hall
Boorowa Street
YOUNG NSW 2594**

**This Financial Report, was authorised for issue, by the Executive Council on 16th August, 2006.
Note, the Executive Council has the authority to amend, and / or re-issue this Financial Report.**

SOUTH-WEST REGIONAL LIBRARY

COUNCIL'S CERTIFICATE for the year ended 30th June, 2006

STATEMENT BY COUNCILLORS AND MANAGEMENT MADE PURSUANT TO SECTION 413 (2) (c) OF THE LOCAL GOVERNMENT ACT 1993 (as amended)

The attached General Purpose Financial Report has been prepared in accordance with;

- (i) The Local Government Act 1993 (as amended) and the Regulations made thereunder.**
- (ii) The Australian Accounting Standards and professional pronouncements.**
- (iii) The Local Government Code of Accounting Practice and Financial Reporting.**

To the best of our knowledge and belief, this Report;

- (i) Presents fairly, the Regional Library's operating result and financial position for the year, and**
- (ii) Accord with the Regional Library's accounting and other records.**

We are not aware of any matter, which would render this report, false or misleading in any way.

Signed, in accordance with a resolution of the Executive Council, made on 16th August, 2006.

**Cr. Gerald P. Bailey
MAYOR**

**Adrian G. Hanrahan
GENERAL MANAGER**

**Cr. John B. McGregor
COUNCILLOR**

**Donald D. Withers
RESPONSIBLE ACCOUNTING OFFICER**

SOUTH-WEST REGIONAL LIBRARY

GENERAL PURPOSE FINANCIAL REPORT

for the year ended 30th June, 2006

INCOME STATEMENT

Original Budget 2006 (\$'000)	*	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
INCOME FROM CONTINUING OPERATIONS:				
Revenues				
0		3 (A)	0	0
5		3 (B)	6	6
3		3 (C)	5	6
0		3 (E)	1	0
254		3 (F)	254	254
0		3 (E)	2	11
0		3 (F)	0	0
5		3 (D)	5	6
267			273	283
Sub-Total				
Other Income				
0		5	0	0
0			0	0
Sub-Total				
267			273	283
TOTAL INCOME FROM CONTINUING OPERATIONS				
EXPENSES FROM CONTINUING OPERATIONS:				
Expenses				
160		4 (A)	163	179
0		4 (B)	0	0
17		4 (C)	17	20
62		4 (D)	73	47
44		4 (E)	47	45
283			300	291
TOTAL EXPENSES FROM CONTINUING OPERATIONS				
(16)			(27)	(8)
OPERATING RESULT FROM CONTINUING OPERATIONS				
ATTRIBUTABLE TO:				
(16)			(27)	(8)
0			0	0
(16)			(27)	(8)
NETT OPERATING RESULT FOR THE YEAR				
NETT OPERATING RESULT FOR THE YEAR PRIOR TO THE PROVISION OF GRANTS AND CONTRIBUTIONS FOR CAPITAL PURPOSES				
(16)			(29)	(19)

The abovementioned Income Statement, should be read in conjunction with the accompanying Notes.

* The Original Budget, is as approved and adopted by the Executive Council, on 15th June, 2005 - refer to Note No. 16.

SOUTH-WEST REGIONAL LIBRARY

GENERAL PURPOSE FINANCIAL REPORT

as at 30th June, 2006

BALANCE SHEET

	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
CURRENT ASSETS:			
Cash and Cash Equivalents	6	18	14
Investments	6	40	64
Receivables	7	1	0
Inventories	8	0	0
Other	8	0	0
TOTAL CURRENT ASSETS		59	78
NON-CURRENT ASSETS:			
Investments	6	0	0
Receivables	7	0	0
Infra-Structure, Property, Plant and Equipment	9	177	201
TOTAL NON-CURRENT ASSETS		177	201
TOTAL ASSETS		236	279
CURRENT LIABILITIES:			
Payables	10 (a)	2	2
Interest Bearing Liabilities	10 (a)	0	0
Provisions	10 (a)	35	52
TOTAL CURRENT LIABILITIES		37	54
NON-CURRENT LIABILITIES:			
Payables	10 (a)	0	0
Interest Bearing Liabilities	10 (a)	0	0
Provisions	10 (a)	1	0
TOTAL NON-CURRENT LIABILITIES		1	0
TOTAL LIABILITIES		38	54
TOTAL NETT ASSETS		198	225
EQUITY:			
Retained Earnings - Accumulated	20	225	233
Surplus / (Deficit) - Current Year	20	(27)	(8)
TOTAL EQUITY		198	225

The abovementioned Balance Sheet, should be read in conjunction with the accompanying Notes.

SOUTH-WEST REGIONAL LIBRARY

GENERAL PURPOSE FINANCIAL REPORT

for the year ended 30th June, 2006

STATEMENT OF CHANGES IN EQUITY

	2006		2005	
	Accumulated Surplus (\$'000)	Total Equity (\$'000)	Accumulated Surplus (\$'000)	Total Equity (\$'000)
Balance as at the beginning of the Reporting Period	225	225	233	233
Nett Operating Result for the year	(27)	(27)	(8)	(8)
Balance as at the end of the Reporting Period	198	198	225	225

The abovementioned Statement of Changes in Equity, should be read in conjunction with the accompanying Notes.

SOUTH-WEST REGIONAL LIBRARY

GENERAL PURPOSE FINANCIAL REPORT

for the year ended 30th June, 2006

STATEMENT OF CASH FLOW

Original Budget 2006 (\$'000)		Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
	Receipts:			
0	Annual Rates and Charges		0	0
5	User Charges and Fees		6	6
2	Interest and Investment Revenues		4	6
254	Grants and Contributions		257	265
5	Other		5	6
266			272	283
	Payments			
(177)	Employee Benefits and On-Costs		(179)	(168)
(16)	Materials and Contracts		(17)	(20)
0	Borrowing Costs		0	0
(44)	Other		(47)	(45)
(237)			(243)	(233)
29	NETT CASH PROVIDED FROM OPERATING ACTIVITIES	11 (B)	29	50
	CASH FLOWS FROM INVESTING ACTIVITIES:			
	Receipts			
0	Infra-Structure, Property, Plant and Equipment		0	0
0			0	0
	Payments			
(46)	Infra-Structure, Property, Plant and Equipment		(49)	(71)
(46)			(49)	(71)
(46)	NETT CASH USED IN INVESTING ACTIVITIES		(49)	(71)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
	Receipts			
0	Borrowing's		0	0
0			0	0
	Payments			
0	Borrowing's		0	0
0			0	0
0	NETT CASH USED IN FINANCING ACTIVITIES		0	0
	CASH, CASH EQUIVALENTS AND INVESTMENTS:			
78	Beginning of the Current Reporting Period		78	99
(17)	Nett (decrease) in Cash, Cash Equivalents and Investments		(20)	(21)
61	END OF THE CURRENT REPORTING PERIOD	11 (A)	58	78

The abovementioned Statement of Cash Flow, should be read in conjunction with the accompanying Notes.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

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SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

A Statement, summarising the significant accounting policies adopted by the Regional Library, is to be detailed within this Note in accordance with the Australian Accounting Standard AAS 6 - "Accounting Policies: Determination, Application and Disclosure".

Local Government Reporting Entity

The South-West Regional Library has its principal business offices located at Town Hall, Boorowa Street, YOUNG NSW 2594. The South-West Regional Library is empowered by the New South Wales Local Government Act (LGA), 1993 and is specified within Section 8 of this Act.

A description of the nature of the Regional Library's operations and its principal activities are provided within Note No. 2 (b) of this report.

The General Purpose Financial Statements incorporate the assets and liabilities of all entities controlled by the Regional Library, and the results of all controlled entities for the financial period ended 30th June, 2006.

In the process of reporting upon the Regional Library as a single unit, all transactions and balances between activities (for example, loans and transfers etc.), have been eliminated.

(A) Basis of Preparation

This General Purpose Financial Report has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulations, and the Financial Reporting Guidelines for NSW Councils.

Compliance with International Financial Reporting Standards

Australian Accounting Standards, include Australian Equivalents of International Financial Reporting Standards. Compliance with AIFRS ensures the General Purpose Financial Reports and Notes to the Financial Statements of the South-West Regional Library, comply with the International Financial Reporting Standards, (AIFRS).

Application of AASB 1 first-time Adoption of Australian Equivalents of International Financial Reporting Standards.

These Financial Statements are the Regional Library's initial Financial Statements to be prepared in accordance with AIFRS. AASB 1 first-time Adoption of Australian Equivalents of International Financial Reporting Standards has been applied in preparing these Financial Statements.

The Regional Library's Financial Statements to 30th June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. With regard to the Regional Library's 2006 Financial Statements, management has amended certain accounting, valuation, and consolidation methods applied in the AGAAP Financial Statements to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2005 were restated to reflect these adjustments. The Regional Library has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1st January 2005.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the Regional Library's equity and its nett income are provided within Note No. 21.

The Regional Library is required to comply with AAS 27 Financial Reporting by Local Government, and where AAS 27 conflicts with the AIFRS, the requirements of AAS 27 have been applied. Where AAS 27 makes reference to another Australian Accounting Standard, the new Australian Equivalents of International Financial Reporting Standards, will apply. The specific " not-for-profit " reporting requirements, also apply.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation - (Continued)

Historical Cost Convention

These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value, through profit or loss, certain classes of property, plant, equipment and investment property.

Critical Accounting Estimates

The preparation of Financial Statements in conformity with AIFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement, in the process of applying accounting policies.

(B) Revenue Recognition

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

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.

Income is recognised when the Regional Library obtains control of the contribution or the right to receive the contribution, and it is probable the economic benefits comprising the contribution will flow to the Regional Library, and 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 No. 3. The note also discloses the amount of unused grant or contribution from prior years that was expended on the Regional Library's operations during the current year.

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

User Charges and Fees

User charges and fees (including late return penalties and fines) 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 provision for doubtful debtors is recognised, when collection in full is no longer probable.

Sale of Infra-Structure, Property, Plant and Equipment

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

Interest and Rents

Interest and rents, are recognised as revenue on a proportional basis, when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(C) Leases

Leases, whereby 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, (nett of any incentives received by the lessor), are charged to the Income Statement, upon a straight-line basis, over the period of the lease.

(D) Acquisition of Assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Regional Library's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(E) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets, subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised, as 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.

(F) Cash and Cash Equivalents

Cash and cash equivalents, includes cash-on-hand, deposits held at-call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdraft facilities, are shown within borrowing's as Current Liabilities in the Balance Sheet.

(G) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debtors. Receivables are due for settlement no more than thirty (30) days, from the date of recognition.

Collectability of receivables is reviewed on an on-going basis. Debts which are known to be uncollectable are written-off. A provision for doubtful receivables is established when there is objective evidence that the Regional Library will not be able to collect all amounts due, according to the original terms of receivables. 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.

(H) Investments and Other Financial Assets

From 1st July 2004 to 30th June 2005

The Regional Library has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1st July 2005. The Regional Library has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139.

Adjustments on Transition Date: 1st July 2005

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that, with the exception of held-to-maturity investments and loans and receivables which are measured at amortised cost (refer below), fair value is the measurement basis. Fair value is inclusive of transaction costs. Changes in fair value are either taken to the Income Statement or a reserve (refer below). At the date of transition (1st July 2005) changes to carrying amounts are taken to retained earnings or reserves.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(H) Investments and Other Financial Assets - (Continued)

From 1st July 2005

The Regional Library classifies its investments in the following categories, financial assets at fair value through profit or loss, loans and receivables held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Financial Assets at Fair Value through Profit or Loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss, on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held-for-trading or are expected to be realised within twelve (12) months of the Balance Sheet date.

Advances and Receivables

Advances and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Regional Library provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve (12) months after the Balance Sheet date, which are classified as Non-Current Assets. Advances and receivables, are included as receivables in the Balance Sheet.

Available-for-Sale Financial Assets - Continued

The Regional Library assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in profit and loss, and is removed from equity, and recognised in the Income Statement. Impairment losses recognised in the Income Statement upon equity instruments are not reversed through the Income Statement.

The Executive Council has an approved investment policy complying with Section 625 of the Local Government Act. Investments are placed and managed in accordance with that policy, and having particular regard to authorised investments prescribed under the Local Government Investment Order.

(I) 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 upon quoted market prices as at the Balance Sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Regional Library 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. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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 Regional Library for similar financial instruments.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(J) Infra-Structure, Property, Plant and Equipment

All infra-structure, property, plant and equipment is stated at cost, or deemed cost, less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset items.

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 the Regional Library and the cost of the item can be measured reliably. All other maintenance and repairs are charged to the Income Statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, nett of their residual values, over their estimated useful lives, as detailed hereunder:

Furniture and Fittings	5 to 6 years
Library Books, Video Cassettes etc.	5 to 6 years
Office Equipment	5 to 7 years

(K) Payables

These amounts represent liabilities for goods and services provided to the Regional Library prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within thirty (30) days of recognition.

(L) Employee Benefits

Salaries, Wages and Allowances, Annual Leave and Sick Leave

Liabilities for salaries, wages and allowances, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within twelve (12) months of the reporting date are recognised in the provision for employee benefits in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities, for non-accumulating sick leave, are recognised when the leave is taken, and measured at the rates paid or payable.

The total number of " equivalent full-time " employees, at the beginning and end of the financial year were, 4 and 4 respectively.

Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salary and wage levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Regional Library does not have the unconditional right to defer settlement, beyond twelve (12) months, the liability is recognised as a current liability.

Retirement Benefit Obligations

All employees of the Regional Library, are entitled to benefits on retirement, disability or death. The Regional Library contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

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

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(L) Employee Benefits - (Continued)

Retirement Benefit Obligations

However, when this information is not reliably available, the Regional Library accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below). The Local Government Superannuation Scheme has advised that it is unable to provide individual entities with an accurate split of their share of the Scheme's assets and liabilities, and therefore no asset or liability is recognised.

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.

(M) Rounding of Monetary Amounts

Unless otherwise indicated, amounts shown in these Financial Reports are in Australian currency, and are rounded to the nearest one (1) thousand dollars.

(N) Budget Information

The Income Statement provides budget information on major income and expenditure items. Details of material budget variations are detailed in Note No. 16. Note No. 2 (a) also provides budget information of revenues and expenditures of each function of the Regional Library. Budget figures represented, are those approved by the Executive Council as at the beginning of the financial year, and do not reflect Executive Council-approved variations throughout the current reporting period.

(O) Allocation between Current and Non-Current

In the determination of whether an asset or liability is 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 twelve (12) months, being the Regional Library's operational cycle. In the case of liabilities where the Regional Library does not have an unconditional right to defer settlement beyond twelve (12) months, such as vested long service leave, the liability is classified as current even if it is not expected to be settled within the next twelve (12) months. Inventories held for trading are classified as current even if they are not expected to be realised in the next twelve (12) months.

(P) New Accounting Standards and Urgent Issues Group Interpretations (UIG)

Certain new accounting standards and UIG interpretations have been published, and are not mandatory for 30th June 2006 reporting period. The Regional Library's assessment of the impact of these new standards and interpretations is detailed below.

UIG 4 Determining whether an Asset contains a Lease

UIG 4 is applicable to annual periods beginning on or after 1st January 2006. The Regional Library has not elected to adopt UIG 4 early. It will apply UIG 4 in its 2007 Financial Statements, and the UIG 4 transition provisions. The Regional Library will therefore apply UIG 4 on the basis of facts and circumstances, which existed as at 1st July 2006.

Implementation of UIG 4 is not expected to change the accounting, for any of the Regional Library's current arrangements.

UIG 5 Rights to interests arising from Decommissioning, Restoration and Rehabilitation Funds

The Regional Library does not have interests in decommissioning, restoration and rehabilitation funds. This interpretation will not affect the Regional Library's Financial Statements.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(P) New Accounting Standards and Urgent Issues Group Interpretations (UIG) - (Continued)

AASB 2005-9 Amendments to Australian Accounting Standards [AASB 4, AASB 132, AASB 139 & AASB 1023]

AASB 2005-9 is applicable to annual reporting periods beginning on or after 1st January 2006. The amendments relate to the accounting for financial guarantee contracts. The Regional Library has not entered into any financial guarantee contracts. There will be no effect upon the Regional Library's Financial Statements.

AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 1, AASB 4, AASB 101, AASB 114, AASB 117, AASB 132, AASB 133, AASB 139, AASB 1023 & AASB 1038]

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1st January 2007. The Regional Library has not adopted the standards early. Application of the standards will not affect any of the amounts recognised within the Financial Statements. However it will impact the type of information disclosed in the financial instruments.

UIG 6 Liabilities from participating in a specific market - Waste, Electrical and Electronic Equipment.

UIG 6 is applicable to annual reporting periods beginning on or after 1st December, 2006. The Regional Library has not sold any electric or electronic equipment on the European market, and has not incurred any associated liabilities. This interpretation will not affect the Regional Library's Financial Statements.

AASB 2005-6 Amendments to Australian Accounting Standards [AASB 121]

AASB 2005-6 is applicable to annual reporting periods beginning on or after 31st December, 2006. The amendment relates to monetary items which form part of a reporting entity's net investment in a foreign operation. It removes the requirement that such monetary items had to be denominated either in the functional currency of the reporting entity or the foreign operation. The Regional Library does not have any monetary items forming part of a net investment in a foreign operation. The amendment to AASB 121 will therefore have no impact on the Financial Statements.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 2 (a)

FUNCTIONS

Income, expenses and assets have been directly attributed to the following functions. Details of those functions are provided hereunder.													
FUNCTIONS	INCOME FROM CONTINUING OPERATIONS			EXPENSES FROM CONTINUING OPERATIONS			OPERATING RESULTS FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN REVENUES FROM CONTINUING OPERATIONS		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	Original Budget 2006 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)	Original Budget 2006 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)	Original Budget 2006 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)
Governance	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Order & Safety	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	0	0	0	0	0	0	0	0	0	0	0	0	0
Community Services & Education	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing & Community Amenities	0	0	0	0	0	0	0	0	0	0	0	0	0
Water Supplies Network	0	0	0	0	0	0	0	0	0	0	0	0	0
Sewerage Services Network	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation & Culture	267	273	283	283	300	291	(16)	(27)	(8)	3	11	236	279
Mining, Manufacturing & Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport & Communication	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic Affairs	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Functions	267	273	283	283	300	291	(16)	(27)	(8)	3	11	236	279
General Purpose Revenues *	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus / (Deficit) from all Functions	267	273	283	283	300	291	(16)	(27)	(8)	3	11	236	279

* Includes General Purpose Annual Rates and Charges (includes Ex-Gratia Payments in lieu of rates), Non-Capital General Purpose Grants and Interest and Investment Revenues.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 2 (b)

COMPONENTS OF FUNCTIONS

The activities relating to the Regional Library's functions, as reported upon within Note No. 2 (a), are as follows:

RECREATION AND CULTURE:

Public Libraries

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 3

REVENUES FROM CONTINUING OPERATIONS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) ANNUAL RATES AND CHARGES:		
Special Rates		
Regional Library Service	0	0
TOTAL SPECIAL RATES	0	0
TOTAL ANNUAL RATES AND CHARGES	0	0
(B) USER CHARGES AND FEES:		
Fees: -		
Discretionary Fees		
- Internet Charges	5	4
- Photocopying Fees	1	2
- Other	0	0
TOTAL FEES	6	6
TOTAL USER CHARGES AND FEES	6	6
(C) INTEREST AND INVESTMENT REVENUES:		
Investments	5	6
TOTAL INTEREST AND INVESTMENT REVENUES	5	6
(D) OTHER REVENUES:		
Fines and Costs	3	4
Sundry Sales and Services		
- Books, Magazines and Publications	1	1
- Old Materials	0	0
Other		
- Telephone and Postage Charges	1	1
TOTAL OTHER REVENUES	5	6

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 3 - (Continued)

REVENUES FROM CONTINUING OPERATIONS

	NON-CAPITAL Actual		CAPITAL Actual	
	2006 (\$'000)	2005 (\$'000)	2006 (\$'000)	2005 (\$'000)
(E) GRANTS:				
Specific Purposes				
- Special Projects (Community Promotions and Activities)	1	0	0	0
- Special Projects (Local)	0	0	2	11
TOTAL GRANTS	1	0	2	11
(F) CONTRIBUTIONS:				
Boorowa Shire Council	37	37	0	0
Harden Shire Council	55	55	0	0
Young Shire Council	162	161	0	0
Other	0	1	0	0
TOTAL CONTRIBUTIONS	254	254	0	0
TOTAL GRANTS AND CONTRIBUTIONS	255	254	2	11

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 3 - (Continued)

REVENUES FROM CONTINUING OPERATIONS

Grants, which were obtained on the condition they be expended for specific purposes, or in a future period, and have not yet been expended in accordance with those conditions, are detailed hereunder:

	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(G) GRANTS:			
Unexpended at the close of the previous reporting period			
- Library Development (Shelving and Signage)		2	4
- Special Projects (Local)		5	36
	6 (c)	7	40
Add: Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions			
- Library Development (Shelving and Signage)		0	0
- Special Projects (Local)		1	6
		1	6
Less: Expended during the current reporting period from revenues recognised in previous reporting periods			
- Library Development (Shelving and Signage)		(2)	(2)
- Special Projects (Local)		(2)	(37)
		(4)	(39)
Unexpended at the close of the current reporting period, and held as restricted assets			
- Library Development (Shelving and Signage)		0	2
- Special Projects (Local)		4	5
TOTAL GRANTS UN-EXPENDED	6 (c)	4	7
NETT INCREASE OR (DECREASE) IN RESTRICTED ASSETS IN THE CURRENT REPORTING PERIOD		(3)	(33)

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 4

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) EMPLOYEE BENEFITS AND ON-COSTS:		
Salaries, Wages and Allowances	133	138
Travelling Costs	1	1
Employees' Leave Entitlements	12	23
Superannuation	13	11
Training Costs (excluding Salaries, Wages and Allowances)	0	4
Other	4	2
Less: Capitalised and Distributed Employee Costs	(0)	(0)
TOTAL EMPLOYEE COSTS EXPENSED	163	179
(B) BORROWING COSTS:		
Interest	0	0
- Overdraft	0	0
TOTAL BORROWING COSTS EXPENSED	0	0
(C) MATERIALS AND CONTRACTS:		
Raw Materials and Consumables	16	19
Auditor's Remuneration		
- Audit Services	1	1
Consultants' Services	0	0
Legal Expenses		
- Other	0	0
Other	0	0
TOTAL MATERIALS AND CONTRACTS EXPENSED	17	20

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 4 - (Continued)

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(D) DEPRECIATION AND AMORTISATION COSTS:		
Office Equipment	8	5
Furniture and Fittings	7	5
Other Assets		
- Library Books	49	29
- Audio Visual Aids and Cassettes	9	8
Less: Capitalised and Distributed Depreciation Costs	0	0
TOTAL DEPRECIATION COSTS EXPENSED	73	47
(E) OTHER EXPENSES:		
Other expenses for the year, include the following:		
Advertising Expenses	1	2
Computer Expenses	3	3
Contributions and Donations	32	30
Insurance Costs		
- Premiums	2	2
Postage and Facsimiles	2	2
Printing and Stationery	2	3
Promotions and Trade Fairs	1	0
Telephone Rental and Charges	3	3
Other	1	0
TOTAL OTHER EXPENSES	47	45

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 5

NETT GAIN OR (LOSS) ON DISPOSAL OF ASSETS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) GAIN OR (LOSS) ON DISPOSAL OF PROPERTY:		
Proceeds from Asset Disposals	0	0
Less: Carrying amount of Asset Sales	0	0
NETT GAIN OR (LOSS) ON DISPOSAL	0	0
(B) GAIN OR (LOSS) ON DISPOSAL OF PLANT AND EQUIPMENT:		
Proceeds from Asset Disposals	0	0
Less: Carrying amount of Asset Sales	0	0
NETT GAIN OR (LOSS) ON DISPOSAL	0	0
TOTAL NETT GAIN OR (LOSS) ON DISPOSAL OF ASSETS	0	0

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 6 (a)

CASH AND CASH EQUIVALENTS

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
CASH AND CASH EQUIVALENTS:				
Cash-on-Hand and at-Bank	18	0	14	0
Cash-Equivalents	0	0	0	0
TOTAL CASH AND CASH EQUIVALENTS	18	0	14	0

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 6 (b)

INVESTMENTS

The Regional Library's financial assets held as investments, are detailed hereunder:-

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
INVESTMENTS:				
Financial Assets at Fair Value through Profit and Loss	40	0	64	0
Held-to-Maturity Investments	0	0	0	0
TOTAL INVESTMENTS	40	0	64	0
FINANCIAL ASSETS: - AT FAIR VALUE (THROUGH PROFIT AND LOSS)				
Balance as at the beginning of the Reporting Period	64	0	86	0
- Additions	0	0	0	0
- Disposals	(24)	0	(22)	0
Balance as at the end of the Reporting Period	40	0	64	0
<i>Held for Trading:</i>				
- Managed Funds	0	0	0	0
- Collateralised Debt Obligations	0	0	0	0
- Floating Rate Notes	40	0	64	0
<i>Designated:</i>				
- Listed Equity Securities	0	0	0	0
TOTAL FINANCIAL ASSETS AT FAIR VALUE	40	0	64	0

The term deposits, are bearing floating interest rates between 6.50 % and 8.00 % (2005 - 4.80 % and 8.29 %)

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 6 (c)

CASH, CASH EQUIVALENTS AND INVESTMENTS - RESTRICTED

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
CASH, CASH EQUIVALENTS AND INVESTMENTS:				
External Restrictions	4	0	7	0
Internal Restrictions	36	0	57	0
Unrestricted	18	0	14	0
TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS	58	0	78	0

DETAILS OF RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

		Balance as at 1st July, 2005 (\$'000)	Movements		Balance as at 30th June, 2006 (\$'000)
		Transfers to (\$'000)	Transfers from (\$'000)		
EXTERNAL RESTRICTIONS:					
Other - Included in Income					
Unexpended Grants - Specific Purposes	(a)	7	2	5	4
Other	(b)	0	0	0	0
TOTAL EXTERNAL RESTRICTIONS		7	2	5	4
INTERNAL RESTRICTIONS:					
Employees' Leave Entitlements		57	0	21	36
Other		0	0	0	0
TOTAL INTERNAL RESTRICTIONS		57	0	21	36
TOTAL RESTRICTED CASH AND INVESTMENTS		64	2	26	40

(a) Grants, which are not yet expended for the purposes for which they were obtained - refer to Note No. 3 (G) - " Conditions over Grants " .

(b) Other externally restricted moneys.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 7

RECEIVABLES

Purpose	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
RECEIVABLES:				
User Charges and Fees	0	0	0	0
Interest and Extra Charges	0	0	0	0
Accrued Interest on Investments	1	0	0	0
Government Grants and Subsidies	0	0	0	0
Other	0	0	0	0
Sub-Total	1	0	0	0
Less: Provision for Doubtful Debtors				
User Charges and Fees	0	0	0	0
Sub-Total	0	0	0	0
TOTAL RECEIVABLES	1	0	0	0

DETAILS OF RESTRICTED RECEIVABLES

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
EXTERNALLY RESTRICTED RECEIVABLES:				
Other	0	0	0	0
TOTAL EXTERNALLY RESTRICTED RECEIVABLES	0	0	0	0
Unrestricted Receivables	1	0	0	0
TOTAL RECEIVABLES	1	0	0	0

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 8

INVENTORIES AND OTHER ASSETS

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
INVENTORIES:				
Stores and Materials	0	0	0	0
TOTAL INVENTORIES	0	0	0	0
OTHER ASSETS:				
Pre-payments	0	0	0	0
TOTAL OTHER ASSETS	0	0	0	0

DETAILS OF EXTERNALLY RESTRICTED ASSETS

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
LIBRARY SERVICES:				
Stores and Materials	0	0	0	0
Pre-payments	0	0	0	0
TOTAL	0	0	0	0
TOTAL EXTERNALLY RESTRICTED ASSETS	0	0	0	0

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 9 (a)

INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT

BY ASSET TYPE	as at 1st July, 2005			MOVEMENTS DURING THE YEAR			as at 30th June, 2006		
	At Cost	Accumulated Depreciation	Written-Down Value	Asset Acquisitions	Asset Disposals	Depreciation	At Cost	Accumulated Depreciation	Written-Down Value
Office Equipment	129	106	23	1	0	8	130	114	16
Furniture and Fittings	63	35	28	1	0	7	64	42	22
Other Assets									
- Library Books	481	360	121	43	0	49	524	409	115
- Audio Visual Aids and Cassettes	75	46	29	4	0	9	79	55	24
TOTAL	748	547	201	49	0	73	797	620	177

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 10 (a)

PAYABLES, INTEREST BEARING LIABILITIES AND PROVISIONS

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
PAYABLES:				
Goods and Services	2	0	2	0
Payments Received in Advance	0	0	0	0
Accrued Expenses	0	0	0	0
Deposits and Retentions	0	0	0	0
Other	0	0	0	0
TOTAL PAYABLES	2	0	2	0
INTEREST BEARING LIABILITIES:				
Bank Overdraft Facility	0	0	0	0
Loans				
- Secured	0	0	0	0
TOTAL INTEREST BEARING LIABILITIES	0	0	0	0
PROVISIONS:				
Annual Leave ⁽¹⁾	15	0	21	0
Long Service Leave ⁽¹⁾	20	1	30	0
Sick Leave - Gratuities ⁽¹⁾	0	0	1	0
TOTAL PROVISIONS	35	1	52	0

DETAILS OF RESTRICTED LIABILITIES

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
EXTERNALLY RESTRICTED LIABILITIES:				
Other	0	0	0	0
TOTAL EXTERNALLY RESTRICTED LIABILITIES	0	0	0	0

(1) Vested Employees' Leave Entitlements, have been determined as a current provision - refer to Note No. 1 (L).

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 10 (b)

DESCRIPTION AND MOVEMENTS IN PROVISIONS

Class of Provision	Balance as at 1st July, 2005 (\$'000)	Movements		Balance as at 30th June, 2006 (\$'000)
		Transfers to (\$'000)	Transfers from (\$'000)	
PROVISIONS:				
Employees' Leave Entitlements				
- Annual Leave	21	6	12	15
- Long Service Leave	31	4	14	21
- Sick Leave (Gratuities)	1	0	1	0
TOTAL PROVISIONS	53	10	27	36

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 11

RECONCILIATION OF CASH FLOW MOVEMENTS

	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) RECONCILIATION OF CASH ASSETS:			
Total Cash, Cash Equivalents and Investments	6 (c)	58	78
Less: Bank Overdraft Facility	10 (a)	0	0
BALANCE AS PER STATEMENT OF CASH FLOW		58	78
(B) RECONCILIATION OF NETT OPERATING RESULT TO CASH, PROVIDED FROM CONTINUING OPERATIONS:			
Nett Operating Result from Income Statement		(27)	(8)
Add: Depreciation and Amortisation Costs		73	47
Decrease - Inventories		0	0
Decrease - Receivables		0	0
Decrease - Other Current Assets		0	0
Increase - Accrued Interest (Payable)		0	0
Increase - Employees' Leave Entitlements		0	11
Increase - Payables		1	0
Increase - Provision for Doubtful Debtors		0	0
Sub-Total		47	50
Less: Decrease - Accrued Interest (Payable)		0	0
Decrease - Employees' Leave Entitlements		(17)	0
Decrease - Payables		0	0
Decrease - Provision for Doubtful Debtors		0	0
Increase - Inventories		0	0
Increase - Receivables		(1)	0
Increase - Other Current Assets		0	0
Non-Cash Grants and Contributions		0	0
Nett Gain - Disposal of Assets		0	0
Sub-Total		(18)	0
NETT CASH PROVIDED FROM CONTINUING OPERATIONS		29	50

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 11 - (Continued)

STATEMENT OF CASH FLOWS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(C) NON-CASH FINANCING AND INVESTING ACTIVITIES:		
The following Non-Cash Grants were received, during the reporting period:		
Grants - Non-Capital		
Library Services	0	0
	<u>0</u>	<u>0</u>
Grants - Capital		
Library Services	0	0
	<u>0</u>	<u>0</u>
(D) FINANCING ARRANGEMENTS:		
Unrestricted access was available, as at balance date, to the following:		
Bank Overdraft Facility *	0	0
Corporate Credit Cards	0	0
	<u>0</u>	<u>0</u>

* NOTE: - The Bank Overdraft Facility may be drawn upon at any time, and may be terminated by the Bank, without notice. Interest rates upon the Bank Overdraft Facility are variable, whilst the rates for loans, are fixed for the period of the loans.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 12

COMMITMENTS FOR EXPENDITURE

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) SERVICE COMMITMENTS:		
Other non-capital expenditure committed for as at the reporting date, and not recognised within the Annual Financial Statements as liabilities, are as follows:		
Auditor's Remuneration	1	3
	1	3
Not later than one (1) year	1	2
Later than one (1) year and not later than two (2) years	0	1
Later than two (2) years and not later than five (5) years	0	0
	1	3
(B) OPERATING LEASE COMMITMENTS:		
Commitments under non-cancellable operating leases as at the reporting date, and not recognised within the Annual Financial Statements as payables, are as follows:		
Not later than one (1) year	0	0
Later than one (1) year and not later than two (2) years	0	0
Later than two (2) years and not later than five (5) years	0	0
	0	0
(C) REMUNERATION COMMITMENTS:		
Commitments for the payment of salaries and other remuneration, under long-term employment contracts, in existence as at the reporting date, and not recognised within the Annual Financial Statements as liabilities, are as follows:		
Not later than one (1) year	0	0
Later than one (1) year and not later than two (2) years	0	0
Later than two (2) years and not later than five (5) years	0	0
	0	0

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 13

STATEMENT OF PERFORMANCE MEASUREMENT

	Amounts (\$'000)	Indicators	2006 12 Months	2005 12 Months	2004 12 Months	2003 12 Months
1 CURRENT RATIO:						
<i>Factors</i>						
<u>Current Assets</u>	<u>59</u>	Ratio	<u>1.58</u>	<u>1.44</u>	<u>2.37</u>	<u>3.46</u>
<u>Current Liabilities</u>	<u>37</u>					

To assess the adequacy of Working Capital and the ability to satisfy obligations in the short-term from Continuing Operations.

2 UNRESTRICTED CURRENT RATIO: *Factors*

<u>Current Assets less All External Restrictions</u>	<u>55</u>	Ratio	<u>4.23</u>	<u>2.60</u>	<u>5.35</u>	<u>9.06</u>
<u>Current Liabilities less Specific Purpose Liabilities</u>	<u>13</u>					

To assess the adequacy of Working Capital and the ability to satisfy obligations in the short-term from Unrestricted Continuing Operations.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 30th June, 2006**

Note No. 14

INVESTMENT PROPERTIES

In accordance with the definition, as prescribed within AASB 140, the South-West Regional Library has determined it does **not** care, control, manage, maintain, or possess any investment properties.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 15

FINANCIAL INSTRUMENTS

INTEREST RATE RISK EXPOSURES:

The Regional Library's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below. Exposure arises, predominantly from assets and liabilities bearing variable interest rates, which the Regional Library intends to hold, as fixed rate assets and liabilities to maturity.

2006	Floating Interest Rate (\$'000)	Fixed Interest Maturing			Non - Interest Bearing (\$'000)	Total (\$'000)
		< 1 year (\$'000)	> 1 year < 5 years (\$'000)	> 5 years (\$'000)		
FINANCIAL ASSETS:						
Cash and Cash Equivalents	18	0	0	0	0	18
Investments	0	40	0	0	0	40
Receivables	0	0	0	0	1	1
Other Financial Assets	0	0	0	0	0	0
TOTAL	18	40	0	0	1	59
Weighted Average Interest Rate	3.05 %	5.09 %	0.00 %	0.00 %	0.00 %	
FINANCIAL LIABILITIES:						
Payables	0	0	0	0	(2)	(2)
Interest Bearing Liabilities	0	0	0	0	0	0
Other Financial Liabilities	0	0	0	0	0	0
TOTAL	0	0	0	0	(2)	(2)
Weighted Average Interest Rate	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
NETT FINANCIAL ASSETS	18	40	0	0	(1)	57

2005	Floating Interest Rate (\$'000)	Fixed Interest Maturing			Non - Interest Bearing (\$'000)	Total (\$'000)
		< 1 year (\$'000)	> 1 year < 5 years (\$'000)	> 5 years (\$'000)		
FINANCIAL ASSETS:						
Cash and Cash Equivalents	14	0	0	0	0	14
Investments	0	64	0	0	0	64
Receivables	0	0	0	0	0	0
Other Financial Assets	0	0	0	0	0	0
TOTAL	14	64	0	0	0	78
Weighted Average Interest Rate	2.55 %	6.48 %	0.00 %	0.00 %	0.00 %	
FINANCIAL LIABILITIES:						
Payables	0	0	0	0	(2)	(2)
Interest Bearing Liabilities	0	0	0	0	0	0
Other Financial Liabilities	0	0	0	0	0	0
TOTAL	0	0	0	0	(2)	(2)
Weighted Average Interest Rate	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
NETT FINANCIAL ASSETS	14	64	0	0	(2)	76

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 15 - (Continued)

FINANCIAL INSTRUMENTS

(B) NETT FAIR VALUE OF FINANCIAL ASSETS:

The aggregate nett fair values of the Regional Library's financial assets and financial liabilities, are detailed hereunder:-

	Actual 2006	Actual 2005		
	Carrying Amount	Aggregate Nett Fair Value	Carrying Amount	Aggregate Nett Fair Value
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
FINANCIAL ASSETS:				
Cash and Cash Equivalents	18	18	14	14
Investments	40	40	64	64
Receivables	1	1	0	0
Other Financial Assets	0	0	0	0
	59	59	78	78
FINANCIAL LIABILITIES:				
Payables	(2)	(2)	(2)	(2)
Interest Bearing Liabilities	0	0	0	0
Other Financial Liabilities	0	0	0	0
	(2)	(2)	(2)	(2)
NETT FINANCIAL ASSETS	57	57	76	76

(C) CREDIT RISK:

The credit risk of financial assets, excluding investments, is the carrying amount, nett of any provision for doubtful debtors.

The Executive Council has an investment policy, which seeks to minimise the risk of capital loss. Investments, are placed in accordance with the Local Government Investment Order, which restricts investments to securities, carrying a credit rating of " A ", or better.

There is no significant concentration of credit risk, to any single debtor or group of debtors.

(D) POLICIES:

Accounting policies, with respect to financial assets and financial liabilities, are described within Note. No. 1.

(E) TERMS AND CONDITIONS:

Terms and conditions, associated with financial assets and financial liabilities, which may significantly affect the amount, timing and certainty of future cash flows, are detailed below:

(i) Investments

Certain investments are " capital guaranteed ", if the Regional Library holds the investment for an extended period of time. However, should the Regional Library desire to redeem the investment before this time, there may be a risk the capital investment may be not fully recouped. The Regional Library does **not** hold investments, which are subject to these conditions.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 16

MATERIAL BUDGET VARIATIONS

The Original Budget Estimates, was incorporated as part of the Management Plan, adopted by the Executive Council on 15th June, 2005. The original projections upon which the budget was based, have been affected by a number of factors, including levels of funding from the State Government towards certain projects, changing economic activity, climatic conditions and specific decisions made by the Regional Library, with regard to its operations for the current reporting period.

This Note, discloses details of material variations, between the original budget and actual results, for the Income Statement. Material variances, being favourable (F) or unfavourable (U), represent amounts of 10.00 % or more in excess of the adopted annual budget.

EXPENSES:

Expenses from Continuing Operations for the current year were over-budget by an amount of \$17,776 (U) (6.29 %).

However, although it is considered the variation is not material, details pertaining to variations within a number of categories, is relevant.

1 Depreciation and Amortisation Costs

Actual Depreciation Expenditure, was over-budget by an amount of (\$11,652) (U) (18.90 %).

The depreciation rates upon library books, audio visual equipment and compact discs were re-evaluated to reflect a realistic life expectancy upon these asset categories.

INCOME:

Income from Continuing Operations for the current year was over-budget by an amount of \$5,966 (F) (2.24 %).

However, although it is considered the variation is not material, details pertaining to variations within a number of categories, is relevant.

2 Interest and Investment Revenues

Actual Interest and Investment Revenues received during the year, was over-budget by an amount of \$1,905 (F) (72.55 %).

A continued aggressive approach, had been undertaken to maximise revenues, with regard to the Regional Library's investments portfolio.

3 Grants - Capital Purposes

Actual Grants for Capital Purposes received during the year, was over-budget by an amount of \$2,308 (F).

The Regional Library did not anticipate funds would be forthcoming from the State Library Service of N.S.W. for the following:

Special Projects - Local	\$	2,308 (F)
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SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 17

STATEMENT OF CONTRIBUTIONS PLANS

Details pertaining to this Note, are not relevant to the South-West Regional Library.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 30th June, 2006**

Note No. 18

CONTINGENCIES

CONTINGENT ASSETS:

The South-West Regional Library has **no** contingent assets, as at the end of the reporting period.

CONTINGENT LIABILITIES:

The South-West Regional Library has **no** contingent liabilities, as at the end of the reporting period.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 19

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Details pertaining to this Note, are not relevant to the South-West Regional Library.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 20

RE-VALUATION RESERVES AND RETAINED EARNINGS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) REVALUATION RESERVES:		
Revaluation Reserve		
- Infra-Structure, Property, Plant and Equipment	0	0
- Available-for-Sale Investments	0	0
TOTAL REVALUATION RESERVES	0	0
<i>Infra-Structure, Property, Plant and Equipment Revaluation Reserve</i>		
Balance as at the beginning of the Reporting Period	0	0
- Gross Revaluation	0	0
- Gross Depreciation Transfer	0	0
BALANCE AS AT THE END OF THE REPORTING PERIOD	0	0
<i>Available-for-Sale Investments Revaluation Reserve</i>		
Balance as at the beginning of the Reporting Period	0	0
- Adjustment following adoption of AASB 132 and AASB 139	0	0
- Gross - Revaluation	0	0
- Gross - Transfer to Nett Profit	0	0
BALANCE AS AT THE END OF THE REPORTING PERIOD	0	0
(B) RETAINED EARNINGS:		
<i>Movements in Retained Earnings is as follows:-</i>		
Balance as at the beginning of the Reporting Period	225	233
- Adjustment following adoption of AASB 132 and AASB 139	0	(1)
- Nett Operating Result for the year	(27)	(7)
BALANCE AS AT THE END OF THE REPORTING PERIOD	198	225

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

(1) Reconciliation of Equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to Equity under Australian Equivalents to IFRS (AIFRS).

(a) As at the date of transition to AIFRS: 1st July, 2004.

	Notes	Previous AGAAP (\$'000)	Effect of Transition to AIFRS (\$'000)	2004 to AIFRS (\$'000)
CURRENT ASSETS:				
Cash and Cash Equivalents		13	0	13
Investments		86	0	86
Receivables		0	0	0
Inventories		0	0	0
Other		0	0	0
TOTAL CURRENT ASSETS		99	0	99
NON-CURRENT ASSETS:				
Investments		0	0	0
Receivables		0	0	0
Infra-Structure, Property, Plant and Equipment		177	0	177
TOTAL NON-CURRENT ASSETS		177	0	177
TOTAL ASSETS		276	0	276
CURRENT LIABILITIES:				
Payables		2	0	2
Interest Bearing Liabilities		0	0	0
Provisions	1	13	27	40
TOTAL CURRENT LIABILITIES		15	27	42
NON-CURRENT LIABILITIES:				
Payables		0	0	0
Interest Bearing Liabilities		0	0	0
Provisions	2	33	(32)	1
TOTAL NON-CURRENT LIABILITIES		33	(32)	1
TOTAL LIABILITIES		48	(5)	43
TOTAL NETT ASSETS		228	5	233
RETAINED EARNINGS:				
Retained Earnings - Accumulated		227	0	227
Surplus / (Deficit) - Current Year	3	1	5	6
TOTAL RETAINED EARNINGS		228	5	233

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

ASSOCIATED NOTES TO THE RECONCILIATION:

1 Provision - Current

Increased by \$31,682, being the transfer of Employees' Leave Entitlements from non-current to current. This represents a requirement to disclose liabilities as current, where there is no unconditional right to defer, beyond twelve (12) months.

Dr.	Employees' Leave Entitlements - Provision (Non-Current)	\$31,682	
Cr.	Employees' Leave Entitlements - Provision (Current)		\$26,949
Cr.	Employees' Leave Entitlements - Expense		\$4,733

2 Provision - Non-Current

Decreased by \$31,682, due to the re-definition of current Employees' Leave Entitlements - refer to 1 above.

3 Retained Earnings

Increased by \$4,733, due to the re-definition of the provision for future Employees' Leave Entitlements.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 21

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

(2) Reconciliation of Operating Result under previous Australian Generally Accepted Accounting Principles (AGAAP) to the Operating Result under Australian Equivalents to IFRS (AIFRS).

(a) Reconciliation of the Operating Result for the year ended 30th June, 2005.

	Notes	Previous AGAAP (\$'000)	Effect of Transition to AIFRS (\$'000)	2005 to AIFRS (\$'000)
INCOME FROM CONTINUING OPERATIONS:				
Revenues				
Annual Rates and Charges		0	0	0
User Charges and Fees		6	0	6
Interest and Investment Revenues		6	0	6
Non-Capital Purposes - Grants		0	0	0
Non-Capital Purposes - Contributions		254	0	254
Capital Purposes - Grants		11	0	11
Capital Purposes - Contributions		0	0	0
Other Revenues		6	0	6
Sub-Total		283	0	283
Other Income				
Nett Gain - Disposal of Assets		0	0	0
Sub-Total		0	0	0
TOTAL INCOME FROM CONTINUING OPERATIONS		283	0	283
EXPENSES FROM CONTINUING OPERATIONS:				
Expenses				
Employee Benefits and On-Costs	4	178	1	179
Borrowing Costs		0	0	0
Materials and Contracts		20	0	20
Depreciation and Amortisation Costs		47	0	47
Other Expenses		45	0	45
TOTAL EXPENSES FROM CONTINUING OPERATIONS		290	1	291
OPERATING RESULT FROM CONTINUING OPERATIONS	5	(7)	(1)	(8)
ATTRIBUTABLE TO:				
Regional Library		(7)	(1)	(8)
Minority Interests		0	0	0
NETT OPERATING RESULT FOR THE YEAR		(7)	(1)	(8)
NETT OPERATING RESULT FOR THE YEAR PRIOR TO THE PROVISION OF GRANTS AND CONTRIBUTIONS FOR CAPITAL PURPOSES		(18)	(1)	(19)

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

ASSOCIATED NOTES TO THE RECONCILIATION:

4 Employees' Leave Entitlements

Increased by \$557, due to the re-definition of the provision for future Employees' Leave Entitlements.

5 Total Impact upon the Nett Operating Result for the Year

Operating Deficit increased by \$557, due to the re-definition of current Employees' Leave Entitlements - refer to 4 above.

6 Provision - Current

Increased by \$43,591, being the transfer of Employees' Leave Entitlements from non-current to current. This represents a requirement to disclose liabilities as current, where there is no unconditional right to defer, beyond twelve (12) months.

Dr.	2003 / 2004 Employees' Leave Entitlements - Provision (Non-Current)	\$31,682	
Cr.	2003 / 2004 Employees' Leave Entitlements - Provision (Current)		\$26,949
Cr.	2003 / 2004 Employees' Leave Entitlements - Expense		\$4,733
Dr.	2004 / 2005 Employees' Leave Entitlements - Expense	\$557	
Dr.	2004 / 2005 Employees' Leave Entitlements - Provision (Non-Current)	\$16,085	
Cr.	2004 / 2005 Employees' Leave Entitlements - Provision (Current)		\$16,642

7 Provision - Non-Current

Decreased by \$47,767, due to the re-definition of current Employees' Leave Entitlements - refer to 6 above.

8 Retained Earnings

Decreased by \$4,176, due to the re-definition of the provision for future Employees' Leave Entitlements.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

(b) As at the end of the last reporting period under previous AGAAP: 30th June, 2005

	Notes	Previous AGAAP (\$'000)	Effect of Transition to AIFRS (\$'000)	2005 to AIFRS (\$'000)
CURRENT ASSETS:				
Cash and Cash Equivalents		14	0	14
Investments		64	0	64
Receivables		0	0	0
Inventories		0	0	0
Other		0	0	0
TOTAL CURRENT ASSETS		78	0	78
NON-CURRENT ASSETS:				
Investments		0	0	0
Receivables		0	0	0
Infra-Structure, Property, Plant and Equipment		201	0	201
TOTAL NON-CURRENT ASSETS		201	0	201
TOTAL ASSETS		279	0	279
CURRENT LIABILITIES:				
Payables		2	0	2
Interest Bearing Liabilities		0	0	0
Provisions	6	9	43	52
TOTAL CURRENT LIABILITIES		11	43	54
NON-CURRENT LIABILITIES:				
Payables		0	0	0
Interest Bearing Liabilities		0	0	0
Provisions	7	47	(47)	0
TOTAL NON-CURRENT LIABILITIES		47	(47)	0
TOTAL LIABILITIES		58	(4)	54
TOTAL NETT ASSETS		221	4	225
RETAINED EARNINGS:				
Retained Earnings - Accumulated		228	5	233
Surplus / (Deficit) - Current Year	8	(7)	(1)	(8)
TOTAL RETAINED EARNINGS		221	4	225

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

(3) Reconciliation of Statement of Cash Flow for the year ended 30th June, 2006.

The adoption of AIFRS has not resulted in any material adjustments to the Statement of Cash Flow.

SOUTH-WEST REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

- (4) **Adjustments on transition to AASB 132 and AASB 139. (Financial Instruments: Disclosure and Presentation, and Financial Instruments: Recognition and Measurement as at 1 st July, 2005)**

The adoption of AIFRS has not resulted in any material adjustments to the Financial Instruments Disclosures.