

**SOUTH-WEST  
REGIONAL LIBRARY**

**GENERAL PURPOSE  
FINANCIAL  
STATEMENTS**

**YEAR ENDED**

**30th June, 2007**

# ***SOUTH-WEST REGIONAL LIBRARY***

## **GENERAL PURPOSE FINANCIAL REPORT** for the year ended 30th June, 2007

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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 19th September, 2007. 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, 2007**

### **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, these reports;**

- ( 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 these reports false, or misleading, in any way.**

**Signed, in accordance with a resolution of the Executive Council, made on 19th September, 2007.**

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**Cr. Gerald P. BAILEY  
MAYOR**

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**Adrian G. HANRAHAN  
GENERAL MANAGER**

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**Cr. John B. McGREGOR  
COUNCILLOR**

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**Donald D. WITHERS  
RESPONSIBLE ACCOUNTING OFFICER**

# SOUTH-WEST REGIONAL LIBRARY

## GENERAL PURPOSE FINANCIAL REPORT

for the year ended 30th June, 2007

### INCOME STATEMENT

Original Budget 2007 ( \$'000 )	*	Notes	Actual 2007 ( \$'000 )	Actual 2006 ( \$'000 )
<b>INCOME FROM CONTINUING OPERATIONS:</b>				
<b>Revenues</b>				
6		3 ( B )	9	6
3		3 ( C )	2	5
0		3 ( E )	0	1
270		3 ( F )	270	254
0		3 ( E )	0	2
0		3 ( F )	0	0
5		3 ( D )	5	5
<b>284</b>			<b>286</b>	<b>273</b>
<b>Other Income</b>				
0		5	0	0
<b>0</b>			<b>0</b>	<b>0</b>
<b>284</b>			<b>286</b>	<b>273</b>
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>				
<b>EXPENSES FROM CONTINUING OPERATIONS:</b>				
<b>Expenses</b>				
179		4 ( A )	173	163
0		4 ( B )	0	0
16		4 ( C )	18	17
68		4 ( D )	69	73
47		4 ( E )	47	47
<b>310</b>			<b>307</b>	<b>300</b>
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>				
<b>( 26 )</b>			<b>( 21 )</b>	<b>( 27 )</b>
<b>OPERATING RESULT FROM CONTINUING OPERATIONS</b>				
<b>ATTRIBUTABLE TO:</b>				
( 26 )			( 21 )	( 27 )
0			0	0
<b>( 26 )</b>			<b>( 21 )</b>	<b>( 27 )</b>
<b>NETT OPERATING RESULT FOR THE YEAR</b>				
<b>NETT OPERATING RESULT FOR THE YEAR PRIOR TO THE PROVISION OF GRANTS AND CONTRIBUTIONS FOR CAPITAL PURPOSES</b>				
<b>( 26 )</b>			<b>( 21 )</b>	<b>( 29 )</b>

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 21st June, 2006 - refer to Note No. 16.

# ***SOUTH-WEST REGIONAL LIBRARY***

## **GENERAL PURPOSE FINANCIAL REPORT**

as at 30th June, 2007

### **BALANCE SHEET**

	Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	6 (a)	22	18
Investments	6 (b)	41	40
Receivables	7	0	1
Inventories	8	0	0
Other	8	0	0
<b>TOTAL CURRENT ASSETS</b>		<b>63</b>	<b>59</b>
<b>NON-CURRENT ASSETS:</b>			
Investments	6 (b)	0	0
Receivables	7	0	0
Infra-Structure, Property, Plant and Equipment	9	154	177
<b>TOTAL NON-CURRENT ASSETS</b>		<b>154</b>	<b>177</b>
<b>TOTAL ASSETS</b>		<b>217</b>	<b>236</b>
<b>CURRENT LIABILITIES:</b>			
Payables	10 (a)	8	2
Interest Bearing Liabilities	10 (a)	0	0
Provisions			
- Payable less than 12 months	10 (a)	11	11
- Payable greater than 12 months	10 (a)	20	24
<b>TOTAL CURRENT LIABILITIES</b>		<b>39</b>	<b>37</b>
<b>NON-CURRENT LIABILITIES:</b>			
Payables	10 (a)	0	0
Interest Bearing Liabilities	10 (a)	0	0
Provisions	10 (a)	1	1
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1</b>	<b>1</b>
<b>TOTAL LIABILITIES</b>		<b>40</b>	<b>38</b>
<b>TOTAL NETT ASSETS</b>		<b>177</b>	<b>198</b>
<b>EQUITY:</b>			
Retained Earnings - Accumulated	20	198	225
Surplus / ( Deficit ) - Current Year	20	( 21 )	( 27 )
<b>TOTAL EQUITY</b>		<b>177</b>	<b>198</b>

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, 2007

### **STATEMENT OF CHANGES IN EQUITY**

	<b>2007</b>		<b>2006</b>	
	<b>Accumulated Surplus (\$'000)</b>	<b>Total Equity (\$'000)</b>	<b>Accumulated Surplus (\$'000)</b>	<b>Total Equity (\$'000)</b>
<b>Balance as at the beginning of the Reporting Period</b>	<b>198</b>	<b>198</b>	<b>225</b>	<b>225</b>
Nett Operating Result for the year	( 21 )	( 21 )	( 27 )	( 27 )
<b>Balance as at the end of the Reporting Period</b>	<b>177</b>	<b>177</b>	<b>198</b>	<b>198</b>

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, 2007

### STATEMENT OF CASH FLOW

Original Budget 2007 ( \$'000 )		Notes	Actual 2007 ( \$'000 )	Actual 2006 ( \$'000 )
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
	<b>Receipts</b>			
6	User Charges and Fees		9	6
3	Interest and Investment Revenues		4	4
270	Grants and Contributions		269	257
5	Other		5	5
<b>284</b>			<b>287</b>	<b>272</b>
	<b>Payments</b>			
( 179 )	Employee Benefits and On-Costs		( 177 )	( 179 )
( 16 )	Materials and Contracts		( 12 )	( 17 )
0	Borrowing Costs		0	0
( 47 )	Other		( 47 )	( 47 )
<b>( 242 )</b>			<b>( 236 )</b>	<b>( 243 )</b>
<b>42</b>	<b>NETT CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>11 ( B )</b>	<b>51</b>	<b>29</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
	<b>Receipts</b>			
0	Infra-Structure, Property, Plant and Equipment		0	0
<b>0</b>			<b>0</b>	<b>0</b>
	<b>Payments</b>			
( 49 )			( 46 )	( 49 )
<b>( 49 )</b>			<b>( 46 )</b>	<b>( 49 )</b>
<b>( 49 )</b>	<b>NETT CASH USED IN INVESTING ACTIVITIES</b>		<b>( 46 )</b>	<b>( 49 )</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
	<b>Receipts</b>			
0	Borrowing's		0	0
<b>0</b>			<b>0</b>	<b>0</b>
	<b>Payments</b>			
0	Borrowing's		0	0
<b>0</b>			<b>0</b>	<b>0</b>
<b>0</b>	<b>NETT CASH USED IN FINANCING ACTIVITIES</b>		<b>0</b>	<b>0</b>
	<b>CASH, CASH EQUIVALENTS AND INVESTMENTS:</b>			
58	Beginning of the Current Reporting Period		58	78
( 8 )	Nett increase ( decrease ) in Cash, Cash Equivalents and Investments		5	( 20 )
<b>50</b>	<b>END OF THE CURRENT REPORTING PERIOD</b>	<b>11 ( A )</b>	<b>63</b>	<b>58</b>

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, 2007

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# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007**

### **Note No. 1**

#### **SIGNIFICANT ACCOUNTING POLICIES**

A Statement, summarising the significant accounting policies adopted by the Regional Library, are detailed as follows:-

#### **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, 2007.

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 the Australian Equivalents to International Financial Reporting Standards ( AIFRS ), other authoritative pronouncements of the Australian Accounting Standards Board ( AASB ), Urgent Issues Group Interpretations, the Local Government Act ( 1993 ) and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

##### **Australian Accounting Standard 27**

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

##### **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 infra-structure, 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 the Regional Library's 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:

##### **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.

##### **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, 2007**

### **Note No. 1 - ( Continued )**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **( B ) REVENUE RECOGNITION:- ( Continued )**

###### **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.

###### **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.

##### **( C ) 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.

##### **( D ) 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.

##### **( E ) 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.

##### **( 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.

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007**

### **Note No. 1 - ( Continued )**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **(G) INVESTMENTS AND OTHER FINANCIAL ASSETS:**

###### **Classification**

The Regional Library classifies its investments in the following categories, financial assets at fair value through profit or loss, advances 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.

###### **Held-to-Maturity Investments**

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

###### **Available-for-Sale Financial Assets**

Available-for-sale financial assets, comprising principally marketable securities, are non-derivatives, that are either designated in this category, or are not classified within any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment, within twelve ( 12 ) months of the Balance Sheet date.

###### **Recognition and Derecognition**

Regular purchases and sales of financial assets are recognised on trade-date, being the date on which the Regional Library commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Regional Library has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

###### **Impairment**

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. Recognition of impairment losses upon equity instruments, are not reversed through the Income Statement.

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007**

### **Note No. 1 - ( Continued )**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **( G ) INVESTMENTS AND OTHER FINANCIAL ASSETS: - ( Continued )**

###### **Subsequent Measurement**

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

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the Income Statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the Income Statement as part of revenue from continuing operations when the Regional Library's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in Equity.

###### **Fair Value**

The fair values of quoted investments, are based on current bid prices. If the market for a financial asset is not active ( and for un-listed securities ), the Regional Library establishes fair value by using valuation techniques. These include, reference to the fair values of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making inputs and relying as little as possible on entity-specific inputs.

##### **( H ) INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT:**

All infra-structure, property, plant and equipment is stated at cost, less depreciation. Cost includes expenditure which 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

##### **( 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.

##### **( J ) 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.

##### **( K ) ROUNDING OF AMOUNTS:**

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

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007**

### **Note No. 1 - ( Continued )**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **( 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 3 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**

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. Therefore no asset or liability is recognised.

Contributions to defined contribution plans are recognised as an expense, as they become payable. Pre-paid contributions are recognised as an asset, to the extent that a cash refund or a reduction in the future payments, is available.

##### **( M ) 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.

##### **( N ) 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.

##### **( O ) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS:**

Certain new Accounting Standards and Urgent Issues Group interpretations have been published, and are not mandatory for 30th June, 2007 reporting period. The Regional Library's assessment of the impact of these new standards and interpretations is detailed below.

###### **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 upon the type of information disclosed within the financial instruments.

# SOUTH-WEST REGIONAL LIBRARY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

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 RESULT FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN REVENUES FROM CONTINUING OPERATIONS		TOTAL ASSETS HELD ( CURRENT AND NON-CURRENT )	
	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)
	Governance	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	284	286	273	310	307	300	( 26 )	( 21 )	( 27 )	0	3	217	236
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
<b>Total Functions</b>	<b>284</b>	<b>286</b>	<b>273</b>	<b>310</b>	<b>307</b>	<b>300</b>	<b>( 26 )</b>	<b>( 21 )</b>	<b>( 27 )</b>	<b>0</b>	<b>3</b>	<b>217</b>	<b>236</b>
General Purpose Revenues *	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Surplus / ( Deficit ) from all Functions</b>	<b>284</b>	<b>286</b>	<b>273</b>	<b>310</b>	<b>307</b>	<b>300</b>	<b>( 26 )</b>	<b>( 21 )</b>	<b>( 27 )</b>	<b>0</b>	<b>3</b>	<b>217</b>	<b>236</b>

\* 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, 2007**

**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, 2007

Note No. 3

### **REVENUES FROM CONTINUING OPERATIONS**

	<b>Actual 2007 (\$'000)</b>	<b>Actual 2006 (\$'000)</b>
<b>(A) USER CHARGES AND FEES:</b>		
<b>Fees:-</b>		
Discretionary Fees		
- Internet Charges	7	5
- Photocopying Fees	2	1
- Other	0	0
<b>TOTAL FEES</b>	<b>9</b>	<b>6</b>
<b>TOTAL USER CHARGES AND FEES</b>	<b>9</b>	<b>6</b>
<b>(B) INTEREST AND INVESTMENT REVENUES:</b>		
Investments	2	5
<b>TOTAL INTEREST AND INVESTMENT REVENUES</b>	<b>2</b>	<b>5</b>
<b>(C) OTHER REVENUES:</b>		
Fines and Costs	3	3
Sundry Sales and Services		
- Books, Magazines and Publications	1	1
- Old Materials	0	0
Other		
- Telephone and Postage Charges	1	1
<b>TOTAL OTHER REVENUES</b>	<b>5</b>	<b>5</b>



# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30th June, 2007

Note No. 3 - ( Continued )

### **REVENUES FROM CONTINUING OPERATIONS**

	NON-CAPITAL Actual		CAPITAL Actual	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
<b>(D) GRANTS:</b>				
Specific Purposes				
- Special Projects ( Community Promotions and Activities )	0	1	0	0
- Special Projects ( Local )	0	0	0	2
<b>TOTAL GRANTS</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>
<b>(E) CONTRIBUTIONS:</b>				
Boorowa Shire Council	42	37	0	0
Harden Shire Council	60	55	0	0
Young Shire Council	167	162	0	0
Other	1	0	0	0
<b>TOTAL CONTRIBUTIONS</b>	<b>270</b>	<b>254</b>	<b>0</b>	<b>0</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>270</b>	<b>255</b>	<b>0</b>	<b>2</b>

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30th June, 2007

### **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 2007 ( \$'000 )	Actual 2006 ( \$'000 )
<b>( F ) GRANTS:</b>			
<b>Unexpended at the close of the previous reporting period.</b>			
- Library Development ( Shelving and Signage )		0	2
- Special Projects ( Local )		4	5
	<b>6 ( c )</b>	<b>4</b>	<b>7</b>
<b>Add: Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions.</b>			
- Library Development ( Shelving and Signage )		0	0
- Special Projects ( Local )		0	1
		<b>0</b>	<b>1</b>
<b>Less: Expended during the current reporting period from revenues recognised in previous reporting periods.</b>			
- Library Development ( Shelving and Signage )		0	( 2 )
- Special Projects ( Local )		( 4 )	( 2 )
		<b>( 4 )</b>	<b>( 4 )</b>
<b>Unexpended at the close of the current reporting period, and held as restricted assets.</b>			
- Library Development ( Shelving and Signage )		0	0
- Special Projects ( Local )		0	4
<b>TOTAL GRANTS UN-EXPENDED</b>	<b>6 ( c )</b>	<b>0</b>	<b>4</b>
<b>NETT INCREASE OR ( DECREASE ) IN RESTRICTED ASSETS IN THE CURRENT REPORTING PERIOD</b>		<b>( 4 )</b>	<b>( 3 )</b>

# SOUTH-WEST REGIONAL LIBRARY

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

### Note No. 4

#### EXPENSES FROM CONTINUING OPERATIONS

	Actual 2007 ( \$'000 )	Actual 2006 ( \$'000 )
<b>( A ) EMPLOYEE BENEFITS AND ON-COSTS:</b>		
Salaries, Wages and Allowances	139	132
Travelling Costs	2	1
Employees' Leave Entitlements	15	12
Superannuation	13	13
Training Costs ( excluding Salaries, Wages and Allowances )	1	0
Other	3	4
<b>Less:</b> Capitalised and Distributed Employee Costs	0	( 0 )
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>173</b>	<b>163</b>
 <b>( B ) BORROWING COSTS:</b>		
Interest	0	0
- Overdraft	0	0
<b>TOTAL BORROWING COSTS EXPENSED</b>	<b>0</b>	<b>0</b>
 <b>( C ) MATERIALS AND CONTRACTS:</b>		
Raw Materials and Consumables	16	16
Auditor's Remuneration		
- Audit Services	2	1
Legal Expenses		
- Other	0	0
<b>TOTAL MATERIALS AND CONTRACTS EXPENSED</b>	<b>18</b>	<b>17</b>
 <b>( D ) DEPRECIATION AND AMORTISATION COSTS:</b>		
Office Equipment	4	8
Furniture and Fittings	7	7
Other Assets		
- Library Books	48	49
- Audio Visual Aids and Cassettes	10	9
<b>TOTAL DEPRECIATION COSTS EXPENSED</b>	<b>69</b>	<b>73</b>
 <b>( E ) OTHER EXPENSES:</b>		
<b>Other expenses for the reporting year, include the following:-</b>		
Administration Fees - Executive Council		
- Executive Council	2	2
Advertising Expenses	1	1
Computer Expenses	3	3
Contributions and Donations		
- Member Councils	31	30
Insurance Costs		
- Premiums	2	2
Postage and Facsimiles	2	2
Printing and Stationery	3	2
Promotions and Community Activities	0	1
Telephone Rental and Charges	3	3
Other	0	1
<b>TOTAL OTHER EXPENSES</b>	<b>47</b>	<b>47</b>

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# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30th June, 2007

### **Note No. 5**

#### **NETT GAIN OR ( LOSS ) ON DISPOSAL OF ASSETS**

	<b>Actual 2007 ( \$'000 )</b>	<b>Actual 2006 ( \$'000 )</b>
<b>( A ) GAIN OR ( LOSS ) ON DISPOSAL OF PROPERTY:</b>		
Proceeds from Asset Disposals	0	0
<b>Less:</b> Carrying amount of Asset Sales	0	0
<b>NETT GAIN OR ( LOSS ) ON DISPOSAL</b>	<b>0</b>	<b>0</b>
<b>( B ) GAIN OR ( LOSS ) ON DISPOSAL OF PLANT AND EQUIPMENT:</b>		
Proceeds from Asset Disposals	0	0
<b>Less:</b> Carrying amount of Asset Sales	0	0
<b>NETT GAIN OR ( LOSS ) ON DISPOSAL</b>	<b>0</b>	<b>0</b>
<b>TOTAL NETT GAIN OR ( LOSS ) ON DISPOSAL OF ASSETS</b>	<b>0</b>	<b>0</b>

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30th June, 2007

Note No. 6 ( a )

### **CASH AND CASH EQUIVALENTS**

	Notes	Actual 2007		Actual 2006	
		Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>CASH AND CASH EQUIVALENTS:</b>					
Cash-on-Hand and at-Bank		22	0	18	0
Deposits at-Call		0	0	0	0
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>22</b>	<b>0</b>	<b>18</b>	<b>0</b>



# SOUTH-WEST REGIONAL LIBRARY

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 6 ( b )

### INVESTMENTS

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

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>INVESTMENTS:</b>				
Financial Assets at Fair Value ( through Profit and Loss )	41	0	40	0
Investments Held-to-Maturity	0	0	0	0
<b>TOTAL INVESTMENTS</b>	<b>41</b>	<b>0</b>	<b>40</b>	<b>0</b>
<b>FINANCIAL ASSETS:- AT FAIR VALUE ( THROUGH PROFIT AND LOSS )</b>				
Balance as at the beginning of the Reporting Period	40	0	64	0
- Additions	1	0	0	0
- Disposals	0	0	( 24 )	0
<b>Balance as at the end of the Reporting Period</b>	<b>41</b>	<b>0</b>	<b>40</b>	<b>0</b>
<b>Held for Trading:-</b>				
- Managed Funds	41	0	40	0
- Collateralised Debt Obligations	0	0	0	0
- Floating Rate Notes	0	0	0	0
<b>Designated:-</b>				
- Listed Equity Securities	0	0	0	0
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE</b>	<b>41</b>	<b>0</b>	<b>40</b>	<b>0</b>

The financial assets held as investments, are bearing floating interest rates between 4.90 % and 8.05 % ( 2006 - 6.50 % and 8.00 % )



# SOUTH-WEST REGIONAL LIBRARY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

### Note No. 6 ( c )

#### CASH, CASH EQUIVALENTS AND INVESTMENTS - RESTRICTED

	Notes	Actual 2007		Actual 2006	
		Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>CASH, CASH EQUIVALENTS AND INVESTMENTS:</b>					
External Restrictions		9	0	4	0
Internal Restrictions		32	0	36	0
Unrestricted		22	0	18	0
<b>TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS</b>	<b>11</b>	<b>63</b>	<b>0</b>	<b>58</b>	<b>0</b>

#### DETAILS OF RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

	Notes	Balance as at 1st July, 2006	Movements		Balance as at 30th June, 2007
		(\$'000)	Transfers to (\$'000)	Transfers from (\$'000)	(\$'000)
<b>EXTERNAL RESTRICTIONS:</b>					
<b>Other - Included in Income</b>					
Unexpended Grants - Specific Purposes	( a )	4	0	( 4 )	0
Other	( b )	0	9	0	9
<b>TOTAL EXTERNAL RESTRICTIONS</b>		<b>4</b>	<b>9</b>	<b>( 4 )</b>	<b>9</b>
<b>INTERNAL RESTRICTIONS:</b>					
Employees' Leave Entitlements		36	0	( 4 )	32
Other		0	0	0	0
<b>TOTAL INTERNAL RESTRICTIONS</b>		<b>36</b>	<b>0</b>	<b>( 4 )</b>	<b>32</b>
<b>TOTAL RESTRICTED CASH AND INVESTMENTS</b>		<b>40</b>	<b>9</b>	<b>( 8 )</b>	<b>41</b>

( 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, 2007

### Note No. 7

#### RECEIVABLES

Purpose	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>RECEIVABLES:</b>				
User Charges and Fees	0	0	0	0
Interest and Extra Charges	0	0	0	0
Accrued Interest on Investments	0	0	1	0
Government Grants and Subsidies	0	0	0	0
Other	0	0	0	0
<b>Sub-Total</b>	0	0	1	0
<b>Less: Provision for Doubtful Debtors</b>				
User Charges and Fees	0	0	0	0
<b>Sub-Total</b>	0	0	0	0
<b>TOTAL RECEIVABLES</b>	0	0	1	0

#### DETAILS OF RESTRICTED RECEIVABLES

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>EXTERNALLY RESTRICTED RECEIVABLES:</b>				
Other	0	0	0	0
<b>TOTAL EXTERNALLY RESTRICTED RECEIVABLES</b>	0	0	0	0
<b>Unrestricted Receivables</b>	0	0	1	0
<b>TOTAL RECEIVABLES</b>	0	0	1	0

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30th June, 2007

### Note No. 8

#### INVENTORIES AND OTHER ASSETS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>INVENTORIES:</b>				
Stores and Materials	0	0	0	0
<b>TOTAL INVENTORIES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>OTHER ASSETS:</b>				
Pre-payments	0	0	0	0
<b>TOTAL OTHER ASSETS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

#### DETAILS OF EXTERNALLY RESTRICTED ASSETS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>LIBRARY SERVICES:</b>				
Stores and Materials	0	0	0	0
Pre-payments	0	0	0	0
<b>TOTAL</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL EXTERNALLY RESTRICTED ASSETS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30th June, 2007

Note No. 9 ( a )

### **INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT**

<b>BY ASSET TYPE</b>	<b>as at 1st July, 2006</b>			<b>MOVEMENTS DURING THE YEAR</b>			<b>as at 30th June, 2007</b>		
	<b>At Cost (\$'000)</b>	<b>Accumulated Depreciation (\$'000)</b>	<b>Written-Down Value (\$'000)</b>	<b>Asset Acquisitions (\$'000)</b>	<b>Asset Disposals (\$'000)</b>	<b>Depreciation (\$'000)</b>	<b>At Cost (\$'000)</b>	<b>Accumulated Depreciation (\$'000)</b>	<b>Written-Down Value (\$'000)</b>
Office Equipment	130	( 113 )	17	0	0	( 4 )	130	( 117 )	13
Furniture and Fittings	64	( 43 )	21	0	0	( 7 )	64	( 50 )	14
Other Assets									
- Library Books	524	( 409 )	115	41	0	( 48 )	565	( 457 )	108
- Audio Visual Aids and Cassettes	79	( 55 )	24	5	0	( 10 )	84	( 65 )	19
<b>TOTAL</b>	<b>797</b>	<b>( 620 )</b>	<b>177</b>	<b>46</b>	<b>0</b>	<b>( 69 )</b>	<b>843</b>	<b>( 689 )</b>	<b>154</b>

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30th June, 2007

### Note No. 10 ( a )

#### **PAYABLES, INTEREST BEARING LIABILITIES AND PROVISIONS**

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>PAYABLES:</b>				
Goods and Services	8	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
<b>TOTAL PAYABLES</b>	<b>8</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>INTEREST BEARING LIABILITIES:</b>				
Bank Overdraft Facility	0	0	0	0
Loans				
- Secured	0	0	0	0
<b>TOTAL INTEREST BEARING LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROVISIONS:</b>				
Annual Leave <sup>(1)</sup>	15	0	15	0
Long Service Leave <sup>(1)</sup>	16	1	20	1
<b>TOTAL PROVISIONS</b>	<b>31</b>	<b>1</b>	<b>35</b>	<b>1</b>

#### **DETAILS OF RESTRICTED LIABILITIES**

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<b>EXTERNALLY RESTRICTED LIABILITIES:</b>				
Other	0	0	0	0
<b>TOTAL EXTERNALLY RESTRICTED LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- (1) Vested Employees' Leave Entitlements, have been determined as a current provision - refer to Note No. 1 ( M ). However, it is anticipated Employees' Leave Entitlements ( amounting to \$ 20,000 ), although classified as current liabilities, will not be " settled " within the next twelve ( 12 ) months.

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30th June, 2007

### **Note No. 10 ( b )**

#### **DESCRIPTION AND MOVEMENTS IN PROVISIONS**

<b>Class of Provision</b>	<b>Balance as at 1st July, 2006 (\$'000)</b>	<b>Movements</b>		<b>Balance as at 30th June, 2007 (\$'000)</b>
		<b>Transfers to (\$'000)</b>	<b>Transfers from (\$'000)</b>	
<b>PROVISIONS:</b>				
Employees' Leave Entitlements				
- Annual Leave	15	12	(12)	15
- Long Service Leave	21	3	(7)	17
<b>TOTAL PROVISIONS</b>	<b>36</b>	<b>15</b>	<b>(19)</b>	<b>32</b>

# SOUTH-WEST REGIONAL LIBRARY

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

### Note No. 11

#### RECONCILIATION OF CASH FLOW MOVEMENTS

	Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
<b>(A) RECONCILIATION OF CASH ASSETS:</b>			
Total Cash, Cash Equivalents and Investments	6 (c)	63	58
Less: Bank Overdraft Facility	10 (a)	0	0
<b>BALANCE AS PER STATEMENT OF CASH FLOW</b>		<b>63</b>	<b>58</b>
<b>(B) RECONCILIATION OF NETT OPERATING RESULT TO CASH, PROVIDED FROM CONTINUING OPERATIONS:</b>			
<b>Nett Operating Result from Income Statement</b>			
		(21)	(27)
<b>Add:</b> Depreciation and Amortisation Costs		69	73
Decrease - Receivables		1	0
Decrease - Other Current Assets		0	0
Increase - Accrued Interest ( Payable )		0	0
Increase - Employees' Leave Entitlements		0	0
Increase - Payables		6	1
Increase - Provision for Doubtful Debtors		0	0
<b>Sub-Total</b>		<b>55</b>	<b>47</b>
<b>Less:</b> Decrease - Accrued Interest ( Payable )		0	0
Decrease - Employees' Leave Entitlements		(4)	(17)
Decrease - Payables		0	0
Decrease - Provision for Doubtful Debtors		0	0
Increase - Receivables		0	(1)
Increase - Other Current Assets		0	0
Non-Cash Grants and Contributions		0	0
Nett Gain - Disposal of Assets		0	0
<b>Sub-Total</b>		<b>(4)</b>	<b>(18)</b>
<b>NETT CASH PROVIDED FROM CONTINUING OPERATIONS</b>		<b>51</b>	<b>29</b>

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30th June, 2007

Note No. 11 - ( Continued )

### **STATEMENT OF CASH FLOWS**

	<b>Actual 2007 (\$'000)</b>	<b>Actual 2006 (\$'000)</b>
<b>( C ) NON-CASH FINANCING AND INVESTING ACTIVITIES:</b>		
<b>The following Non-Cash Grants were received, during the current reporting period.</b>		
<b>Grants - Non-Capital</b>		
Library Services	0	0
	<u>0</u>	<u>0</u>
<b>Grants - Capital</b>		
Library Services	0	0
	<u>0</u>	<u>0</u>
<b>( D ) FINANCING ARRANGEMENTS:</b>		
<b>Unrestricted access was available, as at balance date, to the following:-</b>		
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, 2007

### **Note No. 12**

#### **COMMITMENTS FOR EXPENDITURE**

	<b>Actual 2007 (\$'000)</b>	<b>Actual 2006 (\$'000)</b>
<b>(A) SERVICE COMMITMENTS:</b>		
<b>Other non-capital expenditure committed for as at the reporting date, and not recognised within the Annual Financial Statements as liabilities, are as follows:-</b>		
Auditor's Remuneration	10	1
	<b>10</b>	<b>1</b>
Not later than one ( 1 ) year	2	1
Later than one ( 1 ) year and not later than two ( 2 ) years	3	0
Later than two ( 2 ) years and not later than five ( 5 ) years	5	0
	<b>10</b>	<b>1</b>
<b>(B) OPERATING LEASE COMMITMENTS:</b>		
<b>Commitments under non-cancellable operating leases as at the reporting date, and not recognised within the Annual Financial Statements as payables, are as follows:-</b>		
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
	<b>0</b>	<b>0</b>
<b>(C) REMUNERATION COMMITMENTS:</b>		
<b>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:-</b>		
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
	<b>0</b>	<b>0</b>

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 30th June, 2007

### **Note No. 13**

#### **STATEMENT OF PERFORMANCE MEASUREMENT**

	<b>Amounts ( \$'000 )</b>	<b>Indicators</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>CURRENT RATIO:</b>						
<i>Factors</i>						
<u>Current Assets</u>	<u>63</u>	<b>Ratio</b>	<u>1.62 : 1.00</u>	<u>1.58 : 1.00</u>	<u>1.44 : 1.00</u>	<u>2.37 : 1.00</u>
<u>Current Liabilities</u>	<u>39</u>					

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

#### **UNRESTRICTED CURRENT RATIO:**

##### *Factors*

<u>Current Assets less all External Restrictions</u>	<u>63</u>	<b>Ratio</b>	<u>3.15 : 1.00</u>	<u>4.23 : 1.00</u>	<u>2.60 : 1.00</u>	<u>5.35 : 1.00</u>
<u>Current Liabilities less Specific Purpose Liabilities</u>	<u>20</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, 2007

### **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, 2007

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.

2007	Floating Interest Rate ( \$'000 )	Fixed Interest < 1 year ( \$'000 )	Fixed Interest > 1 year < 5 years ( \$'000 )	Fixed Interest > 5 years ( \$'000 )	Non - Interest Bearing ( \$'000 )	Total ( \$'000 )
<b>FINANCIAL ASSETS:</b>						
Cash and Cash Equivalents	22	0	0	0	0	22
Investments	0	41	0	0	0	41
Receivables	0	0	0	0	0	0
Other Financial Assets	0	0	0	0	0	0
<b>TOTAL</b>	<b>22</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>
<b>Weighted Average Interest Rate</b>	<b>3.55 %</b>	<b>7.60 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	
<b>FINANCIAL LIABILITIES:</b>						
Payables	0	0	0	0	( 8 )	( 8 )
Interest Bearing Liabilities	0	0	0	0	0	0
Other Financial Liabilities	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 8 )</b>	<b>( 8 )</b>
<b>Weighted Average Interest Rate</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	
<b>NETT FINANCIAL ASSETS</b>	<b>22</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>( 8 )</b>	<b>55</b>

2006	Floating Interest Rate ( \$'000 )	Fixed Interest < 1 year ( \$'000 )	Fixed Interest > 1 year < 5 years ( \$'000 )	Fixed Interest > 5 years ( \$'000 )	Non - Interest Bearing ( \$'000 )	Total ( \$'000 )
<b>FINANCIAL ASSETS:</b>						
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
<b>TOTAL</b>	<b>18</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>59</b>
<b>Weighted Average Interest Rate</b>	<b>3.05 %</b>	<b>5.09 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	
<b>FINANCIAL LIABILITIES:</b>						
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
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 2 )</b>	<b>( 2 )</b>
<b>Weighted Average Interest Rate</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	
<b>NETT FINANCIAL ASSETS</b>	<b>18</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>( 1 )</b>	<b>57</b>

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30th June, 2007

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 2007		Actual 2006	
	Carrying Amount	Aggregate Nett Fair Value	Carrying Amount	Aggregate Nett Fair Value
	( \$'000 )	( \$'000 )	( \$'000 )	( \$'000 )
<b>FINANCIAL ASSETS:</b>				
Cash and Cash Equivalents	22	22	18	18
Investments	41	41	40	40
Receivables	0	0	1	1
Other Financial Assets	0	0	0	0
	<b>63</b>	<b>63</b>	<b>59</b>	<b>59</b>
<b>FINANCIAL LIABILITIES:</b>				
Payables	( 8 )	( 8 )	( 2 )	( 2 )
Interest Bearing Liabilities	0	0	0	0
Other Financial Liabilities	0	0	0	0
	<b>( 8 )</b>	<b>( 8 )</b>	<b>( 2 )</b>	<b>( 2 )</b>
<b>NETT FINANCIAL ASSETS</b>	<b>55</b>	<b>55</b>	<b>57</b>	<b>57</b>

**( 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 hereunder:-

**( i ) Investments**

Certain investments are " capital guaranteed ", if the Regional Library holds the investment for an extended period of time. However, there is a risk, should the Regional Library desire to redeem the investment, before its date of maturity, the capital investment may not be 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, 2007**

### **Note No. 16**

#### **MATERIAL BUDGET VARIATIONS**

The Original Budget Estimates, were incorporated as part of the Management Plan, adopted by the Executive Council on 21st June, 2006. 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 estimates 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:**

Total Expenses from Continuing Operations for the current year was under-budget by an amount of \$3,381 ( F ) ( 1.09 % ).

#### **INCOME:**

Total Income from Continuing Operations for the current year was over-budget by an amount of \$2,378 ( F ) ( 0.84 % ).

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

#### **1 User Charges and Fees**

Actual User Charges and Fees from Continuing Operations received during the year, was over-budget by an amount of \$3,285 ( F ) ( 58.66 % ).

This was due to an increase in Internet Charges and Photocopying Fees, levied upon members of the public.

#### **2 Interest and Investment Revenues**

Actual Interest and Investment Revenues received during the year, was under-budget by an amount of ( \$808 ) ( U ) ( 23.43 % ).

A continued aggressive approach, had been undertaken to maximise revenues, with regard to the Regional Library's portfolio. However, the annual rates of return upon the investments, were less than anticipated.

# ***SOUTH-WEST REGIONAL LIBRARY***

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007**

**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, 2007**

### **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, 2007**

### **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, 2007

### Note No. 20

#### RE-VALUATION RESERVES AND RETAINED EARNINGS

	Actual 2007 ( \$'000 )	Actual 2006 ( \$'000 )
<b>( A ) REVALUATION RESERVES:</b>		
<b>Revaluation Reserves</b>		
- Infra-Structure, Property, Plant and Equipment	0	0
- Available-for-Sale Investments	0	0
<b>TOTAL REVALUATION RESERVES</b>	<b>0</b>	<b>0</b>
<b><i>Infra-Structure, Property, Plant and Equipment Revaluation Reserve:-</i></b>		
Balance as at the beginning of the Reporting Period	0	0
- Gross Asset Revaluation	0	0
- Gross Depreciation Transfer	0	0
<b>BALANCE AS AT THE END OF THE REPORTING PERIOD</b>	<b>0</b>	<b>0</b>
<b><i>Available-for-Sale Investments Revaluation Reserve:-</i></b>		
Balance as at the beginning of the Reporting Period	0	0
- Adjustment following adoption of AASB 132 and AASB 139	0	0
- Gross Asset Revaluation	0	0
- Gross Transfer to Nett Profit	0	0
<b>BALANCE AS AT THE END OF THE REPORTING PERIOD</b>	<b>0</b>	<b>0</b>
<b>( B ) RETAINED EARNINGS:</b>		
<b><i>Movements in Retained Earnings is as follows:-</i></b>		
Balance as at the beginning of the Reporting Period	198	225
- Correction of previous years errors	0	0
- Adjustment following adoption of AASB 132 and AASB 139	0	0
- Nett Operating Result for the Year	( 21 )	( 27 )
<b>BALANCE AS AT THE END OF THE REPORTING PERIOD</b>	<b>177</b>	<b>198</b>
<b>( C ) NATURE AND PURPOSE OF RESERVES:</b>		
<b><i>Infra-Structure, Property, Plant and Equipment Revaluation Reserve:-</i></b>		
The infra-structure, property, plant and equipment revaluation reserve, is used to record increments and / or decrements, upon the revaluation of non-current assets.		
<b><i>Available-for-Sale Investments Revaluation Reserve:-</i></b>		
Changes in fair value, are transferred to the available-for-sale investments revaluation reserve, as described within Note No. 1 ( H ). Amounts are recognised in the Income Statement, when the associated assets are disposed, and / or are impaired.		
<b>( D ) CORRECTION OF ERRORS IN PREVIOUS YEARS:</b>		
<b><i>Infra-Structure, Property, Plant and Equipment:-</i></b>		
Council had previously under-stated the depreciation expense of network assets for Water Supplies and Sewerage Services. An adjustment has been made to the prior years accumulated depreciation for infra-structure, property, plant and equipment and retained earnings, to correct this error.	0	0
	<b>0</b>	<b>0</b>