

**WHITEHORSE MANNINGHAM REGIONAL  
LIBRARY CORPORATION  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**



**WHITEHORSE MANNINGHAM REGIONAL  
LIBRARY CORPORATION**

**Financial Report**

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Whitehorse Manningham Regional Library Corporation  
2023/2024 Financial Report

**Certification of the Financial Statements**

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989* (as per the transitional arrangements of the *Local Government Act 2020*), the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

Principal Accounting Officer  
Julie Lawes  
Date:

In our opinion, the accompanying financial statements presents fairly the financial transactions of the Whitehorse Manningham Regional Library Corporation for the year ended 30 June 2024 and the financial position of the Corporation as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Library Board and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Councillor

Date:

Councillor

Date:

Chief Executive Officer  
Sally Both  
Date:

**Comprehensive Income Statement  
For the Year Ended 30 June 2024**

	Note	2024 \$	2023 \$
<b>Income/Revenue</b>			
Council Contributions	3.1	10,211,601	9,900,432
State Government Grants		1,914,028	1,914,028
Other Income	3.3	177,962	140,261
Other Grants	3.2	168,239	327,235
Interest from Investments		193,736	156,066
<b>Total Income/Revenue</b>		<b>12,665,566</b>	<b>12,438,022</b>
<b>Expenses</b>			
Employee Costs	4.1	8,340,255	7,751,598
Depreciation	4.2	1,186,719	1,384,303
Information Technology		420,840	408,863
Audit and Finance Costs	4.4	41,041	37,102
Collection Resources		331,258	316,673
Grant Expenditure		234,903	180,267
Warrandyte Library Expenses		295,118	253,794
Other Expenses	4.5	1,145,340	1,070,875
Loss on disposal of property, plant and equipment	4.3	658,953	419,579
<b>Total Expenses</b>		<b>12,654,427</b>	<b>11,823,054</b>
<b>Surplus for the year</b>		<b>11,139</b>	<b>614,968</b>
<b>Total Comprehensive Result</b>		<b>11,139</b>	<b>614,968</b>

The above comprehensive income statement should be read with the accompanying notes

**Balance Sheet  
As at 30 June 2024**

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5.1	2,843,516	3,713,854
Trade Receivables		125,574	97,631
Prepayments		75,600	53,097
Non -financial assets	5.2	26,981	26,721
<b>Total Current Assets</b>		<u>3,071,671</u>	<u>3,891,303</u>
<b>Non-Current Assets</b>			
Property and Equipment	6.1	8,363,088	8,109,004
<b>Total Non-Current Assets</b>		<u>8,363,088</u>	<u>8,109,004</u>
<b>Total Assets</b>		<u><b>11,434,759</b></u>	<u><b>12,000,307</b></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5.3	494,590	1,203,406
Provisions	5.4	1,800,566	1,711,660
<b>Total Current Liabilities</b>		<u>2,295,156</u>	<u>2,915,066</u>
<b>Non-Current liabilities</b>			
Provisions	5.4	148,007	104,784
<b>Total Non-Current Liabilities</b>		<u>148,007</u>	<u>104,784</u>
<b>Total Liabilities</b>		<u><b>2,443,163</b></u>	<u><b>3,019,850</b></u>
<b>Net Assets</b>		<u><b>8,991,596</b></u>	<u><b>8,980,457</b></u>
<b>Equity</b>			
Members Contribution on Formation		3,922,043	3,922,043
Accumulated Surplus		5,069,553	5,058,414
<b>Total Equity</b>		<u><b>8,991,596</b></u>	<u><b>8,980,457</b></u>

The above balance sheet should be read with the accompanying notes

**Statement of Changes in Equity  
 For the Year Ended 30 June 2024**

	<b>Total 2024 \$</b>	<b>Accumulated Surplus 2024 \$</b>	<b>Members Contribution 2024 \$</b>
<b>2024</b>			
Balance at beginning of the financial year	8,980,457	5,058,414	3,922,043
Surplus for the year	11,139	11,139	-
<b>Balance at end of the financial year</b>	<b>8,991,596</b>	<b>5,069,553</b>	<b>3,922,043</b>

	<b>Total 2023 \$</b>	<b>Accumulated Surplus 2023 \$</b>	<b>Members Contribution 2023 \$</b>
<b>2023</b>			
Balance at beginning of the financial year	8,365,489	4,443,446	3,922,043
Surplus for the year	614,968	614,968	-
<b>Balance at end of the financial year</b>	<b>8,980,457</b>	<b>5,058,414</b>	<b>3,922,043</b>

The above statement of changes in equity should be read with the accompanying notes

**Statement of Cash Flows**  
**For the Year Ended 30 June 2024**

	Notes	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Council Contributions		11,232,761	10,890,474
Government Grants		1,914,028	1,914,028
Interest Income		193,475	134,078
Donations, other income, Grants (GST free)		154,680	301,930
Other Income		212,288	187,999
Employee Costs		(8,284,345)	(7,707,575)
Payments to suppliers (inclusive of GST)		(3,549,261)	(2,049,369)
Net GST payments		(644,208)	(643,549)
<b>Net cash provided by in operating activities</b>	9.1	<b>1,229,418</b>	<b>3,028,016</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of Equipment		2,059	46,000
Payment for Library Stock, Information Technology & Furniture		(2,101,815)	(2,140,432)
<b>Net cash investing activities</b>		<b>(2,099,756)</b>	<b>(2,094,432)</b>
Net increase/(decrease) in cash and cash equivalents		(870,338)	933,580
Cash and cash equivalents at beginning of the year		3,713,854	2,780,274
<b>Cash and cash equivalents at the end of the financial year</b>	5.1	<b>2,843,516</b>	<b>3,713,854</b>
Financing arrangements	5.5		

The above statement of cash flows should be read with the accompanying notes

**Statement of Capital Works  
For the Year Ended 30 June 2024**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Plant and Equipment</b>		
Library Stock	1,834,278	1,813,953
Furniture and Equipment	62,449	66,019
IT Replacement	162,545	183,797
Motor Vehicles Replacement	40,486	76,664
<b>Total Capital Works Expenditure</b>	<b><u>2,099,758</u></b>	<b><u>2,140,433</u></b>
<b>Represented by</b>		
Asset Renewal Expenditure	2,099,758	2,140,433
<b>Total Capital Works Expenditure</b>	<b><u>2,099,758</u></b>	<b><u>2,140,433</u></b>

The above statement of capital works should be read with the accompanying notes



## Note 1 OVERVIEW

### Introduction

The Whitehorse Manningham Regional Library Corporation was established under Section 196 of the *Local Government Act 1989* by the Minister of Local Government on 12 December 1995. The Corporation's headquarters is located at 1040 Whitehorse Road, Box Hill.

### Statement of compliance

These financial statements constitute a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, with the *Local Government Act 1989* (as per the transitional arrangements of the *Local Government Act 2020*) and the *Local Government (Planning and Reporting) Regulations 2014*.

The Corporation is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

### Accounting policy information

#### a. Basis of Accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest dollar unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

**a. Basis of Accounting (cont.)**

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the determination of depreciation for library collections, computer equipment and furniture (refer to note 6.1) and
- the determination of employee provisions (refer to note 5.4)

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

**Goods and Services Tax (GST)**

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

## Note 2 Analysis of our results

### 2.1 Performance against budget

The budget comparison notes compare the Corporation's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. The Corporation has adopted a materiality threshold of 10% where further explanation is warranted. Explanations have not been provided for variations below the material threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by the Corporation on 24 May 2023. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. The Corporation sets guidelines and parameters for revenue and expense targets in this budget in order to meet the Corporation's planning and financial performance targets for both short and long-term.

These notes are prepared to meet the requirements of the transitional provisions of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2014*.

### 2.2 Income and Expenditure

	Budget 2024 \$	Actual 2024 \$	Variance 2024 \$	Variance 2024 %	Ref
<b>Income</b>					
Council Contributions	9,724,070	10,211,601	487,531	5%	
State Government Grant	1,971,449	1,914,028	(57,421)	-3%	
Other Income	122,155	177,961	55,806	46%	1
Other Grants	139,956	168,239	28,283	20%	2
Interest from Investments	90,000	193,736	103,736	115%	3
Transfer from Reserve	151,701	-	(151,701)	-100%	4
	12,199,331	12,665,565	466,234		
<b>Expenditure</b>					
Employee costs	8,243,153	8,340,254	97,101	1%	
Depreciation	1,403,393	1,186,719	(216,674)	-15%	5
Information Technology	426,761	420,839	(5,922)	-1%	
Audit and Finance Costs	43,500	41,041	(2,459)	-6%	
Collection Resources	299,361	331,258	31,897	11%	6
Other Expenses	996,281	1,145,340	149,059	15%	7
Grant Expenditure	139,956	234,902	94,946	68%	8
Warranty Library Expenses	-	295,117	295,117	100%	9
Net loss on disposal of property and equipment	498,200	654,836	156,636	31%	10
	12,050,605	12,650,306	599,701		

**Note 2 Analysis of our results (cont.)**

<b>Surplus for the year</b>	148,726	15,259	(133,467)
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**(i) Explanation of material variations**

Variance Ref	Item	Explanation
1	Other Income	Other Income includes an insurance payout for a motor vehicle written off in an accident and Paid Paternity Leave received from Centrelink.
2	Other Grants	The Corporation received two grants for specific projects that were not anticipated.
3	Interest from Investments	Interest on Investments includes the interest earned on both short term and at call accounts and also interest earned on the Long Service Reserve. The interest on LSL is not included in the budget figures.
4	Transfer from Reserves	Due to savings during the year the Corporation did not need to transfer any money from the cash reserve.
5	Depreciation	The budget is prepared on assumptions that new IT equipment and furniture is purchased over the financial year. The expenditure was all made in June this year.
6	Collection Resources	Included in this is all items that are not capitalised including Electronic Resources. Newspaper costs significantly increased.
7	Other expenses	Expenditure in Programs and Marketing was higher than anticipated due to an increase in the number of library programs delivered across the region. Professional Services and Insurance costs were also higher than budgeted. The budget does not include additional costs for longer opening hours at two of the Manningham library branches.
8	Grant Expenditure	Grants expenditure was higher than budgeted as the funding that carried over from the previous year was fully expended.
9	Warrandyte Library Expenses	Income and expenditure for Warrandyte Library is not included in the Budget preparation as City of Manningham fund this branch outside of the Regional Library Agreement.
10	Net loss on disposal of property and equipment	The disposal of library stock figures for the budget are an estimate only. Minor amounts of discarded items are written off on disposal.

### 2.3 Capital Works

	Budget 2024 \$	Actual 2024 \$	Variance 2024 \$	Variance 2024 %	Ref
Library Stock	1,767,233	1,834,278	67,045	4%	
Furniture & Equipment	67,587	62,449	(5,138)	-8%	
Information Technology	190,000	162,545	(27,455)	-14%	1
Motor Vehicles Replacement	25,500	40,486	14,986	59%	2
<b>Total Capital Works Expenditure</b>	<b>2,050,320</b>	<b>2,099,758</b>	<b>49,438</b>		
<b>Represented by:</b>					
Renewal	2,050,320	2,099,758	49,438	2%	
<b>Total Capital Works Expenditure</b>	<b>2,050,320</b>	<b>2,099,758</b>	<b>49,438</b>		

#### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Information Technology	Information Technology was underspent due to delays experienced in finalising a major project. Funds have been carried forward to the new financial year to finalise this project.
2	Motor Vehicles Replacement	The budget allows for the changeover cost of vehicles and assumes a trade-in. The actual cost was the full cost to replace a written-off vehicle following an accident.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3 Funding for the delivery of our services</b>		
<b>3.1 Council Contributions</b>		
Whitehorse City Council	5,842,668	5,645,090
Manningham City Council	3,881,402	3,750,146
Manningham City Council - Warrandyte	334,349	301,488
Manningham City Council - Other projects	153,182	203,708
	<u>10,211,601</u>	<u>9,900,432</u>
<b>3.2 Other Grants</b>		
Local Priorities Grant	101,026	101,026
Premiers Reading Challenge	35,899	35,899
Library Furniture	-	20,000
Living Libraries	-	85,000
Digital Seniors Grant	-	69,310
Italian and and Arabic storytime	26,364	-
Other	4,950	16,000
	<u>168,239</u>	<u>327,235</u>
<b>3.3 Other Income</b>		
Overdue Charges	482	43,671
Photocopying Services	35,537	29,694
Other Service Charges	55,357	43,892
Sale of Products	10,273	13,504
Library Programs & Activities	8,243	3,476
Fundraising	1,383	6,024
Centrelink Paid Parental Leave	15,890	-
Insurance Payout	50,797	-
	<u>177,962</u>	<u>140,261</u>

Revenue for overdue fines and other charges, interest on investments, sale of assets and other income is recognised at the time of receipt.

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Note 4 The cost of delivering services</b>		
<b>4.1 Employee Costs</b>		
Wages and Salaries	7,154,808	6,851,675
Annual Leave	13,546	(73)
WorkCover	65,649	31,645
Superannuation	836,647	692,890
Staff Training Expenses	55,910	44,023
Long Service Leave	197,805	131,438
Centrelink Paid Parental Leave	15,890	-
	<u>8,340,255</u>	<u>7,751,598</u>
<b>b) Superannuation</b>		
The Corporation made contributions to the following funds		
<b>Defined Benefit Fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	<u>86,201</u>	<u>80,832</u>
Employer contributions payable at reporting date.	-	-
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	375,205	345,992
Employer contributions - other funds;	346,111	266,065
Active Super	866	1,735
AMP Super	3,894	-
Australian Ethical Super	2,207	7,252
Australian Super	64,696	42,588
Aware Super	12,702	13,040
Care Super	14,842	13,662
Catholic Super	-	385
Centric	8,299	-
Colonial First State	23,501	18,395
Encircle Super	-	7,405
Equip Super	8,349	6,186
First Super	1,869	2,110
Future Super	5,742	18,028
HESTA Superannuation	37,550	25,385
Hostplus/Statewide Super	38,266	25,212
ING LIVING SUPER	8,592	7,558
LGIA Super	10,981	9,204

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>b) Superannuation (cont.)</b>		
Mercer Smart Super	3,483	-
MLC	4,806	3,959
MyLifeMyMoney	-	5,139
Q Super	-	3,252
REST	42,455	25,836
SMSF	6,475	5,866
UNISUPER	17,398	10,704
Verve Super	16,873	3,748
VicSuper	12,266	9,416
	<u>721,316</u>	<u>612,057</u>

Employer contributions payable at reporting date. - -

Contributions made exclude amounts accrued at balance date. Refer to 8.1 for further information relating to the Corporation's superannuation obligations.

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

#### 4.2 Depreciation

Library Stock	887,126	1,083,238
Furniture and Equipment	81,198	85,003
Computer Equipment	192,761	196,028
Motor Vehicles	25,634	20,034
	<u>1,186,719</u>	<u>1,384,303</u>

Refer to note 6.1 for a more detailed breakdown of depreciation and accounting policy.

#### 4.3 Disposal of Assets

##### Library Stock

Written down value of assets written off	<u>(614,111)</u>	<u>(430,027)</u>
Gain/(Loss) on disposal of assets	<u>(614,111)</u>	<u>(430,027)</u>

##### Furniture and Equipment

Proceeds from sale of furniture and equipment	2,059	-
Written down value of assets disposed	<u>(6,928)</u>	<u>(8,896)</u>
Gain/(Loss) on disposal of assets	<u>(4,869)</u>	<u>(8,896)</u>



	<b>2024</b>	<b>2023</b>
	\$	\$
<b>4.3 Disposal of Assets (cont.)</b>		
<b>Motor Vehicles</b>		
Proceeds from sale of motor vehicles	-	46,000
Written down value of assets sold	(39,973)	(26,656)
Gain/(Loss) on disposal of assets	(39,973)	19,344
<b>Total loss on Disposal of Assets</b>	<b>(658,953)</b>	<b>(419,579)</b>
<b>4.4 Audit and Finance Costs</b>		
Audit fee payable to Victorian Auditor General	18,900	18,000
Internal audit fees - RSM	18,150	12,805
Other finance costs	3,991	6,297
	<u>41,041</u>	<u>37,102</u>
<b>4.5 Other Expenses</b>		
Cleaning, Security	235,982	246,082
Utility Costs	163,342	197,170
Headquarters Costs	77,191	90,169
Couriers	76,039	71,606
Professional Services	80,679	48,814
Insurance	89,356	82,381
Office Expenses	49,251	40,747
Programs and Marketing Costs	123,881	108,857
Vehicle Maintenance	17,129	21,751
Fundraising Expenditure	4,341	6,066
Doncaster Library Additional Hours Project	153,182	115,796
Doncaster and Bulleen Project	47,045	21,320
Staff Amenities	27,922	20,116
	<u>1,145,340</u>	<u>1,070,875</u>

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Note 5</b>		
<b>Investing in and financing our operations</b>		
<b>5.1 Financial assets</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on Hand	1,500	1,500
Cash at Bank	56,384	83,578
Money Market call account	434,833	1,612,330
<b>Total cash and cash equivalents</b>	<u>492,716</u>	<u>1,697,408</u>
<b>(b) Other Financial assets</b>		
<b>Current</b>		
Term Deposits	933,869	664,882
Money Market - restricted LSL	1,416,930	1,351,564
<b>Total other financial assets</b>	<u>2,350,799</u>	<u>2,016,446</u>
<b>Total Financial Assets</b>	<u><u>2,843,516</u></u>	<u><u>3,713,854</u></u>
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		
<b>5.2 Non -financial assets</b>		
Accrued Income	26,981	26,721
<b>Total other assets</b>	<u>26,981</u>	<u>26,721</u>
<b>5.3 Payables</b>		
Creditors	204,840	462,400
Accrued Expenses	289,750	741,006
	<u>494,590</u>	<u>1,203,406</u>
<b>5.4 Provisions</b>		
<b>Annual Leave</b>		
Balance at beginning of the financial year	548,378	548,451
Additional Provisions	641,652	562,945
Amounts Used	(628,106)	(563,018)
Balance at end of the financial year	<u>561,924</u>	<u>548,378</u>

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>5.4 Provisions (cont. )</b>		
<b>Long Service Leave</b>		
Balance at beginning of the financial year	1,163,282	1,286,348
Additional Provisions	365,461	22,334
Amounts Used	(142,093)	(145,400)
Balance at end of the financial year	<u>1,386,650</u>	<u>1,163,282</u>
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual Leave	464,397	419,565
Long Service Leave	34,204	42,937
	<u>498,601</u>	<u>462,502</u>
<b>Current provisions expected to be settled after 12 months</b>		
Annual Leave	97,527	128,813
Long Service Leave	1,204,439	1,120,345
	<u>1,301,966</u>	<u>1,249,158</u>
<b>Total current employee provisions</b>	<u>1,800,567</u>	<u>1,711,660</u>
<b>Non current provisions</b>		
Long Service Leave	148,007	104,784
<b>Total non current provisions</b>	<u>148,007</u>	<u>104,784</u>
<b>Total Provisions</b>	<u>1,948,574</u>	<u>1,816,444</u>

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

*Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

#### 5.4 Provisions (cont. )

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

##### *Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

Key assumptions:

• discount rate	4.35%	4.06%
• weighted average increase in employee costs	4.45%	4.35%
• settlement	7 yrs	7 yrs

#### 5.5 Financing arrangements

The Corporation has the following funding arrangements in place as at the end of the year.

	2024	2023
	\$	\$
Bank overdraft	20,000	20,000
Credit card facilities	13,000	13,000
Total facilities	<b>33,000</b>	<b>33,000</b>
Unused facilities	28,997	33,000
	<b>28,997</b>	<b>33,000</b>

**Note 6 Assets we manage**

**6.1 Summary of property and equipment**

	Opening Asset	Opening Depreciation	At Cost 30 June 2023	Additions	Depreciation	Disposals sold	Disposals written off	At Cost 30 June 2024
	\$	\$	\$	\$	\$	\$	\$	\$
Library Stock	7,629,198	570,665	7,058,533	1,834,278	(887,126)	-	(614,111)	7,391,574
Furniture & Equipment	2,144,332	1,611,206	533,126	62,449	(81,198)	-	(2,082)	512,295
Computer Equipment	825,294	420,577	404,717	162,545	(192,761)	2,059	(4,846)	371,714
Motor Vehicles	137,534	24,908	112,626	40,486	(25,634)		(39,973)	87,505
	10,736,358	2,627,356	8,109,002	2,099,758	(1,186,719)	2,059	(661,012)	8,363,088

**(a) Recognition and measurement of assets**

The Corporation has adopted the purchase method of accounting in relation to the measurement of the acquisition of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental cost attributable to the acquisition. In accordance with the Corporation's policy, the threshold limits below have been applied when recognising assets within an applicable asset class. (Same as applied in 2022/2023)

Class of asset	Threshold limit
----------------	-----------------

Library Stock	Nil Limit
Audio Visual	Nil Limit
Electronic Resources	Nil Limit
Computer Hardware	\$1,000

Class of asset	Threshold limit
----------------	-----------------

Computer Equipment	\$1,000
Motor Vehicles	Nil Limit
Furniture and Equipment	\$1,000

**Note 6 Assets we manage (cont.)**

**(b) Depreciation of non current assets**

Library Stock, motor vehicles, furniture and equipment, including computer equipment and other assets having limited useful lives are systematically depreciated over their useful lives to the Corporation. Estimates of remaining useful lives and residual values are reassessed annually. Depreciation is recognised on either the straight-line basis or diminishing value basis using rates that are, unless otherwise stated, consistent with the prior year:

	Useful Life	Depreciation Basis
Library Stock	10 Years	Straight Line
Audio Visual	5 Years	Straight Line
Electronic Resources	2 Years	Straight Line
Computer Equipment	3 Years	Straight Line
Computer Hardware	5 Years	Straight Line
Motor Vehicles	4.44 Years	Diminishing
Furniture and Equipment	6.67 Years	Diminishing

**(c) Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**(d) Land and Buildings**

The library branches are operated out of Council owned or leased properties. The libraries at Box Hill, Nunawading, Vermont South and Blackburn are operated from Whitehorse Council controlled, owned and maintained buildings. The libraries at Doncaster, The Pines, Warrandyte and Bulleen are operated from buildings controlled, owned or leased by Manningham Council.

## **Note 7 People and Relationships**

### **7.1 Board and Key Management Remuneration**

(a) Names of persons holding the position of a Responsible Person at the Whitehorse Manningham Regional Library Corporation for the period 1 July 2023 to 30 June 2024

#### **Key Management Personnel**

##### **Councillors**

Cr Trudy Skilbeck - City of Whitehorse  
Cr Andrew Davenport - City of Whitehorse  
Cr Michelle Kleinert - City of Manningham  
Cr Stephen Mayne - City of Manningham (to December)  
Cr Andrew Conlon - City of Manningham (from February)

##### **Council Representatives**

Ms Lisa Letic - City of Whitehorse  
Ms Lee Robson - City of Manningham

##### **Community Representatives**

Ms Dionne Dearman - City of Manningham  
Ms Nicola Nye - City of Whitehorse

##### **Chief Executive Officer**

Ms Sally Both - Whitehorse Manningham Regional Library Corporation

#### **(b) Remuneration of Key Management Personnel**

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by the Corporation in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances.

**Other long-term employee benefits** include long service leave, other long service benefits or deferred compensation.

**Post-employment benefits** include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Board Members who are Councillors and Officers nominated by the Member Councils do not receive remuneration from Whitehorse Manningham Regional Library Corporation.

<b>Related party disclosure (cont.)</b>	<b>2024</b>	<b>2023</b>
	\$	\$
Total remuneration of key management personnel was as follows:		
Short term benefit	199,021	193,187
Other long-term benefits	(8,370)	4,530
Post-Employment Benefits	21,473	19,128
	<u>212,124</u>	<u>216,845</u>

**Total remuneration of key management personnel persons were within the following band:**

	No.	No.
\$210,000 - \$219,999	1	1
	<u>1</u>	<u>1</u>

**(c) Senior Officers Remuneration**

A Senior Officer is an officer, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; and
- b) whose total annual remuneration exceeds \$170,000

The Corporation have no Senior Officers who fit this criteria.

**7.2 Related party disclosure**

**(a) Transactions with related parties**

**Revenue**

Contributions received from member councils are detailed under 3.1 Council Contributions. These payments are made quarterly in advance in July, October, January and April.

<b>Other Revenue received from member councils</b>	<b>2024</b>	<b>2023</b>
	\$	\$
Manningham City Council		
Reimbursement of Warrandyte library expenses	334,349	301,488
Additional Hours Project - Doncaster/Pines Library	153,182	105,288
Additional Support for Doncaster/Bulleen project	-	98,420
Additional grants for specific projects	26,364	3,000
Whitehorse City Council		
Additional grants for specific projects	5,600	23,000



<b>Related party disclosure (cont.)</b>	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Expenses</b>		
Manningham City Council		
Warrantdyte Library Expenses	295,117	253,794
Utilities reimbursement - Doncaster Library	28,600	26,000
Additional Hours Project - Doncaster/Pines Library	153,182	115,796
Living Libraries	-	38,617
Mayoral Ball	-	473
Marketing	404.04	121
Reimbursement door sensor - Warrantdyte Library	7,950.00	-
Whitehorse City Council		
Headquarters Rental	68,200	68,200
Utilities reimbursement - Nunawading, Vermont South and Blackburn Libraries	56,364	56,353

**(b) Loans to/from related parties**

No loans were made to or received from related parties

**(c) Commitments to/from related parties**

There are no commitments in existence at balance date.

**(d) Other Transactions - Peppercorn leases**

Manningham and Whitehorse Councils provide library floor space to the Corporation. Any charges related to the leasing or maintenance of these branch libraries are not passed on to the Corporation. The councils do not charge the Corporation for these leases.

The Whitehorse Manningham Regional Library Corporation leases the headquarters space at the Box Hill and Nunawading branches for \$68,200 (2022/2023 \$68,200) per annum from City of Whitehorse on a 3 monthly basis. There is no formal tenancy agreement so it is considered to be an open ended agreement and the charge is not at commercial rate.

Other related party transactions have been considered and there are no matters to report.

## **Note 8 Managing uncertainties**

### **8.1 Contingent assets and liabilities**

#### **(a) Contingent assets**

At the reporting date, the Corporation had no contingent assets (2022-2023: Nil).

#### **(b) Contingent liabilities**

##### **Superannuation**

The Corporation has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.2. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

### **8.2 Financial instruments**

#### **(a) Objectives and policies**

The Corporation's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables) payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability is disclosed in the financial statements. Risk management is carried out by senior management under policies approved by the Corporation. These policies include identification and analysis of the risk exposure to the Corporation and appropriate procedures, controls and risk minimisation.

#### **(b) Market risk**

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Corporation's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

##### ***Interest rate risk***

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Corporation does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

## 8.2 Financial instruments (cont.)

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989* (as per the transitional arrangements of the *Local Government Act 2020*). We manage interest rate risk by adopting an investment policy that ensures:

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

There has been no significant change in the Corporation's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have been significant enough during the year to have an impact on the Corporation's year end result.

### (c) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

The credit risk with receivables is very low as it relates to one member council.

There are no material financial assets which are individually determined to be impaired.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Corporation does not hold any collateral.

### (d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

## 8.2 Financial instruments (cont.)

To help reduce these risks the Corporation:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments; and
- monitor budget to actual performance on a regular basis

The Corporation's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet and the amounts related to financial guarantees disclosed, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in the Corporation's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## 8.3 Fair Value Measurement

### (a) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Corporation believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +1.5% in market interest rates (AUD) from year-end rates of 4%.

These movements will not have a material impact on the valuation of the Corporations' financial assets and liabilities, nor will they have a material impact on the results of the Corporations' operations.

#### *Fair value hierarchy*

The Corporations' financial assets and liabilities are not valued in accordance with the fair value hierarchy, the Corporation's financial assets and liabilities are measured at amortised cost.

## 8.4 Events occurring after balance date

There are no subsequent events of which the Corporation is aware, that would affect the information provided within these Financial Statements.

**Note 9 Other matters**

**9.1 Reconciliation of cash flows from operating activities to surplus.**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Surplus for the year	11,139	614,968
Depreciation	1,186,719	1,384,303
Loss on Disposal of Fixed Assets	658,953	419,579
Changes in assets and liabilities		
(Increase)in Receivables	(27,943)	(30,741)
(Increase) in Accrued Income	(260)	(21,988)
Decrease/(Increase) in Prepayments	(22,503)	94,855
Increase/(Decrease) in Employee Provisions	132,130	(18,355)
Increase/(Decrease) in Payables	(708,817)	585,395
Net cash provided by operating activities	<u>1,229,418</u>	<u>3,028,016</u>

**9.2 Superannuation**

The Corporation makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

**Accumulation**

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11% as required under Superannuation Guarantee (SG) legislation (2023:10.5%).

**Defined Benefit**

The Corporation does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

## 9.2 Superannuation (cont.)

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Corporation in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

### Funding

The Corporation makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

The financial assumptions used to calculate the VBI were:

Net investment returns	5.7% pa
Salary information	3.5% pa
Price inflation (CPI)	2.8% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

## 9.2 Superannuation (cont.)

### Employer contributions

#### (a) Regular contributions

On the basis of the results of the 2023 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, the Corporation reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

## 9.2 Superannuation (cont.)

### (b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including the Corporation) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

### The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which the Corporation is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which the Corporation is a contributing employer:

	2023 (Triennial)	2022 (Interim)
	\$m	\$m
● A VBI surplus	84.7	44.6
● A total service liability surplus	123.6	105.8
● A discounted accrued benefits surplus	141.9	111.9

## 9.2 Superannuation (cont.)

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

### The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was XXX.X% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns	5.5% pa
Salary information	2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI)	3.0%pa

The Corporation was notified of the 30 June 2024 VBI during ~~XXXXXX~~ 2024. Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.



**9.2 Superannuation (cont.)**

**The 2020 triennial investigation**

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020 Triennial investigation	2023 Triennial investigation
Net investment return	5.6% pa 2.5% pa for two years and 2.75% pa thereafter	5.7% pa 3.50% pa
Salary inflation		
Price inflation	2.0% pa	2.8% pa

In addition to the contributions 4.1b the corporation has paid no unfunded liability payments to Vision Super.

**Note 10 Change in Accounting Policy**

There have been no changes to accounting policies in the 2023-24 year.