

Goulburn Valley Regional Library Corporation
ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2021

Goulburn Valley Regional Library Corporation

Financial Report

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Certification of the Financial Statements

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



Matthew Jarvis CPA
Principal Accounting Officer

Date : 23rd September 2021
Shepparton

In our opinion the accompanying financial statements present fairly the financial transactions of Goulburn Valley Regional Library Corporation for the year ended 30 June 2021 and the financial position of the Corporation as at that date.

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

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

Derek Poulton
Board Member

Date : 23rd September 2021
Shepparton



Julie Brooks
Board Member

Date : 23rd September 2021
Shepparton



Kevin Preece
Chief Executive Officer

Date : 23rd September 2021
Shepparton



Independent Auditor's Report

To the Board of Goulburn Valley Regional Library Corporation

Opinion	<p>I have audited the financial report of Goulburn Valley Regional Library Corporation (the corporation) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the corporation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**


As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
28 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Council contributions	3.1	2,757,441	2,703,371
Fees and fines	3.2	33,268	46,013
Grants - operating	3.3	878,707	860,025
Grants - capital	3.3	100,000	-
Other income	3.4	54,328	56,244
Total income		3,823,744	3,665,653
Expenses			
Employee costs	4.1	(2,285,708)	(2,349,891)
Materials and services	4.2	(679,972)	(598,856)
Depreciation	4.3	(465,053)	(486,208)
Amortisation - right of use assets	4.4	(44,311)	(44,211)
Net loss on disposal of library stock, plant and equipment	4.5	(3,335)	(4,836)
Bad and doubtful debts	4.6	-	21
Borrowing costs	4.7	17,210	(13,878)
Finance costs - leases	4.8	(3,929)	(5,423)
Other expenses	4.9	(74,100)	(74,285)
Total expenses		(3,539,198)	(3,577,567)
Surplus for the year		284,546	88,086
Total comprehensive result		284,546	88,086

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

Balance Sheet
As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	916,066	568,673
Other financial assets	5.1 (b)	500,000	500,000
Trade and other receivables	5.1 (c)	21,653	26,344
Other assets	5.2	28,093	4,080
Total current assets		1,465,812	1,099,097
Non-current assets			
Library stock, plant and equipment	6.1	2,198,943	2,210,567
Right-of-use assets	5.8	92,314	136,495
Total non-current assets		2,291,257	2,347,062
Total assets		3,757,069	3,446,159
Liabilities			
Current liabilities			
Trade and other payables	5.3	210,234	124,057
Provisions	5.5	741,179	741,340
Interest-bearing liabilities	5.4	-	19,099
Lease liabilities	5.8	44,964	44,115
Total current liabilities		996,377	928,611
Non-current liabilities			
Provisions	5.5	63,431	60,606
Lease liabilities	5.8	50,413	94,640
Total non-current liabilities		113,844	155,246
Total liabilities		1,110,221	1,083,857
Net assets		2,646,848	2,362,302
Equity			
Accumulated surplus		(258,899)	(543,445)
Member contributions		2,905,747	2,905,747
Total equity		2,646,848	2,362,302

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2021

		Total	Accumulated Deficit	Member Contributions
2021	Note	\$	\$	\$
Balance at beginning of the financial year		2,362,302	(543,445)	2,905,747
Surplus for the year		284,546	284,546	-
Balance at end of the financial year		2,646,848	(258,899)	2,905,747

		Total	Accumulated Deficit	Member Contributions
2020		\$	\$	\$
Balance at beginning of the financial year		2,274,216	(631,531)	2,905,747
Surplus for the year		88,086	88,086	-
Balance at end of the financial year		2,362,302	(543,445)	2,905,747

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

Statement of Cash Flows For the Year Ended 30 June 2021

		2021 Inflows/ (Outflows) \$	2020 Inflows/ (Outflows) \$
	Note		
Cash flows from operating activities			
Council contributions		2,757,441	2,703,371
Fees and fines		33,268	45,801
Grants - operating		878,707	860,025
Grants - capital		100,000	-
Interest received		3,683	11,639
Other receipts		175,925	29,964
Net GST refund/(payment)		8,106	(38,682)
Employee costs		(2,264,818)	(2,412,763)
Materials and services		(820,603)	(554,919)
Net cash provided by operating activities	9.1	<u>871,709</u>	<u>644,436</u>
Cash flows from investing activities			
Payments for library stock, plant and equipment	6.1	(456,780)	(444,147)
Proceeds from sale of property, infrastructure, plant and equipment		16	8,494
Payments for investments		-	(500,000)
Net cash used in investing activities		<u>(456,764)</u>	<u>(935,653)</u>
Cash flows from financing activities			
Finance costs		(1,016)	(2,307)
Repayment of borrowings		(19,099)	(17,579)
Interest paid - lease liability		(3,929)	(5,423)
Repayment of lease liabilities		(43,508)	(41,951)
Net cash used in financing activities		<u>(67,552)</u>	<u>(67,260)</u>
Net increase/(decrease) in cash and cash equivalents		347,393	(358,476)
Cash and cash equivalents at the beginning of the financial year		568,673	927,149
Cash and cash equivalents at the end of the financial year	5.1	<u>916,066</u>	<u>568,673</u>

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

Statement of Capital Works
For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Library stock, plant and equipment		
Plant, machinery and equipment	-	25,709
Fixtures, fittings and furniture	9,388	5,523
Computers and telecommunications	43,537	33,975
Library books and multimedia	403,855	378,939
Total plant and equipment	456,780	444,146
	8.1	
Total capital works expenditure	456,780	444,146
Represented by:		
New asset expenditure	14,954	523
Asset renewal expenditure	441,826	443,623
Total capital works expenditure	456,780	444,146

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

OVERVIEW

Introduction

The Goulburn Valley Regional Library was established by approval of the Minister for Local Government by publishing in the Government Gazette on 22 May 1997 and is a Corporation. The Corporation's main office is located at 79 Benalla Road, Shepparton, Victoria.

Statement of compliance

These financial statements are 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 the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, 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.

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 fair value of library stock, plant and equipment (refer to Note 6.1)
- the determination of depreciation for library stock, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

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.

Impact of COVID-19

In accordance with State Government direction, the Corporation closed all of its libraries to the public each time a lockdown was called. As the Library operations had already shifted to an online service model during the 2020 financial year with click and collect facilities, the community was able to be provided with ongoing collection services. As a result, employee costs were reduced as casual employment was disrupted, however the overall impact to the GVRLC's operations during the last year has been immaterial even with the considerable impact to service that comes with having to be closed to the public.

Note 1 Performance against budget

The performance against budget 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 greater than 10 percent and \$30,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality 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 25 June 2020. The Budget was based on assumptions that were relevant at then time of adoption of the Budget. The Corporation sets guidelines and parameters for income and expense targets in this budget in order to meet its planning and financial performance targets for both the short and long-term. The Budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

1.1 Income and expenditure	Budget 2021 \$	Actual 2021 \$	Variance 2021 \$	Variance 2021 %	Ref
Income					
Council contributions	2,757,439	2,757,441	2	0%	
Fees and fines	52,700	33,268	(19,432)	(37%)	
Grants - operating	875,420	878,707	3,287	0%	
Grants - capital	-	100,000	100,000	100%	1
Other income	24,200	54,328	30,128	124%	2
Total income	3,709,759	3,823,744	113,985	3%	
Expenses					
Employee costs	2,481,000	2,285,708	195,292	8%	
Materials and services	689,200	679,972	9,228	1%	
Depreciation	480,596	465,053	15,543	3%	
Amortisation - right of use assets	-	44,311	(44,311)	100%	3
Net loss on disposal of library stock, plant and equipment	-	3,335	(3,335)	100%	
Borrowing costs	1,500	(17,210)	18,710	1,247%	4
Finance costs - leases	-	3,929	(3,929)	100%	
Other expenses	57,200	74,100	(16,900)	(30%)	
Total expenses	3,709,496	3,539,198	170,298	5%	
Surplus/(deficit) for the year	263	284,546	284,283	100%	

1.1 Income and expenditure (cont'd)

(i) Explanation of material variations

- 1 Capital grants received from the Murray-Darling Basin Economic Development Program for the Tatura Library Redevelopment fit out.
- 2 Contribution from the Moreland City Council for the Libraries After Dark program.
- 3 Amortisation of Right of Use Assets in conjunction with AASB16.
- 4 Borrowing costs is showing a negative expense in the 2021 actual due to lower forecast future bond rates resulting in a decrease to the employee provisions and a negative expense in the fair value movement.

1.2 Capital works

	Budget 2021 \$	Actual 2021 \$	Variance 2021 \$	Variance 2021 %	Ref
Plant and equipment					
Plant, machinery and equipment	35,000	-	(35,000)	(100%)	1
Fixtures, fittings and furniture	8,000	9,388	1,388	17%	
Computers and telecommunications	30,000	43,537	13,537	45%	
Library books and multimedia	397,000	403,855	6,855	2%	
Total plant and equipment	470,000	456,780	(13,220)	(3%)	
Total capital works expenditure	470,000	456,780	(13,220)	(3%)	
Represented by:					
New asset expenditure	-	14,954	14,954	100%	
Asset renewal expenditure	470,000	441,826	(28,174)	(6%)	
Total capital works expenditure	470,000	456,780	(13,220)	(3%)	

(i) Explanation of material variations

- 1 Purchase of replacement vehicle delayed to the 2021/2022 financial year.

Note 2 Analysis of Corporation results by program

The Corporation delivers its functions and activities through the following programs.

(a) Management and Administration

Provision of shared services corporate services including costs of Office and Logistics Centre, 79 Benalla Road Shepparton, Computer Information Technology, Human Resources, Insurance, Admin and Finance and general corporate costs.

Collection Services

Costs of the whole of life collection management including management , procurement, processing, retirement distribution and courier services.

Library Services

Direct management and operational costs of libraries, including mobile library, coordination and delivery of library programs and events.

(b) Summary of revenues, expenses, assets, and capital expenses by program

			Surplus/ (Deficit)	Grants included in income	Total Assets
	Income \$	Expenses \$	\$	\$	\$
2021					
Management and administration	3,790,476	(1,740,366)	2,050,110	978,707	1,465,812
Collection services	-	(300,473)	(300,473)	-	-
Library services	33,268	(1,498,359)	(1,465,091)	-	2,291,257
	3,823,744	(3,539,198)	284,546	978,707	3,757,069
	Income \$	Expenses \$	Surplus/ (Deficit) \$	Grants included in income \$	Total Assets \$
2020					
Management and administration	3,619,640	(1,825,224)	1,794,416	860,025	1,099,095
Collection services	-	(286,628)	(286,628)	-	-
Library services	46,013	(1,465,715)	(1,419,702)	-	2,347,064
	3,665,653	(3,577,567)	88,086	860,025	3,446,159

Note 3 Funding for the delivery of our services	2021	2020
3.1 Council contributions	\$	\$
Greater Shepparton City Council	1,688,821	1,655,707
Moira Shire Council	795,840	780,230
Strathbogie Shire Council	272,780	267,434
Total council contributions	2,757,441	2,703,371

Annual financial contributions are determined by agreement with member Councils as outlined in the Regional Library Agreement gazetted 21 January 2010 and are based on population, service levels and adopted budget. Council contributions are recognised as income when invoices are raised quarterly.

3.2 Fees and fines

Overdue charges	19	810
Copy charges	15,544	27,438
Lost books	4,673	4,617
Inter library change	237	165
Book club fees	11,813	9,203
Meeting room hire	982	3,780
Total fees and fines	33,268	46,013

User fees by timing of revenue recognition

User fees recognised at a point in time	33,268	46,013
Total fees and fines	33,268	46,013

Fees and fines are recognised as revenue when the service has been provided, the payment is received, or when then penalty has been applied, whichever first occurs.

Note 3 Funding for the delivery of our services (cont'd)

3.3 Funding from other levels of government

2021
\$

2020
\$

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	100,000	-
State Government funded grants	878,707	860,025
Total grants received	978,707	860,025

(a) Operating Grants

Recurrent

Department of Planning and Community Development	852,480	831,687
Premier's Reading Challenge	26,227	26,227
Other	-	2,111
Total operating grants	878,707	860,025

(b) Capital Grants

Non-Recurrent

Murray Darling Basin - Tatura Library Redevelopment	100,000	-
Total capital grants	100,000	-

(c) Unspent grants received on condition that they be spent in a specific manner

Capital

Balance at start of year	-	-
Received during the financial year and remained unspent at balance date	120,120	-
Received in prior years and spent during the financial year	-	-
Balance at year end	120,120	-

Grant income is recognised at the point in time when the Corporation satisfies its performance obligations as specified in the underlying agreement.

3.4 Other income

Interest	3,683	11,639
Donations	22,960	22,953
Other	27,685	21,652
Total other income	54,328	56,244

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when the Corporation gains control over the right to receive the income.

Note 4 The cost of delivering services	2021	2020
4.1 (a) Employee costs	\$	\$
Wages and salaries	1,999,310	1,977,605
Casual staff	81,474	163,072
WorkCover	12,882	10,051
Superannuation	190,813	198,829
Fringe benefits tax	1,229	334
Total employee costs	2,285,708	2,349,891

(b) Superannuation

The Corporation made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

28,056	29,337
28,056	29,337

Employer contributions payable at reporting date.

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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

99,247	99,662
70,213	66,810
169,460	166,472

Employer contributions payable at reporting date.

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Refer to note 9.2 for further information relating to the Corporation's superannuation obligations.

4.2 Materials and services

IT and telecommunications	219,782	197,806
Advertising, marketing and promotions	10,113	20,927
Contractors and services	46,881	52,671
Contribution - Tatura Library redevelopment	100,000	-
Building outgoings and utilities	23,880	25,520
Financial Services	71,123	68,880
Motor vehicle expenses	24,195	34,252
Publications	23,769	32,032
Insurance	40,935	68,047
Operational supplies and services	119,294	98,721
Total materials and services	679,972	598,856

2020 figures have been restated for IT and telecommunications and Contractors and services. The 2020 figures included a portion of short term leases which have been moved to 4.9 other expenses.

Note 4 : The cost of delivering services (cont'd)

4.3 Depreciation

	2021	2020
	\$	\$
Library books	235,442	223,040
Video tapes	30,366	27,070
Audio tapes	67,898	93,240
Mobile library	40,564	40,597
Motor vehicles	20,209	26,816
Fixtures, fittings and furniture	9,733	14,422
Computer and telecoms	60,841	61,023
Total depreciation	465,053	486,208

Refer to note 6 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - right of use assets

Property	44,311	44,211
Total amortisation - right of use assets	44,311	44,211

4.5 Net loss on disposal of property, infrastructure, plant and equipment

Proceeds of sale	(16)	(8,495)
Written down value of assets disposed	3,351	13,331
Total net loss on disposal of property, infrastructure, plant and equipment	3,335	4,836

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

4.6 Bad and doubtful debts

Sundry debtors	-	(21)
Total bad and doubtful debts	-	(21)

Movement in provisions for doubtful debts

Balance at the beginning of the year	-	233
New provisions recognised during the year	-	(21)
Amounts already provided for and written off as uncollectible	-	(212)
Balance at end of year	-	-

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

Note 4 The cost of delivering services (Cont'd)

4.7 Borrowing costs	2021	2020
	\$	\$
Interest - Borrowings	1,016	2,307
Movement in fair value of employee provision due to change in present value calculations	(18,226)	11,571
Total borrowing costs	(17,210)	13,878

Borrowing costs are recognised as an expense in the period in which they are incurred.

4.8 Finance costs - leases

Interest - lease liabilities	3,929	5,423
Total finance costs	3,929	5,423

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements.	9,855	5,800
Short term leases	64,245	68,485
Total other expenses	74,100	74,285

2020 figures have been restated for short term leases. The 2020 short term leases were included in note 4.2 under IT and telecommunications and contractors and services.

Note 5 Our financial position	2021	2020
5.1 Financial assets	\$	\$
(a) Cash and cash equivalents		
Cash on hand	1,480	1,480
Cash at bank	914,586	567,193
Total cash and cash equivalents	916,066	568,673

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(b) Other financial assets		
Term deposits - current	500,000	500,000
Total other financial assets	500,000	500,000
Total financial assets	1,416,066	1,068,673

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.

(c) Trade and other receivables

Current		
Trade receivables	240	5,243
Other debtors	21,413	21,101
Total current trade and other receivables	21,653	26,344

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(d) Ageing of receivables

The ageing of the Corporations trade and other receivables (excluding statutory receivables) that are not

Current (not yet due)	21,493	23,851
Past due between 31 and 180 days	160	2,373
Past due between 181 and 365 days	-	120
Total trade and other receivables	21,653	26,344

Note 5 Our financial position (cont'd)	2021	2020
5.2 Non-financial assets	\$	\$
Other assets		
Prepayments	27,972	3,490
Accrued income	121	590
Total other assets	28,093	4,080
5.3 Payables		
(a) Trade and other payables		
Trade payables	16,398	(192)
Net GST/PAYG payable	11,832	3,726
Accrued expenses	61,884	120,523
Total trade and other payables	90,114	124,057
(b) Unearned income		
Grants received in advance - capital	120,120	-
Total unearned income	120,120	-
5.4 Interest-bearing liabilities		
Current		
Borrowings - secured	-	19,099
	-	19,099
Non-current		
Borrowings - secured	-	-
	-	-
Total interest-bearing liabilities	-	19,099
(a) The maturity profile for Corporation's borrowings is:		
Not later than one year	-	19,099
Later than one year and not later than five years	-	-
	-	19,099

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition is at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

Note 5 Our financial position (cont'd)

5.5 Provisions

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
2021			
Balance at beginning of the financial year	195,955	605,991	801,946
Additional provisions	145,894	78,444	224,338
Amounts used	(165,992)	(37,456)	(203,448)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(136)	(18,090)	(18,226)
Balance at the end of the financial year	175,721	628,889	804,610

2020

Balance at beginning of the financial year	218,012	567,366	785,378
Additional provisions	137,318	86,343	223,661
Amounts used	(159,454)	(36,068)	(195,522)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	79	(11,650)	(11,571)
Balance at the end of the financial year	195,955	605,991	801,946

	2021	2020
	\$	\$
Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	153,615	178,166
Long service leave	134,062	72,921
	287,677	251,087
Current provisions expected to be wholly settled after 12 months		
Annual leave	22,106	17,788
Long service leave	431,396	472,465
	453,502	490,253
Total current employee provisions	741,179	741,340
Non-current		
Long service leave	63,431	60,606
Total non-current employee provisions	63,431	60,606
Aggregate carrying amount of employee provisions:		
Current	741,179	741,340
Non-current	63,431	60,606
Total aggregate carrying amount of employee provisions	804,610	801,946

Note 5 Our financial position (cont'd)

5.5 Provisions (cont'd)

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

Annual leave

Liabilities for annual leave and 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.

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:	2021	2020
- discount rate	1.49%	0.87%
- index rate	1.50%	1.50%

5.6 Financing arrangements

	2021	2020
	\$	\$
The Corporation has the following funding arrangements in place as at 30 June 2021		
Credit card facilities	7,000	7,000
Other facilities	-	19,099
Total facilities	7,000	26,099
<i>Used facilities</i>		
Credit card	-	-
Loan facilities	-	19,099
Total used facilities	-	19,099
Total unused facilities	7,000	7,000

2020 figures have been restated for credit card facilities. The 2020 figure of \$5,000 was incorrect.

Note 5 Our financial position (cont'd)

5.7 Commitments

The Corporation has entered into the following commitments for maintenance of its radio frequency identification (RFID) and wifi systems and photocopiers. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value.

	2021	2020
	\$	\$
Not later than one year	49,221	54,453
Later than one year and not later than five years	7,114	28,455
	56,335	82,908

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has The right to obtain substantially all of The economic benefits from use of The asset the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, the Corporation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, the Corporation uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

Note 5 Our financial position (cont'd)

5.8 Leases (cont'd)

- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Corporation is reasonably certain to exercise, lease payments in an optional renewal period if the Corporation is reasonably certain to exercise an extension option, penalties for early termination of a lease unless the Corporation is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-use assets	Property	Total
	\$	\$
Balance at 1 July 2019	177,926	177,926
Additions	2,780	2,780
Amortisation charge	(44,211)	(44,211)
Balance at 30 June 2020	136,495	136,495
Balance at 1 July 2020	136,495	136,495
Additions	130	130
Amortisation charge	(44,311)	(44,311)
Balance at 30 June 2021	92,314	92,314
Lease liabilities	2021	2020
Maturity analysis - contractual undiscounted cash flows	\$	\$
Less than one year	47,436	44,115
One to five years	51,389	99,262
Total undiscounted lease liabilities as at 30 June:	98,825	143,377
Lease liabilities included in the Balance Sheet at 30 June:		
Current	44,964	44,115
Non-current	50,413	94,640
Total lease liabilities	95,377	138,755

Short-term and low value leases

The Corporation has elected not to recognise right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. The Corporation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Note 5 Our financial position (cont'd)

5.8 Leases (cont'd)

	2021	2020
	\$	\$
Expenses relating to:		
Short-term leases	6,787	8,372
Leases of low value assets	57,458	60,113
Total	64,245	68,485

Non-cancellable lease commitments - short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:

Within one year	49,221	54,453
Later than one year but not later than five years	7,114	28,455
Total lease commitments	56,335	82,908

6.1 Library stock, plant and equipment

	At Fair Value 30 June 2020	Additions	Depreciation	Disposal	Transfers	At Fair Value 30 June 2021
	\$	\$	\$	\$	\$	\$
Plant and equipment	106,087	-	(60,773)	-	-	45,314
Fixtures fittings and furniture	41,727	9,388	(9,733)	(3,351)	(1,081)	36,950
Computers and telecommunications	340,834	43,537	(60,841)	-	1,081	324,611
Library books	1,383,294	280,198	(235,442)	-	109,904	1,537,954
Audio tapes	253,984	73,451	(67,898)	-	(100,678)	158,859
Video tapes	84,641	50,206	(30,366)	-	(9,226)	95,255
	2,210,567	456,780	(465,053)	(3,351)	-	2,198,943

Note 6 Assets we manage (cont'd)
(a) Library stock, plant and equipment

	Plant and equipment	Fixtures fittings and furniture	Computers and telecoms	Library books	Audio tapes	Video tapes	Total library stock, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2020	523,843	265,924	880,898	5,743,198	847,093	276,528	8,537,484
Accumulated depreciation at 1 July 2020	(417,756)	(224,197)	(540,064)	(4,359,904)	(593,109)	(191,887)	(6,326,917)
	106,087	41,727	340,834	1,383,294	253,984	84,641	2,210,567
Movements in fair value							
Additions	-	9,388	43,537	280,198	73,451	50,206	456,780
Disposal	-	(58,946)	(124,489)	-	-	-	(183,435)
Transfers	-	(1,081)	1,081	109,904	(100,678)	(9,226)	-
	-	(50,639)	(79,871)	390,102	(27,227)	40,980	273,345
Movements in accumulated depreciation							
Depreciation and amortisation	(60,773)	(9,733)	(60,841)	(235,442)	(67,898)	(30,366)	(465,053)
Accumulated depreciation of disposals	-	55,595	124,489	-	-	-	180,084
Transfers	-	-	-	-	-	-	-
	(60,773)	45,862	63,648	(235,442)	(67,898)	(30,366)	(284,969)
At fair value 30 June 2021	523,843	215,285	801,027	6,133,300	819,866	317,508	8,810,829
Accumulated depreciation at 30 June 2021	(478,529)	(178,335)	(476,416)	(4,595,346)	(661,007)	(222,253)	(6,611,886)
	45,314	36,950	324,611	1,537,954	158,859	95,255	2,198,943

The fair values at 1 July 2020 for Fixtures, Fitting and Furniture; Computers and Telecommunications; Library Books; Audio Tapes; and Video Tapes have been restated due to reclassification of purchases between the asset categories.

Note 6 Assets we manage (cont'd)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

In accordance with the Corporation's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period	Threshold Limit
<i>Asset recognition thresholds and depreciation periods</i>		\$
Library Stock		
books	12 years	1
audio tapes	5 years	1
video tapes	5 years	1
Plant and Equipment		
motor vehicles	5 years	10,000
mobile library	10 years	10,000
fixtures, fittings and furniture	3 to 10 years	500
computers and telecommunications	3 to 10 years	500

Depreciation and amortisation

Library stock and equipment having limited useful lives are systematically depreciated over their useful lives to the Corporation in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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.

Note 7 People and relationships

7.1 Corporation key management remuneration

(a) Key Management Personnel

Details of persons holding the position of Board Member or other members of key management personnel at any time during the year are:

Board Members	Mr Derek Poulton (Chairperson)
	Cr. Reg Dickinson (from December 2020)
	Cr. Julie Brooks (Deputy Chairperson) (from December 2020)
	Cr. Greg James (from December 2020)
	Ms Sally Rice
	Mr David Roff
	Ms Jessica Bonaddio (from December 2020)
	Ms Kaye Thompson
	Cr. Gary Cleveland (retired September 2020)
	Cr. Bruce Giovanetti (retired September 2020)
	Cr. Alistair Thomson (retired September 2020)
	Ms Alex Monk (retired February 2021)
	Ms Amanda Tingay (retired December 2020)

Chief Executive Officer Mr Kevin Preece

	2021	2020
	No.	No.
Total number of Board Members	13	11
Chief Executive Officer	1	1
Total number of Key Management Personnel	14	12

(b) Remuneration of Key Management Personnel

	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	164,303	152,146
Post employment benefits	14,554	13,456
Other long-term benefits	3,688	3,688
Total	182,545	169,290

The numbers of key management personnel whose total remuneration from the Corporation and any related entities, fall within the following bands:

	No.	No.
\$0 - \$9,999	13	11
\$160,000 - \$169,999	-	1
\$180,000 - \$189,999	1	-
	14	12

Note 7 People and relationships (Cont'd)

(c) Senior Officer remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	No.	No.
\$80,000 - \$89,999	-	-
\$90,000 - \$99,999	1	1
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	2	1
	<u>3</u>	<u>3</u>
	\$	\$
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	<u>327,218</u>	<u>314,442</u>

7.2 Related party disclosure

(a) Transactions with related parties

Goulburn Valley Regional Library Corporation receives funding from member Councils in return for providing library services. Funds are received from Greater Shepparton City Council, Strathbogie Shire Council and Moira Shire Council. The Goulburn Valley Regional Library Board of Management is comprised of three members from each Council; one Councillor, one Council Senior Officer and one independent community member. The funding contribution is determined based pro-rata on the total population of the region.

	2021	2020
The following contributions were received by the Corporation from each council member:		
	\$	\$
Greater Shepparton City Council	1,688,821	1,655,707
Moira Shire Council	795,840	780,230
Strathbogie Shire Council	272,780	267,434
During the period the Corporation entered to the following other related party transactions:		
	\$	\$
Payments to entities controlled by key management personnel ^{1,2}	201,031	96,595
Receipts from entities controlled by key management personnel	1,130	4,611

7.2 Related party disclosure (Cont'd)

Notes:

1. Payment of \$67,856 to Greater Shepparton City Council for the provision of a number of financial related services such as financial reporting and payroll services on a commercial basis. A further payment of \$100,000 as a contribution towards the capital redevelopment of the Tatura Library to Greater Shepparton City Council. A further payment to Greater Shepparton City Council of \$160 and a payment of \$40 to Moira Shire Council for staff flu vaccinations.

2. Payment of \$32,975 to Public Libraries Victoria for subscriptions, research and shared resources (CEO has an interest)

(b) Outstanding balances with related parties

There were no balances outstanding at the end of the reporting period in relation to transactions with related parties.

(c) Loans to/from related parties

There were no loans to or from related parties during 2020/2021.

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the Corporation to or from a related party are as follows:

1. MOU for provision of administrative services and payment of administration fees.
2. Moira Shire Council, Strathbogie Shire Council, and Greater Shepparton City Council are committed to paying the annual contributions to the Corporation.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

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 below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Liability Mutual Insurance

The Corporation is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. The Corporation assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact the Corporation.

8.3 Financial instruments

(a) Objectives and policies

The Corporation's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), and payables (excluding statutory payables). 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, financial liability and equity instrument is disclosed in the notes of 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 the corporation 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.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

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 rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. The Corporation manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- 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 not been sufficiently significant 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 the Corporation to make a financial loss. The Corporation have exposure to credit risk on some financial assets included in the balance sheet. The Corporation has no significant areas of credit risk in relation to outstanding fees and fines. To help manage this risk:

- the Corporation only invest surplus funds with financial institutions which have a recognised credit rating specified in the Corporation's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the corporation's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

The Corporation may also be subject to credit risk for transactions which are not included in the balance sheet, such as when the Corporation provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

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 the Corporation's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

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;
- monitor budget to actual performance on a regular basis; and

The Corporation's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1, 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.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) 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 +0.00% and -0.25% in market interest rates (AUD) from year-end rates of 0.85%.

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

Note 8 Managing uncertainties (cont'd)

8.4 Fair value measurement

Fair value hierarchy

The Corporation's financial assets and liabilities are measured at amortised cost.

The Corporation measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

Impairment of assets

At each reporting date, the Corporation reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Non current asset values saw no material impact by COVID-19 as at 30 June. This is due to the assets held on the asset register including books and audio related media, computers, office furniture and motor vehicles which are all unimpacted by COVID-19. Revaluations were not undertaken in the 2020/2021 financial year. There are no indicators to suggest COVID-19 has affected operations of the Corporation to the extent that it would have an impact on the value of its assets.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Note 9 Other matters	2021	2020
9.1 Reconciliation of cash flows from operating activities to surplus	\$	\$
Surplus for the year	284,546	88,086
Depreciation	465,053	486,208
Amortisation of ROU assets	44,311	44,211
Loss on disposal of property, infrastructure, plant and equipment	3,335	4,836
Interest on borrowings	1,016	2,307
Movement in fair value of employee provision due to change in present value calculations	(18,226)	11,571
Financing costs	3,929	5,423
Other	-	(21)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	4,691	(22,670)
(Increase)/decrease in prepayments	(24,482)	23,266
Decrease in accrued income	469	7,817
Increase/(decrease) in trade and other payables	86,177	(11,595)
Increase/(decrease) in provisions	20,890	4,997
Net cash provided by operating activities	871,709	644,436

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 Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, 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 2021 this was 9.5% as required under Superannuation Guarantee (SG) legislation).

The Superannuation Guarantee (SG) rate will increase to 10% from 1 July 2021 based on the current SG legislation, and eventually to 12% from 1 July 2025.

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.

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 Goulburn Valley Regional Library 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.

9.2 Superannuation (Cont'd)

Funding arrangements

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 review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which the Corporation is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI

Net investment returns 5.6% pa

Salary information 2.5% pa for two years and 2.75% pa thereafter

Price inflation (CPI) 2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

Net investment returns 4.8% pa

Salary information 2.75% pa

Price inflation (CPI) 2.25% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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.

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, the Corporation makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). 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 2020 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.

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.

9.2 Superannuation (Cont'd)

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 2020 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which the Goulburn Valley Regional Library 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 2020.

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

	2020 (Triennial)	2019 (Interim)
	\$m	\$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

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 2020.

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 2020.

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 2020.

The Corporation was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

9.2 Superannuation (Cont'd)

The 2021 triennial actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Superannuation contributions

Contributions by the Corporation (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021 \$	2020 \$
Vision super	Defined benefit	9.50%	28,056	29,337
Vision super	Accumulation fund	9.50%	99,247	99,662
Other than Vision	Accumulation fund	9.50%	70,213	66,810