

**The Library and
Information Service
of Western Australia**



**Financial Statements
1999 - 2000**



Auditor General

To the Parliament of Western Australia

THE LIBRARY BOARD OF WESTERN AUSTRALIA PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2000

Scope

I have audited the accounts and financial statements of The Library Board of Western Australia for the year ended June 30, 2000 under the provisions of the Financial Administration and Audit Act 1985.

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Board.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Board to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Board's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by The Library Board of Western Australia provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Operating Statement, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Board at June 30, 2000 and the results of its operations and its cash flows for the year then ended.

D D R PEARSON
AUDITOR GENERAL
October 17, 2000

4th Floor Dumas House 2 Havelock Street West Perth WA 6005 Western Australia Tel: (08) 9222 7500 Fax (08) 9322 5664

The Library Board of Western Australia

OPERATING STATEMENT - for the year ended 30 June 2000

	Note	1999 / 2000 (\$'000)	1998 / 1999 (\$'000)
COST OF SERVICES			
Operating expenses			
Salaries, Wages and Allowances	2, 20	9,989	9,518
Superannuation	20	-	453
Other staff costs	20	324	260
Library Acquisitions	20	-	41
Consumable Supplies and Sundry Materials	20	1,016	961
Services and Contracts	20	1,872	1,774
Maintenance	20	948	808
Debt Servicing Costs		2,338	2,258
Grants & Subsidies	3, 20	456	393
Depreciation	4, 20	9,523	8,158
Other operating expenses	5, 20	295	785
Total operating expenses		26,761	25,409
Revenue from services			
Service Charges	20	172	169
Sales	20	520	594
Repayments and Recoveries	20	610	525
Interest revenue		10	-
Commonwealth Grant	20, 23	222	108
Other operating revenue	6, 20	364	107
Total revenue from services		1,898	1,503
Net cost of services before abnormal items		24,863	23,906
Abnormal item	7	(21,108)	(11,031)
Net cost of services after abnormal items		3,755	12,875
REVENUE FROM GOVERNMENT			
Consolidated Fund - recurrent appropriation	8	14,288	14,870
Consolidated Fund - capital appropriation		700	-
Resources received free of charge	2, 8	9,974	9,579
Total revenue from Government		24,962	24,449
Change in net assets resulting from operations		21,207	11,574
Add Opening balance of accumulated surplus/(deficit)		42,793	31,219
Closing balance of accumulated surplus/(deficit)		64,000	42,793

The Library Board of Western Australia

STATEMENT OF FINANCIAL POSITION - as at 30 June 2000

	Note	1999 / 2000 (\$'000)	1998 / 1999 (\$'000)
CURRENT ASSETS			
Cash resources	9	1,844	597
Cash in suspense	9	120	0
Accounts receivable	10	115	237
Inventories	11	0	26
Prepayments	12	270	41
Total current assets		2,349	901
NON-CURRENT ASSETS			
Property, plant and equipment	13	118,235	82,309
Total non-current assets		118,235	82,309
Total assets		120,584	83,210
CURRENT LIABILITIES			
Accounts payable	14	835	493
Accrued expenses	15	768	660
Borrowings from WA Treasury Corporation	16	1,174	1,077
Other current liabilities		11	63
Total current liabilities		2,788	2,293
NON-CURRENT LIABILITIES			
Borrowings from WA Treasury Corporation	16	24,689	23,626
Total non-current liabilities		24,689	23,626
Total liabilities		27,477	25,919
Net assets		93,107	57,291
Equity			
Accumulated surplus/(deficit)		64,000	42,793
Asset Revaluation Reserve	17	29,107	14,498
Total equity		93,107	57,291

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STATEMENT OF CASH FLOWS - for the year ended 30 June 2000

	Note	1999 / 2000 Inflows (Outflows) (\$'000)	1998 / 1999 Inflows (Outflows) (\$'000)
CASH FLOWS FROM/TO GOVERNMENT			
Consolidated Fund - recurrent appropriation		14,288	14,870
Consolidated Fund - capital		700	-
Grants and subsidies from government sources		222	14
Net cash provided by government		15,210	14,884
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to suppliers		(4,055)	(4,972)
Payments for library acquisitions		-	(40)
Payments to employees		(146)	-
Interest and guarantee fees paid to WA Treasury Corporation		(2,308)	(2,381)
Subsidies paid		(456)	(393)
GST - input Credits		(17)	128
Receipts			
Receipts from customers		770	1,339
Interest		10	5
Other operating revenue		733	128
Net cash used in operating activities	18	(5,469)	(6,314)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant, equipment and collections		(9,700)	(9,906)
Net cash used in investing activities		(9,700)	(9,906)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings from WA Treasury Corporation		2,252	2,223
Repayment of borrowings to WA Treasury Corporation		(1,092)	(997)
Net cash provided by financing activities		1,160	1,226
TOTAL CASH FLOWS FROM OPERATING, INVESTING AND FINANCING ACTIVITIES			
		(14,009)	(14,994)
Net (Decrease)/Increase in cash held		1,201	(110)
Cash at the beginning of the reporting period		597	679
Effects of exchange rate changes on the balance of cash held in foreign currencies at the end of the financial year		46	28
Cash at the end of the reporting period	9	1,844	597

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Notes to the financial statements for the year ended 30 June 2000

1 Significant Accounting Policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the preceding year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and UIG Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The Financial Administration and Audit Act and Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant effect upon the reported results, details of that modification and where practicable, the resulting financial effect is disclosed in individual notes to these financial statements.

The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the exception of certain non-current assets which have been stated at valuation as provided by the Valuer General's Office (see notes 1(c) and 13). Additions to non-current physical assets since valuation are stated at cost.

(a) Net Appropriation Determination

Pursuant to section 23A of the Financial Administration and Audit Act, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Authority:

- Proceeds from fees and charges; and
- Proceeds from training courses provided.

Retained revenues may only be applied to the outputs specified in the 1999-2000 Budget Statements.

Total retained revenues for 2000 is \$1.9M (1999-\$1.5M).

(b) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Board obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(c) Revaluation of Land, Buildings and Infrastructure

The Board does not have title to the Alexander Library Building. In 1989 a lease of the buildings was executed between the Board and the Minister for Works. The agreement is for 50 years from 1 July 1988 and yearly rental is one peppercorn payable if and when demanded.

As the Board met the costs of constructing the building, the cost is shown in the Statement of Financial Position and is being depreciated over the life of the lease.

The Statement of Financial Position shows assets at cost value, with the exception of land and buildings. The Board has a policy of revaluing land, buildings and infrastructure at least once every three years. The Alexander Library Building,

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Notes to the financial statements for the year ended 30 June 2000

Dianella Repository building and land were revalued by the Valuer General's Office (VGO) in 2000. The figures provided by the VGO for the Alexander Library Building and Dianella Repository building represented the depreciated replacement values of the buildings. Market value (based on Integrity 3 - kerbside valuation) was used for the Dianella Repository land. Written down values for both the buildings were adjusted in line with these valuations.

(d) Library Collections

In the past, no value had been assigned to the Board's collection of books, periodicals, microfilm, etc. They were not shown as assets but treated as consumables in the year of purchase.

As part of an ongoing commitment to recognise all library collections, the Board took up as assets part of its collections for the first time in 97/98. The collections, valued at \$32.902M and relating to the Public Library Services program, represented five years purchases (cost value), as this was deemed to be an appropriate "useful life" of the stock.

Each year, the latest year's purchases will be added and the earliest years purchases (from five years previous) will be deleted. For 99/00, purchases of \$6.633M have been added and the purchases in 94/95 of \$6.910M have been subtracted.

Another section of the Board's collections was brought to account for the first time in 98/99. This related to the State Reference Library collections and ten years purchases was deemed to represent an appropriate useful life. An amount of \$12.265 was included as assets in that year. As with the Public Library Services collection, each year the latest year's purchases will be added and the earliest year's purchases (from ten years previous) will be deleted. For 99/00, purchases of \$1.188M have been added and the purchases in 89/90 of \$1.365M have been subtracted.

The valuation of the library collections continued during 99/00, with the heritage collections being taken up as assets for the first time. The collections, valued at \$21.108M, were based on the cost of replacing those assets, the services they provided, average values of similar size collections at other libraries and itemised values for particular items. Three collections were not valued; i.e. private archives, ephemera collection and the state archives collection. Unlike the Public Library Services and State Reference Library collections, these heritage collections will not be depreciated, as their service potential has not, in any material sense, been consumed during the reporting period.

(e) Depreciation of Non-current Assets

All non current assets, excluding Works of Art and heritage Library Collections, are depreciated over their estimated useful lives using the straight line method, which reflects the consumption of their service potential. Depreciation has not been provided for Works of Art and heritage Library Collections because they are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

The valuation and depreciation method for non-heritage Library Collections has been explained above at (d). That is, an amount is included in depreciation (for Public Library Services and State Reference Library collections) in relation to the purchases made in previous years that do not form part of the current valuation.

The useful lives for each of the other class of depreciable assets are :

Buildings	50 years
Furniture and Equipment	10 years
Computer Hardware and Software	4 years

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Notes to the financial statements for the year ended 30 June 2000

(f) Employee entitlements

As stated in Note 2, the Ministry for Culture & the Arts was created with effect from 1 July 1997. At that date, all employees of the Arts Portfolio agencies, including the Library Board, became employees of the Ministry. Therefore, the Library Board no longer has liabilities in relation to employee entitlements, as it no longer employs staff.

(g) Leases

The Library Board has entered into a number of operating lease arrangements for buildings, vehicles and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the operating statement over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

(h) Accounts Receivable

Accounts Receivable are recognised at the amounts receivable and are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off.

(i) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Board considers the carrying amount approximates net fair value.

(j) Accounts Payable

Accounts Payable, including accruals not yet billed, are recognised when the Board becomes obliged to make future payments as a result of a purchase of assets or services. Accounts Payable are generally settled within 30 days.

(k) Inventories

Prior to 99/00, the Board maintained on hand stationery stock for internal administration and sale to the public through photocopying services. In April 1999 the Board made the decision to contract for the supply of stationery. From then on the stationery on hand was depleted and new stationery is now expensed at time of acquisition. This change in policy resulted in a nil balance against inventory on hand (98/99 \$26,000).

(l) Investments

The Board accrues interests for its interest bearing and overseas accounts. The interest revenue is recognised as it is accrued.

(m) Borrowings

The Board considers the carrying amounts of borrowings approximate the net fair value. A portion of the annual appropriation is applied to the repayment of loan principal, interest and guarantee fees. Interest and guarantee fees are recognised on an accrual basis.

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Notes to the financial statements for the year ended 30 June 2000

(n) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(o) Foreign Currency Translation and Hedges

To enable payments to be made to overseas suppliers, bank accounts are held in London and New York. Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at balance date are translated at exchange rates current at balance date. Exchange gains and losses are calculated at balance date. Such gains and losses are brought to account in determining the result for the year.

Forward foreign exchange contracts are entered into as hedges to avoid or minimise possible adverse financial effects of movements in exchange rates. Exchange gains and losses and costs arising from these contracts are deferred and included in the determination of the amounts at which the transactions are brought to account.

(p) Revenue Recognition

Revenue is produced from a range of activities and includes the sale of photocopies, publications, discarded books, photographic materials, charges for lost and damaged books and income from facilities hire. Revenue from the sale of goods and disposal of other assets, and the rendering of services, is recognised when the Board has passed control of the goods and or other assets or delivery of the service to the customer.

(q) Rounding of Figures

The figures in the financial statements have been rounded to the nearest thousand dollars.

(r) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

2 The Ministry for Culture & the Arts

The Government created the Ministry for Culture & the Arts with effect from 1 July 1997. It encompasses the Library Board and other agencies in the Arts Portfolio. The introduction of the Ministry altered the appropriation arrangements of the Board, mainly in relation to salaries. The Board received an appropriation direct from government in relation to acquisitions (of library collections) and other operating expenditure.

The Ministry received an appropriation to cover the cost of the staff previously employed by the Board and which still provide services to the Board. These resources, provided to the Board, but paid for by the Ministry, have been treated as "resources received free of charge". The expenses have been included in the appropriate categories, being offset by an equivalent amount included in the item Revenues from Government.

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Notes to the financial statements for the year ended 30 June 2000

	2000 \$000	1999 \$000
3 Grants and Subsidies		
Regionalisation	194	194
Association for the Blind	141	163
Other Grants and Prizes Paid	121	36
	456	393
4 Depreciation		
Buildings	819	913
Computer Equipment	271	1,098
Furniture and Equipment	159	106
Library Acquisitions	8,274	6,041
	9,523	8,158
The inclusion of depreciation for Library Materials reflects the valuation policy explained at 1(d)(e).		
5 Other Operating Expenses		
Communications	252	290
Refunds & Recoupable Expenditure, and Miscellaneous administration costs	19	247
Capital Purchases Expensed	13	245
Bad Debts/Asset Written Off	11	3
	295	785
6 Other Operating Revenue		
Gain on Exchange rate	74	28
Donations and Contributions	2	8
Interest Received	10	5
Conference Fees	0	0
Sundry Income	278	66
	364	107
7 Abnormal items		
Non Current Assets brought to account for the first time	21,108	11,122
Transfer of Asset	0	(91)
	21,108	11,031

The assets brought to account for the first time represent the inclusion of part of the library collections (see Note 1(d)).

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Notes to the financial statements for the year ended 30 June 2000

	2000 \$000	1999 \$000
8 Revenues (to)/from Government		
Appropriation revenue received during the year:		
Recurrent	14,288	14,870
Capital	700	0
	14,988	14,870
<p>The original 1999/2000 appropriation for recurrent funding was increased by \$716,000 during the year through applications for supplementary funding. These related to the arrangements for funding between the Board and the Ministry for Culture & the Arts. A summary is detailed below :</p>		
	\$	
Original appropriation	13,572,000	
Ministry financial arrangements	716,000	
	14,288,000	
Resources received free of charge		
Determined on the basis of the following estimates provided by agencies:		
Services provided by the Ministry for Culture & the Arts	9,958	9,543
Office of the Auditor General	16	18
Treasury Department	0	4
Department of Contract and Management Services	0	14
	9,974	9,579
	24,962	24,449
9 Cash Resources		
Cash and amounts in suspense	1,636	381
Overseas bank accounts	325	213
Cash on hand	3	3
	1,964	597
10 Receivables		
Current		
Trade debtors	115	237
Provision for doubtful debts	0	0
	115	237

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Notes to the financial statements for the year ended 30 June 2000

	2000 \$000	1999 \$000
11 Inventories		
Stationery Stores on Hand	0	26
	0	26
<p>The 99/00 inventories related to stationery on hand used for internal administration and sale to the public through photocopying services. Following the Board's decision to contract for the supply of stationery in April 1999, previous year's inventory on hand were depleted during the year. New stationery stocks are now expensed at time of acquisition.</p>		
12 Other Assets		
Current		
Prepayments for Library Collections	270	41
	270	41
<p>In the previous year, prepaid amounts were estimated based on a sample of prepaid serial subscriptions. For 1999/00 actual amounts prepaid for all serial subscriptions spanning beyond this financial year were included.</p>		
13 Property, Plant, Equipment and Collections		
Land - at valuation June 2000 (1999)	290	225
Buildings and Improvements - at valuation June 2000	48,380	-
- at valuation 1999	-	70
- at valuation 1997	-	35,029
- at cost	467	495
Accumulated depreciation	0	(1,806)
	48,847	33,778
(see Note 1 (c) for revaluation details)		
Computer Hardware and Software at cost	1,235	935
Accumulated depreciation	(561)	(293)
	674	642

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Notes to the financial statements for the year ended 30 June 2000

	2000 \$000	1999 \$000
13 Property, Plant, Equipment and Collections - continued		
Furniture and Equipment at cost	1,691	1,521
Accumulated depreciation	(509)	(360)
	1,182	1,161
Library Collections	81,252	52,280
Accumulated depreciation	(14,315)	(6,041)
	66,937	46,239
Works of Art at cost	305	254
	118,235	82,309
14 Accounts Payable		
Accounts payable for goods and services received	835	493
	835	493
<p>The Board considers the carrying amounts of accounts payable approximate their net fair values.</p>		
15 Other current Liabilities		
Accrued expenses - Interest and Guarantee Fees	541	513
- salaries	227	147
Other	11	63
	779	723

The figure for accrued salaries, wages and allowances relates to amounts owing for the six working days from 23 June to 30 June 2000. (1999 - 25 June to 30 June, 4 working days).

The Board considers the carrying amounts of accrued expenses approximate their net fair values.

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Notes to the financial statements for the year ended 30 June 2000

16 Borrowings

Private loans with WA Treasury Corporation amounting to \$ 39,605,000 have been raised to complete the construction and equipping of the Alexander Library Building, the upgrading of storage at the Intermediate Repository in Dianella, purchase of Furniture, Equipment and a new Computerised Library and Information Management System.

Repayments of \$ 13,742,228 to date (\$1.1M in 99/00) have reduced the principal outstanding to \$ 25,862,771.

	2000 \$000	1999 \$000
17 Equity		
Reserves		
Asset revaluation reserve:		
Opening balance	14,498	14,410
Net revaluation increments:		
Land & Buildings	14,557	88
Works of Art	52	0
Closing balance	29,107	14,498

18 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank, amounts in suspense and restricted cash, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2000 \$000	1999 \$000
Cash	1,844	597
Amounts in suspense	120	0
	1,964	597

(b) Non-cash financing and investing activities

During the financial year, there were no assets/liabilities transferred/assumed from other government agencies not reflected in the Statement of Cash Flows.

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Notes to the financial statements for the year ended 30 June 2000.

	2000 \$000	1999 \$000
(c) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities.		
Net Cost of Services	(3,755)	(12,875)
Non-cash items:		
Depreciation	9,523	8,158
Cost of Resources Free of Charge	9,608	9,579
Gain on Exchange Rate	(46)	(28)
Asset Transfers	0	91
Bad Debts / Write Offs	11	(3)
(Profit)/Loss on sale of property, plant & equipment	1	0
Increase/(Decrease) in Assets:		
Accounts Receivable (Increase)/Decrease	122	10
Prepayments (Increase)/Decrease	(229)	(8)
Inventory (Increase)/Decrease	26	25
Increase/(Decrease) in Liabilities:		
Accounts Payable Increase/(Decrease)	322	(144)
Accrued Expenses Increase/(Decrease)	108	(44)
Other Liabilities Increase/(Decrease)	(52)	(14)
Other	0	61
Assets brought to account for the first time	(21,108)	(11,122)
Net Cash Provided by/(used in) Operating Activities	(5,469)	(6,314)
19 Commitments for expenditure		
(a) Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Not later than 1 year	65	0
(b) Commitments for Library Acquisitions		
The Board had A\$2,221,467 commitments outstanding at 30 June 2000 for Library Acquisitions.		
(c) Non-cancellable operating lease commitments		
The Board has lease commitments in relation to locker service, motor vehicles and photocopiers, categorised as follows:		
Not later than 1 year	124	195
Later than 1 year and not later than 5 years	53	140
	177	335

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Notes to the financial statements for the year ended 30 June 2000

20 Explanatory Statement

(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$100,000.

	2000 \$'000	1999 \$'000	Variance Increase/ (Decrease) \$'000
Salaries, Wages and Allowances	9,989	9,518	471
Superannuation	0	453	(453)
Other staff costs	324	260	64
Library Acquisitions	0	41	(41)
Maintenance	948	808	140
Grants and Subsidies	456	393	63
Depreciation	9,523	8,158	1,365
Other operating expenses	295	785	(490)
Sales	520	594	(74)
Repayments and recoveries	610	525	85
Commonwealth grants	222	108	114
Other operating revenue	364	107	257

Salaries, Wages and Allowances

The increase was mainly the result of EBA/WPA pay increments and additional amount accrued for salaries in 99/00 (6 working days compared to 4 working days in 98/99).

Superannuation

Following the creation of the Ministry, the Board retains an obligation to pay for only past service superannuation costs. The Board was not required to pay for such benefit during 99/00.

Other staff costs

The increase was due to the increased workers compensation premium paid during the year.

Library Acquisitions

The variance related to the Board's decision to show as assets all payments for heritage collections for the first time this year. (See also Note 1 (d)).

Maintenance

The variance was due to increase in building maintenance cost carried out in accordance with a revised strategic maintenance plan during the year.

Grants & Subsidies

The variance was mainly due to increased grant and prize moneys paid during the year.

The Library Board of Western Australia

Notes to the financial statements for the year ended 30 June 2000

20 Explanatory Statement - continued

Depreciation

The increase related to changes associated with the treatment of Library Collections valuation policy, as detailed in Note 1 (d). In accordance with the policy, previous years purchases for State Reference Library collections will be depreciated. This is the first year that such depreciation has been charged.

Other operating expenses

The decrease was due to reduced communication expenses, capital purchases expensed and miscellaneous administration costs in 99/00.

Repayments and recoveries

The favourable variance was due to increased recoveries for lost and damaged books during the year.

Commonwealth grants

The increase was mainly due to funding received in 99/00 for the Centenary of Federation Projects.

Other Operating Revenue

The favourable variance was due to recoups for salary maintenance for former MetroBus employees, and severance payments for staff replaced by the former MetroBus employees.

(ii) Significant variations between estimates and actual results for the financial year.

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% or \$ 100,000.

	2000 \$'000	1999 \$'000	Variance Increase/ (Decrease) \$'000
Salaries, Wages and Allowances	10,430	9,989	(441)
Superannuation	550	0	(550)
Consumable Supplies and Sundry Materials	1,794	1,016	(778)
Services and Contracts	1,621	1,872	251
Maintenance	467	948	481
Depreciation	10,015	9,523	(492)
Other operating expenses	168	295	127
Service Charges	327	172	(155)
Repayment and Recoveries	549	610	61
Other Operating Revenue	190	364	174
Abnormal item	20,000	21,108	1,108

Salaries, Wages and Allowances

The underspending is mainly due to moneys set aside to pay for the 27th pay in 2004 and delays in filling vacant positions following ongoing staff turnover.

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Notes to the financial statements for the year ended 30 June 2000

Superannuation

The Board retains an obligation to pay for only past service superannuation costs as a result of the establishment of the Ministry for Culture & the Arts. The amount estimated for 99/00 was not required as no such obligation arose during the year.

Consumable Supplies and Sundry Materials, Services and Contracts, Maintenance and Other operating expenses

The variances were due to expenditure reclassification and reallocation of resources following the Board's mid year review of its operational priorities and needs for the rest of the year.

Depreciation

The decrease was mainly due to delays in various improvement projects, which resulted in reduction in asset capitalisation. The largest of these projects, the Alexander Library Building recarpeting project, is ongoing. There are inherent planning and scheduling problems in undertaking large projects such as this, in improving public areas.

Service Charges

The variance was mainly due to lower than anticipated facilities hire activities during the year.

Repayments and recoveries

The favourable variance was due to increased recoveries for lost and damaged books during the year.

Other Operating Revenue

The estimate was based on the previous year's revenue. The favourable variance was mainly due to more than anticipated recoups for salary maintenance for former MetroBus employees, and severance payments for staff replaced by the former MetroBus employees.

Abnormal item

The estimate was determined at the start of the year based on similar size collections at other eastern State libraries. (See also Note 1 (d) for details on the Board's policy to show all library collections as assets). The variance was due to the uniqueness and complexity associated with providing a value for these heritage collections.

The Library Board of Western Australia

Notes to the financial statements for the year ended 30 June 2000

21 Financial Instruments

(a) Interest rate risk exposure

The following table details the Board's exposure to interest rate risk as at the reporting date:

	Weighted average effective interest rate	Variable Interest rate	Fixed interest rate maturities			Non interest bearing	Total
			1 year or less	1 to 5 years	Over 5 years		
2000	%	%	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash resources						1,964	1,964
Accounts receivable						115	115
Total financial assets						2,079	2,079
Financial Liabilities							
Accounts payable						835	835
Borrowings from WA Treasury Corp	9.08%		9,685	9,603	6,575		25,683
Accrued expenses						769	769
Total financial liabilities			9,685	9,603	6,575	1,604	27,287
Net financial assets (liabilities)			(9,603)	(9,603)	(6,575)	475	(25,208)
1999							
	Weighted average effective interest rate	Variable Interest rate	Fixed interest rate maturities			Non interest bearing	Total
1999	%	%	1 year or less	1 to 5 years	Over 5 years	\$'000	\$'000
Financial Assets							
Cash resources						597	597
Accounts receivable						237	237
Total financial assets						834	834
Financial Liabilities							
Accounts payable						493	493
Borrowings from WA Treasury Corp	9.26%		9,337	9,630	5,736		24,703
Accrued expenses						660	660
Total financial liabilities			9,337	9,630	5,736	1,153	25,856
Net financial assets (liabilities)			(9,337)	(9,630)	(5,736)	(319)	(25,022)

The Library Board of Western Australia

Notes to the financial statements for the year ended 30 June 2000

(b) Credit risk exposure

All financial assets detailed in (a) above are unsecured.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

22 Remuneration of and Retirement Benefits of Members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

	2000	1999
Under \$10,000	2	2
The total remuneration of the members of the Accountable Authority is:	-	-

No retirement benefits were paid to Members of the Accountable Authority.

No members of the Accountable Authority are members of the Superannuation and Family Benefits Act Scheme.

Remuneration of Senior Officers

The number of Senior Officers other than the members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

	2000	1999
\$20,000 - \$30,000	1	0
\$30,000 - \$40,000	0	0
\$40,000 - \$50,000	0	0
\$50,000 - \$60,000	1	2
\$60,000 - \$70,000	4	5
\$70,000 - \$80,000	4	2
\$80,000 - \$90,000	1	0
\$120,000 - \$130,000	1	1
	2000	1999
	\$'000	\$'000
The total remuneration of senior officers is:	840	720
Retirement Benefits of Senior Officers		
The following amounts in respect of retirement benefits were paid or became payable for the financial year:		
Total notional contributions to Gold State Superannuation Scheme and West State Superannuation Scheme	90	75

No Senior Officers are members of the Superannuation and Family Benefits Act Scheme.

The Library Board of Western Australia

Notes to the financial statements for the year ended 30 June 2000

	2000 \$'000	1999 \$'000
23 Service Delivery Agreement - Commonwealth Grant		
<p>The Library Board and the Commonwealth Government have entered into a Service Delivery Agreement for the provision of library services to the Indian Ocean Territories (Christmas and Cocos (Keeling) Islands). The Commonwealth Government recoups to the Library Board the costs associated with these services, as detailed below:</p>		
Opening balance of funds	(12)	(3)
Recoups received from the Commonwealth Government	129	98
Cost of providing services 1999 / 2000	(117)	(107)
Balance on hand	(0)	(12)
24 Supplementary Information		
<i>Write-Offs</i>		
Public property written off during the year.		
· Bad debts	4	3
· Property	6	0
<i>Losses through theft, defaults and other causes</i>		
Losses of public property through theft	1	0

The Library Board of Western Australia

Notes to the financial statements for the year ended 30 June 2000

25 Output Information

	Output 1		Output 2		TOTAL	
	99/00 (\$'000)	98/99 (\$'000)	99/00 (\$'000)	98/99 (\$'000)	99/00 (\$'000)	98/99 (\$'000)
Operating expenses						
Salaries, wages and allowances	8,491	7,805	1,498	1,713	9,989	9,518
Superannuation	-	371	-	82	-	453
Other staff costs	275	213	49	47	324	260
Library acquisitions	-	-	-	41	-	41
Consumable Supplies and Sundry materials	864	788	152	172	1,016	961
Services and contracts	1,591	1,455	281	319	1,872	1,774
Maintenance	806	663	142	145	948	808
Debt Servicing Costs	1,987	1,852	351	406	2,338	2,258
Grants and Subsidies	388	393	68	-	456	393
Depreciation	8,095	6,690	1,428	1,468	9,523	8,158
Other operating expenses	251	644	44	141	295	785
Total operating expenses	22,747	20,873	4,014	4,537	26,761	25,409
Revenue from services						
Service Charges	146	139	26	30	172	169
Sales	442	487	78	107	520	594
Repayments and Recoveries	519	431	92	95	610	525
Interest Revenue	9	-	2	-	10	-
Commonwealth Grant	189	89	33	19	222	108
Other operating revenue	309	88	55	19	364	107
Total revenue from services	1,613	1,232	285	271	1,898	1,503
Net cost of services before abnormal items	21,134	19,640	3,729	4,266	24,863	23,906
Abnormal items	-	-	(21,108)	(11,031)	(21,108)	(11,031)
Net cost of services after abnormal items	21,134	19,640	(17,379)	(6,765)	3,755	12,875
REVENUE FROM GOVERNMENT						
Consolidated Fund - recurrent appropriation	8,471	8,372	5,817	6,498	14,288	14,870
Consolidated Fund - capital appropriation	415	-	285	-	700	-
Resources received free of charge	8,478	7,855	1,496	1,724	9,974	9,579
Total revenue from Government	17,364	16,227	7,598	8,222	24,962	24,449
Change in net assets resulting from operations	(3,769)	(3,413)	24,976	14,987	21,207	11,574
Add opening balance of accumulated (deficit)/surplus	25,372	17,576	17,421	13,643	42,793	31,219
Closing balance of accumulated (deficit)/surplus	21,603	14,163	42,397	28,630	64,000	42,793

Output 1 Creation of, and the provision of access to, a diverse range of knowledge, information, arts and cultural experiences.

Output 2 Development and management of the State's natural, cultural and documentary collections.

Note: The Library Board does not have separate Outputs. In the 1999/00 Budget Statements document, the Board is included in Division 63, the Ministry for Culture & the Arts.

The Board contributes to Outputs 1 and 2 of the Ministry. Therefore, no details are provided in relation to Output 3. These details may be found in the financial statements of the Ministry for Culture & the Arts.

The Library Board of Western Australia

Certification of financial statements for the year ended 30 June 2000

The accompanying financial statements of The Library Board of Western Australia have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the year ending 30 June 2000 and the financial position as at 30 June 2000.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Mrs Kay Poustie
Chairperson of the Board

Dr Lynn Allen
Chief Executive Officer and State Librarian

Mrs Nola Waters
Member of the Board

Ms Janet Yap
Principal Accounting Officer

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Alexander Library Building
Perth Cultural Centre
Perth Western Australia 6000