

COUNCILBIZ

Financial Report for the Financial
Year Ended 30 June 2009

CouncilBiz

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Independent Auditor's Report to the members of CouncilBIZ

We have audited the accompanying financial report of CouncilBIZ, which comprises the balance sheet and statement of working capital as at 30 June 2009, and the income statement, statement of cashflows and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement as set out on pages 5 to 34.

The Responsibility of the General Manager for the Financial Report

The general manager of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), Local Government Act 2008 and CouncilBIZ constitution. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report of CouncilBIZ presents fairly, in all material respects, CouncilBIZ's financial position as at 30 June 2009, and of its financial performance, its cash flows and its changes in equity for the year ended on that date in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 2008 and the Constitution of CouncilBIZ.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Julie Crisp
Partner
Chartered Accountants
Darwin, 17 November 2009

CouncilBiz

General Manager's Statement

L. Vicki Wright, the General Manager of CouncilBiz, certify that the Annual Financial Report:

- (a) has been, to the best of my knowledge, information and belief, properly drawn up in accordance with all applicable Australian Accounting Standards, the Local Government Act 2008, Local Government (Accounting) Regulations 2008 and the CouncilBiz Constitution so as to present fairly the financial position of CouncilBiz and its results for the year ended 30 June 2009; and
- (b) are in accordance with the accounting and other records of CouncilBiz.



General Manager

Darwin, 31 November 2009

CouncilBiz

Income Statement For the year ended 30 June 2009

	Note	Actual 2009 \$
OPERATING REVENUES		
Interest	3(a)	6,141
Grants	3(c)	782,288
Other operating revenues	3(b)	5,683,584
TOTAL OPERATING REVENUES		6,472,013
OPERATING EXPENSES		
Employee costs	4(a)	1,685,786
Interest charges	4(b)	2,602
Depreciation and amortisation	4(c)	15,711
Contract expenditure	4(d)	2,979,257
Other operating expenses	4(e)	1,631,497
TOTAL OPERATING EXPENSES		6,314,853
SURPLUS FOR THE YEAR		157,160

Notes to the financial statement are included on pages 11 to 34

CouncilBiz

Balance Sheet as at 30 June 2009

	Note	Actual 2009 \$
CURRENT ASSETS		
Cash and cash equivalents	5	424,584
Receivables	6	2,230,730
Prepayments	7	27,410
TOTAL CURRENT ASSETS		2,682,724
NON-CURRENT ASSETS		
Property, plant and equipment	8	281,548
Other	7	121
TOTAL NON-CURRENT ASSETS		281,669
TOTAL ASSETS		2,964,393
CURRENT LIABILITIES		
Creditors	9	2,274,832
Provisions	9	132,401
TOTAL CURRENT LIABILITIES		2,407,233
TOTAL LIABILITIES		2,407,233
NET ASSETS		557,160
EQUITY		
Contributed equity	10	400,000
Accumulated surplus		157,160
TOTAL EQUITY		557,160

Notes to the financial statement are included on pages 11 to 34

CouncilBiz

Statement of Working Capital For the year ended 30 June 2009

	Notes	Actual 2009 \$
CURRENT ASSETS		
Cash and cash equivalents	5	424,584
Receivables	6	2,230,730
Other	7	27,410
TOTAL CURRENT ASSETS		<u>2,682,724</u>
LESS CURRENT LIABILITIES		
<u>Current</u>		
Creditors	9	2,274,832
Provisions	9	132,401
		<u>2,407,233</u>
TOTAL CURRENT LIABILITIES		<u>2,407,233</u>
NET CURRENT ASSETS (working capital)		275,491
CURRENT RATIO (this is the ratio of current assets to current liabilities)		<u>1.1</u>

Notes to the financial statement are included on pages 11 to 34

CouncilBiz

Statement of Changes in Equity For the year ended 30 June 2009

	Note	Actual 2009 \$
ACCUMULATED SURPLUS		
Balance at beginning of reporting period		-
Surplus for the year		157,160
Balance at end of the reporting period		157,160
CONTRIBUTED EQUITY		
Balance at beginning of reporting period		-
Contributions made during the year	10	400,000
Balance at end of reporting period		400,000
TOTAL EQUITY AT END OF THE REPORTING PERIOD		557,160

Notes to the financial statement are included on pages 11 to 34

CouncilBiz

Statement of Cash Flows for the year ended 30 June 2009

	Note	Actual 2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts:</u>		
Receipts from user charges and fees		3,452,853
Interest received		6,141
Grants and contributions		782,288
<u>Payments:</u>		
Payments to employees		1,553,385
Payments for materials and contracts		731,836
Payment of interest		2,602
Other operating payments		1,631,496
Net cash provided by operating activities	11(b)	321,963
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Payments:</u>		
Purchase of assets		(297,259)
Other payments		(120)
Net cash used in investing activities		(297,379)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts:</u>		
Contributions received		400,000
Net cash provided by financing activities		400,000
Net increase in cash held		424,584
Cash at beginning of reporting period		-
Cash at end of reporting period	11(a)	424,584

Notes to the financial statement are included on pages 11 to 34

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of accounting policies

This note sets out the principal accounting policies adopted in the preparation of the financial statements by CouncilBiz as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Local Government Reporting Entity

The consolidated fund through which CouncilBiz controls resources to carry on its functions has been included in the financial statements forming part of this report.

A summary of activities with the contribution to the operating result and net assets is provided at note 2(a).

In the process of reporting on the local government as a single unit, all transactions and balances between those activities (for example, loans and transfers between activities) have been eliminated.

General Information

CouncilBiz is a Local Government Subsidiary established under the Local Government Act 2008. Its members are made up of

- Local Government Association of the Northern Territory
- Barkly Shire Council
- Central Desert Shire Council
- East Arnhem Shire Council
- MacDonnell Shire Council
- Roper Gulf Shire Council
- Tiwi Islands Shire Council
- Victoria Daly Shire Council
- West Arnhem Shire Council

CouncilBiz principal activities are to provide support to the Northern Territory Shire Councils in areas of administration, records management, information technology and financial services.

CouncilBiz was incorporated on 1 July 2008 and accordingly only current year figures covering the period from incorporation are shown.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of accounting policies (cont.)

Critical accounting judgements and key sources of estimation uncertainty

In the application of CouncilBiz' accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Key sources of estimation uncertainty include general economic factors.

Basis of accounting

Statement of compliance

The financial report is a general purpose financial report, which has been prepared to comply with applicable Australian Accounting Standards and Interpretations, the requirements of the Local Government Act and Regulations and other mandatory professional reporting requirements.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

Adoption of new and revised accounting standards

In the current year CouncilBiz has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the CouncilBiz financial report:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	30 June 2010

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of accounting policies (cont.)

Initial application of the following Standards/Interpretations is not expected to have any material impact on the financial report of CouncilBiz:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123',	1 January 2009	30 June 2010
• AASB 3 'Business Combinations' (revised), AASB 127 'Consolidated and Separate Financial Statements: (revised) and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127',	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
• AASB 2008-1 'Amendments to Australian Accounting Standard -- Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
• AASB 2008-2 'Amendments to Australian Accounting Standards -- Puttable Financial Instruments and Obligations arising on Liquidation'	1 January 2009	30 June 2010
• AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010
• AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010
• AASB 2008-7 'Amendments to Australian Accounting Standards -- Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2009	30 June 2010
• AASB 2008-8 'Amendments to Australian Accounting Standards -- Eligible Hedged Items'	1 July 2009	30 June 2010
• AASB Interpretation 15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010
• AASB Interpretation 16 'Hedges of a Net Investment in a Foreign Operation'	1 October 2008	30 June 2010

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of accounting policies (cont.)

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB Interpretation 17 'Distributions of Non-cash Assets to Owners: AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 -- Distributions of Non-cash Assets to Owners	1 July 2009	30 June 2010

The initial application of the expected issue of an Australian equivalent account Standard / Interpretation to the following Standard / Interpretation is not expected to have a material impact on the financial report of CouncilBiz:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
* AASB Interpretation 18 'Transfers of Assets from Customers'	1 July 2009*	30 June 2010

*AASB Interpretation 18 applies to transfers of assets from customers received on or after 1 July 2009

Significant accounting policies

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

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is measured on major income categories as follows:

(i) Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenues when Councilbiz obtains control over, or the right to receive, the assets, it is probable that future economic benefits comprising the asset will flow to CouncilBiz, and the amount can be reliably measured.

Control over granted and contributed assets is normally obtained upon their receipt (or acquittal) or upon notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Where grants, contributions and donations are recognised as revenue during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in these notes.

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of accounting policies (cont.)

(ii) Sale of property, plant and equipment

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

(iii) Interest revenue

Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to CouncilBiz and it can be measured reliably.

(iv) Service fee revenue

Service fee revenue is recognised when the outcome of such transactions can be estimated reliably.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Bank overdrafts are shown within payables in current liabilities in the balance sheet.

(c) Financial assets

CouncilBiz classifies financial assets in the following categories: loans and receivables and held to maturity investments. The classification depends on the purpose for which the financial instrument was acquired. Management determines the classification of its financial instruments at initial recognition and reevaluates this designation at each reporting date.

(i) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loan and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment.

(ii) Impairment of financial assets

Financial assets are assessed for indicators for impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets the estimated future cash flows of the investment that have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against an allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of accounting policies (cont.)

(c) Financial assets (cont.)

(iii) Derecognition of financial assets

CouncilBiz derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If CouncilBiz neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, CouncilBiz recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If CouncilBiz retains substantially all the risks and rewards of ownership of a transferred financial asset, CouncilBiz continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(d) Property, plant and equipment

(i) Acquisition of property, plant and equipment (including structural assets)

Property, plant and equipment is recognised at cost when control of the asset passes to CouncilBiz. Cost includes expenditure that is directly attributable to the acquisition. Cost related to property, plant and equipment gifted, donated or granted to CouncilBiz is the fair value of the asset, plus costs directly attributable to the acquisition.

(ii) Depreciation

All property, plant and equipment, with the exception of land, is systematically depreciated over its useful life in a manner which reflects the consumption of the service potential embodied in those assets from the time that the item of property plant and equipment is available for use.

Depreciation is provided for on a straight line method using lives which are reviewed each reporting period. Major depreciation periods are:

Plant and Equipment / Motor Vehicles / Office Furniture and Equipment	3 to 11 years
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(iii) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of accounting policies (cont.)

(e) *Intangible assets*

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

(f) *Financial liabilities*

Payables

These amounts represent liabilities for goods and services provided to CouncilBiz prior to the end of the financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) *Employee benefits*

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Employee benefits expected to be settled within 12 months

Provisions in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

Employee benefits not expected to be settled within 12 months

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the entity in respect of services provided by the employees up to reporting date.

Superannuation

CouncilBiz contributes in respect of its employees to a defined contribution superannuation plan (Local Government Superannuation Scheme) established in respect of certain municipalities in South Australia and the Northern Territory.

(h) *Budget information*

Note 2(a) provides budget information of revenues and expenditure of each of the major activities of CouncilBiz. Budget figures represented are those approved by CouncilBiz at the beginning of the financial year.

(i) *Tax status*

CouncilBiz is tax exempt under Sec 50-25 of the Income Tax Assessment Act 1997, being a local governing body.

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

1. Summary of accounting policies (cont.)

(j) Provisions

Provisions are recognised when CouncilBiz has a present obligation (legal or constructive) as a result of a past event, it is probable that CouncilBiz will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

or

ii) for receivables and payables which are recognised inclusive of GST, the net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cashflows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

(l) Rounding of amounts

Unless otherwise indicated, amounts in the financial report have not been rounded and are presented in Australian dollars.

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

2(a) Components of functions

2009 — Revenues, expenses and assets have been attributed to the following functions/activities. Details of those functions/activities are provided at note 2(b)

	GENERAL PUBLIC SERVICES	
	Budget 2009 \$	Actual 2009 \$
OPERATING REVENUES		
User charges and fees	3,821,227	5,645,924
Interest	11,000	6,141
Other operating revenues	-	37,659
Grants — NT recurrent	705,000	705,000
Grants — Commonwealth recurrent	-	77,289
Contributions and donations	400,000	-
TOTAL REVENUES	4,937,227	6,472,013
OPERATING EXPENSES		
Employee costs	1,260,601	1,465,497
Materials and contracts	3,161,452	2,906,274
Interest charges	1,065	2,602
Depreciation and amortisation	-	15,711
Other operating expenses	489,961	1,924,768
TOTAL EXPENSES	4,913,079	6,314,853
TOTAL	24,148	157,160
ASSETS (Non-current)		281,548

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

2(b) Components of functions

The activities relating to CouncilBiz functions reported on in Note 2(a) are as follows:

GENERAL PUBLIC SERVICES

Administrative, legislative and executive affairs, financial and fiscal affairs, general research and general services. Also includes where applicable Natural Disaster relief.

	Actual 2009 \$
3. Operating revenues	
(a) Interest	
Interest on investments	6,141
Total interest on investments	<u>6,141</u>
(b) Other operating revenues	
Service fee income	5,645,924
Other	37,660
Total other operating revenue	<u>5,683,584</u>
(c) Grants	
<u>Northern Territory current grants</u>	
Special Purpose Grant - Transition LGANT Staff	150,000
Operating - Additional Staff ShiresBIZ	555,000
Total Northern Territory current grants	<u>705,000</u>
<u>Commonwealth Current Grants</u>	
Specific Purpose - FAHCSIA Grant Reporting	77,288
Total Commonwealth current grants	<u>77,288</u>
Total grants	<u>782,288</u>
Reconciliation of note 3(c) to Operating Statement	
Total of grants in operating statement	782,288
Total of note 3 (c)	<u>782,288</u>

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

	Actual 2009 \$
4. Operating expenses	
(a) Employee costs	
Salaries and wages	989,711
Contract labour	165,556
Employee leave benefits	274,425
Superannuation	105,308
Fringe benefits tax	11,600
Training costs (excluding salaries)	21,116
Other	118,070
Total operating employee costs	1,685,786
(b) Interest charges	
Bank fees & overdraft expense	2,602
Total interest charges	2,602
(c) Depreciation and amortisation	
Plant and equipment	3,142
Furniture and fittings	1,851
Motor vehicles	5,231
Intangibles	5,487
Total depreciation and amortisation expenses	15,711

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

	Actual 2009 \$
4. Operating expense (cont.)	
(d) Contract expenditure	
Network communication and internet service	238,539
Operating lease expense computing	1,408,068
Operating lease expense vehicles	3,273
Operating lease expense property	176,157
Software license maintenance and development	237,489
Server maintenance	915,731
Total Contract expenditure	2,979,257
(e) Other operating expenses	
Accounting fees	320,980
Advertising expense	11,298
Travel, accommodation and airfares	129,421
Consulting fees	485,895
Legal expenses	11,876
Material expenses	209,647
Insurance	301,823
Electricity and heating	14,822
Telephone	36,198
Motor vehicle costs	8,040
Other	101,497
Total other operating expenses	1,631,497

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

	Actual 2009 \$
5. Cash and cash equivalents	
CASH	
Cash at bank -- Operational general	421,262
Cash at bank -- Trust general	2,821
Petty cash	501
TOTAL CASH	<u>424,584</u>
 TOTAL CASH AVAILABLE	 424,584
 RESTRICTED CASH AND CASH EQUIVALENTS	
<u>Purpose</u>	
EXTERNAL RESTRICTIONS	
- Included in liabilities	
Special purpose unexpended grant	136,712
TOTAL EXTERNAL RESTRICTIONS	<u>136,712</u>
 INTERNAL RESTRICTIONS	
- Included in liabilities	
Employee leave benefits	132,401
TOTAL INTERNAL RESTRICTIONS	<u>132,401</u>
 TOTAL UNRESTRICTED	 <u>424,584</u>
TOTAL CASH AND CASH EQUIVALENTS AVAILABLE	<u>155,471</u>

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

	Actual 2009 \$
6. Receivables	
<u>Purpose</u>	
User charges and fees	2,233,987
Other	6,743
Total	2,230,730
Less: Provision for doubtful debts	-
TOTAL UNRESTRICTED RECEIVABLES	2,230,730
 TOTAL RECEIVABLES	 2,230,730
Total receivables consist of:	
Current receivables	2,230,730
TOTAL RECEIVABLES	2,230,730
(i) The average credit period on user charges and fees is 30 days. No interest is charged on receivables.	
Included in the CouncilBiz receivable balance are debtors with a carrying amount of \$235,809 which are past due at the reporting date for which CouncilBiz has not provided as there has been significant delays in data processing speeds of major debtors and the amounts are still considered recoverable.	
 AGEING OF PAST DUE BUT NOT IMPAIRED	
31 – 90 days	205,063
91 + days	30,746
TOTAL AGEING OF PAST DUE BUT NOT IMPAIRED	235,809
 AGEING OF PAST DUE BUT NOT IMPAIRED	
Balance at the beginning of the year	-
Impairment losses recognised on receivables	-
Amounts written off as uncollectible	-
Balance at the end of the year	-

In determining the recoverability of a trade receivable, CouncilBiz considers any change in the credit quality of the trade receivable from the date credit was initially granted up to reporting date.

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

	Actual 2009 \$
7. Other assets	
UNRESTRICTED OTHER ASSETS	
<u>Other:</u>	
Prepayments - current	27,410
Other	121
Total unrestricted other assets	<u>27,531</u>
 TOTAL OTHER ASSETS	 <u>27,531</u>
<i>Total other assets consist of:</i>	
Other assets current	27,410
Other assets non-current	121
TOTAL OTHER ASSETS	<u>27,531</u>

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

8. Property, plant and equipment

	2008				CARRYING AMOUNT MOVEMENTS DURING THE YEAR								2009			
	\$				\$								\$			
	At Fair Value	Accumulated Depreciation	Carrying Amount		Asset Purchase	CouncilBiz Restructure	Asset Disposal (Cost)	Asset Disposal (depreciating)	Depreciation Expense	Write Downs	Net Revaluations	At Cost	At Fair Value	Accumulated Depreciation	Carrying Amount	
	Cost															
UNRESTRICTED																
Furniture & Fixtures					38,430				(1,851)			38,430		(1,851)	36,579	
Plant and Equipment					47,815				(3,142)			47,815		(3,142)	44,673	
Motor Vehicles					75,214				(5,231)			75,214		(5,231)	69,983	
Intangibles					135,800				(5,487)			135,800		(5,487)	130,313	
TOTAL	-	-	-	-	297,259	-	-	-	(15,711)	-	-	297,259	-	(15,711)	281,548	
UNRESTRICTED																

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

9. Creditors and provisions	Actual 2009 \$
<u>Creditors:</u>	
Goods and services	1,605,913
Goods and services tax payable	74,544
Income received in advance	13,172
Accrued expenses	401,692
Accrued wages	38,546
Unexpended grant liability	136,712
Other	4,253
TOTAL CREDITORS	2,274,832
<i>Total creditors consist of:</i>	
Current creditors	2,274,832
TOTAL CREDITORS	2,274,832
 <u>Provisions:</u>	
Annual leave — current	132,401
TOTAL PROVISIONS	132,401
<i>Total provisions consist of:</i>	
Current provisions	132,401
TOTAL PROVISIONS	132,401
 MOVEMENTS IN PROVISIONS	
<u>Annual leave</u>	
Opening balance	-
Add: Additional amounts recognised (service costs)	132,401
Closing balance	132,401

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

10. Contributed equity

Actual
2009
\$

An initial funding contribution from members was made to CouncilBiz on 1 July 2008. This initial funding contribution has been classified as Contributed Equity in the CouncilBiz Balance Sheet and Statement of Changes in Equity. The following contributions were made on 1 July 2008:

Barkly Shire Council	50,000
Central Desert Shire Council	50,000
East Arnhem Shire Council	50,000
MacDonnell Shire Council	50,000
Roper Gulf Shire Council	50,000
Tiwi Islands Shire Council	50,000
Victoria Daly Shire Council	50,000
West Arnhem Shire Council	50,000
	<hr/>
	400,000

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

11. Statement of Cash Flows

Actual
2009
\$

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, 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 Balance Sheet as follows:

Cash on hand and at bank	424,584
Balance per Statement of Cash Flows	424,584

(b) Reconciliation of profit from ordinary activities to net cash flows from operating activities

Surplus for the year	157,160
Add	
Depreciation and amortisation	15,711
Increase in employee leave benefits	132,401
Increase in other provisions	136,712
Increase in creditors	1,605,913
Increase in other current liabilities	532,206
	2,580,103
Less	
Increase in receivables	2,230,730
Increase in other current assets	27,410
	2,258,140
Net cash provided by operating activities	321,963

(c) Non-cash financing and investing activities

CouncilBiz does not have any other non-cash financing and investing activities.

(d) Financing facilities

CouncilBiz does not have in place any financing facilities or arrangements.

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

	Actual 2009 \$
12. Commitments for expenditure	
(a) Operating leases	
Commitments under non-cancellable operating leases	<u>3,210,448</u>
<u>Leasing arrangements</u>	
Operating leases relate to provision of IT devices to CouncilBiz and the Shires and office accommodation of CouncilBiz at 21 Parap Road, Parap NT. The IT lease is between Northern Territory Government and Fujitsu Australia. CouncilBiz is not a party to the contract.	
Not longer than 1 year	2,961,046
Longer than 1 year and not longer than 5 years	<u>249,402</u>
TOTAL COMMITMENTS	<u>3,210,448</u>

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

	Actual 2009 \$ Grants	Actual 2009 \$ Contributions
13. Conditions over grants and contributions		
Grants and contributions that were obtained on the condition that they be expended on specified purposes or in a future period but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	-	-
<u>Less:</u>	-	-
Expended during the current reporting period from revenues recognised in previous reporting periods.	-	-
<u>Plus:</u>	-	-
Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions	-	-
Unexpended at the close of the current reporting period and held as restricted assets:	136,712	-
Net increase in restricted assets in the current reporting period.	136,712	-

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

14. Financial instruments

(a) Financial risk management objectives

CouncilBiz has given the General Manager the power to invest funds of CouncilBiz. CouncilBiz's objective is to minimise financial risk by investing only in short term deposits with local banks. Before any investments are made banks are contacted by the Finance Officer to obtain available rates, the Finance Officer will present the information to the General Manager, who will then approve the investment to be made. Monthly reports on investments are prepared and given out at CouncilBiz meetings. The General Manager and Chief Executive Officer of CouncilBiz receive monthly investment summaries from banks confirming the amount of investments.

(b) Interest rate risk

CouncilBiz controls interest rate risk by only investing in short term deposits with local banks.

CouncilBiz's exposure to interest rate risk consists of: -

	Average Interest Rate		Variable Interest Rate		Fixed Interest Rate		Non Interest Bearing	Total
			Current		Maturity			
2009	\$	%	\$	%	Less than 1 year	1-5 years	1-5 years	
					\$	\$	\$	\$

Financial assets

Cash at bank	-	-	424,584	3	-	-	-	424,584
Receivables – other	-	-	6,743	3	-	-	2,223,987	2,230,730
TOTAL FINANCIAL ASSETS	-	-	431,327		-	-	2,223,987	2,655,314

Financial liabilities

Payables	-	-	74,544	3	-	-	2,063,576	2,138,120
TOTAL FINANCIAL LIABILITIES	-	-	74,544		-	-	2,063,576	2,138,120

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

14. Financial instruments (cont.)

(c) Credit risk

Credit risk represents the loss that would be recognised if counter parties fail to perform as contracted. The maximum credit risk on financial assets of CouncilBiz is the carrying amount, net of any provisions for doubtful debts.

CouncilBiz does not have any significant credit risk exposure to any counter party or group of counter parties. CouncilBiz does not have any interest bearing loans.

(d) Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements represent their respective net fair value.

(e) Market risk

CouncilBiz's activities expose it primarily to risk of recoverability of outstanding rates. The risk is controlled by CouncilBiz as it has legal authority to recover outstanding rates through the sale of rate payers land.

15. Employee benefits

Actual
2009
\$

The aggregate employee benefit liability recognised and included in the financial statements is as follows:

Provision for employee benefits:

Current (note 9)	132,401
Accrued wages and salaries	38,546
	<hr/> 170,947 <hr/>

Number of employees at the end of the financial year 35

16. Additional CouncilBiz Information

Postal Address:

CouncilBiz
GPO Box 4246
Darwin NT 0801

Principal Administration Office:

CouncilBiz
21 Parap Road
Parap NT 0820
Tel: (08) 8943 9300
Fax: (08) 8943 9333
Email: councilbiz@nt.gov.au

CouncilBiz

Notes to the Financial Statements for the year ended 30 June 2009

17. Special schedules

1. Comparison of original estimates with actuals

	Budget 2009	Actual 2009	Difference
Expenditure			
General Public Services	4,913,079	6,314,853	1,401,774
Total Expenditure	4,913,079	6,314,853	1,401,774
Income			
General Public Services	4,937,227	6,472,013	1,534,786
Total Income	4,937,227	6,472,013	1,534,786
Capital Expenditure			
General Public Services	24,111	297,259	273,148
Total Capital Expenditure	24,111	297,259	273,148