

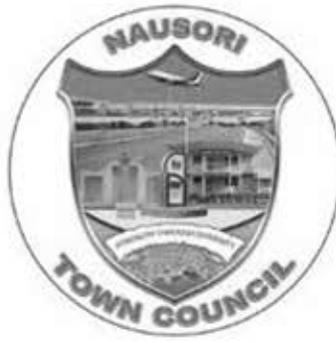
NAUSORI TOWN COUNCIL

2007

ANNUAL REPORT



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 100 OF 2020



NAUSORI TOWN COUNCIL

2007

ANNUAL REPORT



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 100 OF 2020



31st July, 2020

The Honourable Minister
For Local Government, Housing and Community Development
FFA House
Gladstone Road
SUVA

Dear Madam,

In accordance with the requirements of Section 19 of the Local Government Act, 1972, I have pleasure in presenting, on behalf of the Nausori Town Council, the Annual Report and Statement of Accounts for the year ended 31st December, 2007.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Baskaran Nair', with a stylized flourish at the end.

Baskaran Nair
Special Administrator/Chair

ANNUAL REPORT - 2007

1.0 INTRODUCTION

The Town of Nausori was established on the 13th July, 1931 under the provisions of Ordinance NO 44 of 1928. The qualifications to become a Township could have been due to the Sugar Industry, which was successful and also the continued preference of the rural population of Tailevu, Naitasiri and Rewa Province to use Nausori as their identity.

Nausori Town Council provides a wide range of services to its ratepayers such as sanitation, roads, car parks, business licence, parks and gardens, sporting facilities (Ratu Cakobau Park, Multipurpose Court and Syria Park) and recreational facilities (Nausori Library).

Under Section 57 of the Local Government Act, the Council is required to prepare Annual Statements before 31 May, every year showing the Assets, Liabilities, Income and Expenditure of the Council on the 31 December of the preceding year. These Annual Statements are to be audited by the Auditor-General and certified by August of every year.

1.1 **Brief History of Nausori Town**

On Tuesday 31st March 1959, Nausori Township Boards new Office was officially opened and it was the same year the Colonial Sugar Refining Company closed its mill in Nausori. From 1943 to 1959, the township rented offices at various places in town.

The desire to have a bridge over the Rewa River had come about in the year 1900 and construction works were carried out in 1935. The Rewa Bridge is 1,280 feet long and the nine spans each measure 120 feet long.

As monument of 56 Indians who were killed when the HMS Syria went ground on the Naselai Reef in 1884 has been erected near the Rewa Bridge on N G Patel Road.

The first Market was constructed in 1945 at the present site after the Governor and other Government Departments granted approval.

The existing Nausori Market area was the first Sporting Ground where people played. In 1953, the Township Board took a 75 year lease on a Native Land on which Ratu Cakobau Park is now located.

It was officially opened in 1979, since then the park has been providing efficient service.

2.0 COUNCIL MEMBERS AND PRINCIPAL OFFICERS

2.1 The Council Members

Nausori Ward

Cr Moti Lal [JP, MOF]
Cr Hari Karan [JP]
Cr Joseph Fong
Cr Mosese Cakau
Cr Ratu Lepani Tagicakibau
Cr Yogeshwar Singh

Davuilevu Ward

Cr Rev Nemani Rokobuli
Cr Iliesa Suguturaga
Cr Arun Prasad
Cr Jagdish K Bali
Cr Mohammed Nabi
Cr Vikash Singh

2.2 Mayor and Deputy Mayor

Period 01/01/07 to 12/11/07 13/11/07 to 31/11/07

Mayor	Cr Vikash Singh	Cr Yogeshwar Singh
Deputy Mayor	Cr Yogeshwar Singh	Cr Rev Malakai
Curulala		

2.3 Sub-Committees

At the Annual General Meeting of 12/11/07 the Council had appointed Councillors to serve as Chairman and Deputy Chairman. Hereto are the Councillors and the respective Committees they led.

1. Building, Health and Works Committee

Chairman	:	Cr Moti Lal [JP, MOF]
Deputy Chairman	:	Cr Mohammed Nabi

2. Finance, Staff and General Purpose

Chairman	:	Cr Arun Prasad
Deputy Chairman	:	Cr Joseph Fong

3. Subdivision, Town Planning and Traffic

Chairman	:	Cr Jagdish Bali
Deputy Chairman	:	Cr Hari Karan

4. Staff Committee

Chairman : Cr Ratu Lepani Tagicakibau
Deputy Chairman : Cr Arun Prasad

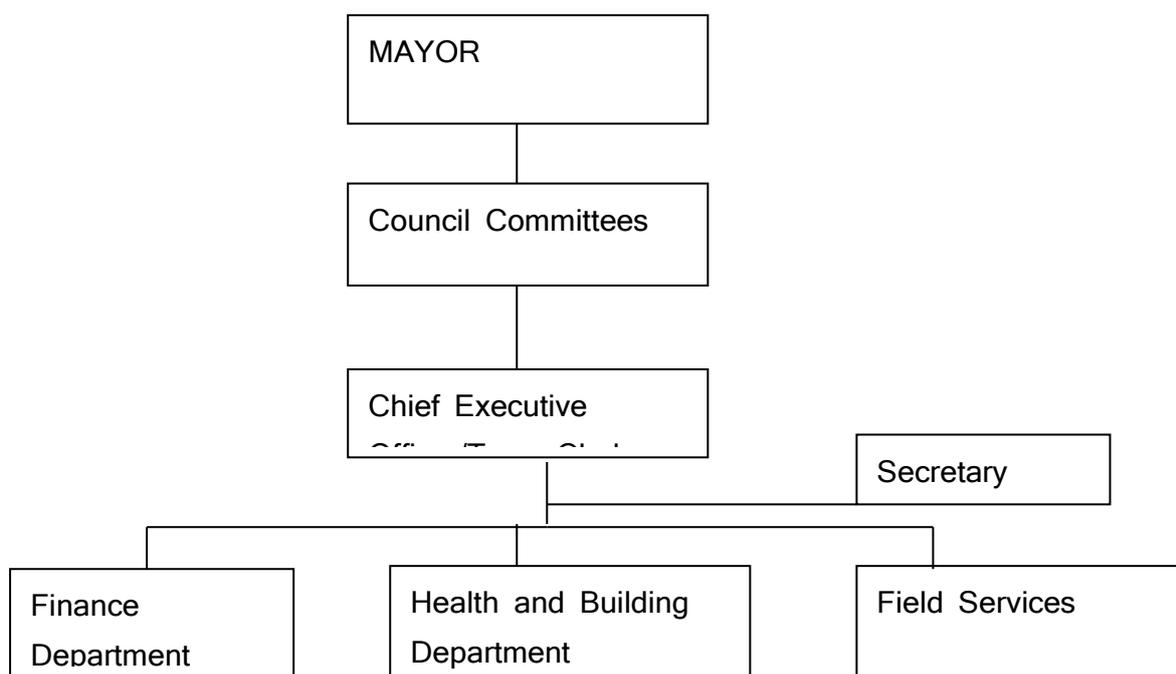
5. Tender Committee

Chairman : Cr Iliesa Suguturaga
Deputy Chairman : Cr Mosese Cakau

6. Cr Vikash Singh was appointed as overall Project Manager Government Affairs and International Affairs.

All Councillors were members of the Five Committees.

2.4 Organizational Structure in 2007



2.5 Meetings

The following Meetings were held in 2007.

Ordinary Council Meeting	-	12
Building, Health and Works	-	12
Finance, Properties and General Purposes	-	12
Special Finance Meetings	-	02
Subdivision, Town Planning and Traffic	-	09
Tender	-	10
Annual General Meeting	-	01
Staff	-	09
Special Ordinary Council Meeting	-	01

2.6 Principal Officers of the Council

Town Clerk/CEO	-	Satendra Singh
Health Inspector/ Building Surveyor	-	Chandra Prakash
Assistant Health Inspector	-	Kitione Batiwale
Secretary	-	Chandra Krishna (Mrs)
Market Master	-	Jai Narayan
Rates Officer	-	Hirendra Prasad

2.7 DIRECTORY

Location	-	2 Wainibokasi Road
Postal Address	-	P O Box 72, Nausori
Telephone No;	-	3477133
Fax:	-	3400048
Email	-	nausoritown@connect.com.fj
Total Area	-	768.5 hectares
2.8 Total Number of Properties	-	3973
❖ Residential	-	3568
❖ Commercial	-	176
❖ Industrial	-	84
❖ Other Land Size	-	145
2.9 Total Value of Properties	-	88,035,075
(based on 2001 Revaluation)		

2.10 Council Auditors

The Auditor General's Office of Fiji

2.11 Council Bankers

Bank of Baroda

3.0 BUILDING REPORT

The building unit of the Council continued with receiving building applications and processing. During the year total number of building applications received have been 139 with a value of \$339,685.50.

4.0 **HEALTH REPORT**

Routine inspections and licensing work has been continued with by the sanitary inspectors. Health and work carried out during the year involved clean up programs, food premise inspections, dog trapping and solid waste management.

5.0 **FIELD REPORT**

The department continued with regular solid waste management and grass cutting, drain cleaning and sweeping activities. Maintenance team continued with upkeeping of the properties owned by the Council.

6.0 **LIBRARY**

Library Services continued to be provided by the Council during the year. Council continued providing Library space, Librarian and associated resources. Ministry of Education carried out yearly audit exercise. Membership fee remained at:

1. Primary [Classes 1 - 6] - \$1.00
2. Secondary Students - \$2.00
3. Tertiary Adults - \$5.00

Council took part during the National Library Week celebration. During the week library brochures and newsletters were circulated to stakeholders.

7.0 **FINANCE**

7.1 Fees and charges schedule for the year 2007 was:

- | | | | |
|----------|---------------|---|-------|
| 1. Rates | - General | - | 0.305 |
| | -Special | - | 0.12 |
| | -Streetlights | | 0.075 |

2. Bus Stand - 0.22 cents per trip

3. Market Fees and Charges

Ordinary Stall	-	1.00
Centre Stall	-	1.25
Reserved Stall	-	1.25
Poultry	-	3.80
Fish and Kai	-	0.30/kg
Kava	-	1.70

4. Car Park Fees - 1.00

5. Commercial Stand

i) Market Stand/Taxis	-	17.25 & 23.00
ii) General Taxis	-	34.50
iii) Mini Van	-	34.50
iv) Carrier Stand	-	17.25 & 23.00

6. Parking Meter - 20cents - 15 minutes


for Mr Satendra Singh
Town Clerk/CEO

REPUBLIC OF THE FIJI ISLANDS
OFFICE OF THE AUDITOR GENERAL



8th Floor, Ratu Sukuna House,
MacArthur Street,
P. O. Box 2214,
Government Buildings,
Suva, Fiji Islands.



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Telephone: (679) 330 9032
Fax: (679) 330 3812
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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 850

5 May 2010

Mr. Napoliono Masirewa
The Special Administrator
Nausori Town Council
NAUSORI

Dear Mr. Masirewa

FINANCIAL STATEMENT
NAUSORI TOWN COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2007

Two copies of the audited financial statements of the Nausori Town Council for the year ended 31 December 2007 together with an audit report on them are enclosed.

A copy of the audit report is being sent to the Minister for Local Government, Urban Development, Housing and Environment in accordance with section 53 of the Local Government Act.

Particulars of errors and omissions arising from the audit have been forwarded to the Chief Executive Officer for necessary action.

Yours sincerely

Tevita Bolanavanua
ACTING AUDITOR-GENERAL

Encl.

**FINANCIAL
STATEMENTS**

**NAUSORI TOWN
COUNCIL**

31 DECEMBER 2007



OFFICE OF THE AUDITOR GENERAL
Enhancing good governance and accountability in the public sector

**NAUSORI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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**REPUBLIC OF THE FIJI ISLANDS
OFFICE OF THE AUDITOR GENERAL**



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

**NAUSORI TOWN COUNCIL
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007
INDEPENDENT AUDIT REPORT**

Scope

I have audited the financial statements of the Nausori Town Council for the year ended 31 December 2007 in accordance with section 57 (2) of the Local Government Act and section 13 of the Audit Act. The Nausori Town Council is responsible for the preparation and presentation of the financial statements and the information contained in them.

I have conducted an independent audit of these financial statements in order to express an opinion on them.

My audit was conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements 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 Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

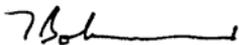
The value of all the roads, footpaths and drains has not been incorporated in the Statement of Financial Position of the Council as at 31 December 2007 as required under Section 57 (1) of the Local Government Act and Fiji Accounting Standards 1 – *Presentation of Financial Statements*.

Qualified Audit Opinion

In my opinion, except for the effects on the financial statements of the matter referred to in the qualification paragraph, the financial statements present fairly the financial position of the Council as at 31 December 2007 and the result of its operations and cash flows for the year then ended.

Without further qualification to the opinion given above, attention is drawn to the following matter:

- An unexplained discrepancy of \$8,826 exists in the Cash at Bank as at 31 December 2007 between the Cash Book and the Bank Statement. This discrepancy could not be explained or supported by the Council.


Tevita Bolanavanua
ACTING AUDITOR GENERAL

5 May 2010



**NAUSORI TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2007**

	NOTES	2007 \$	2006 \$
Current Assets			
Cash on Hand		450	150
Cash at Bank		28,455	---
Receivables	2	1,851,042	1,511,939
Funds	3	7,002	7,291
Investments	4	219,947	207,856
Total Current Assets		2,106,896	1,727,236
Non Current Assets			
Property, Plant and Equipment	5	5,930,518	6,000,185
Other Assets		---	---
Total Non Current Assets		5,930,518	6,000,185
TOTAL ASSETS		8,037,414	7,727,421
Current Liabilities			
Trade and Other Payables	6	207,381	236,899
Bank Overdraft		---	58,583
Provision for Doubtful Debts		147,607	95,862
Non Current Liabilities			
Sundry Deposits	7	168,696	153,729
Loan	8	272,679	233,175
Deferred Revenue	9	131,250	148,750
TOTAL LIABILITIES		927,613	926,998
NET ASSETS		7,109,801	6,800,423
Represented By :			
RESERVES			
Asset Revaluation Reserve		5,655,525	5,655,525
Accumulated Funds	10	1,454,276	1,144,898
		7,109,801	6,800,423

(The accompanying notes are to be read in conjunction with the Financial Statements)

Councils Statement

In our opinion, the financial statements have been drawn up as to give a true and a fair view of the state of affairs, operations and cash flows of the Nausori Town Council General Fund Account for the year ended 31 December 2007.



.....
Mr. Napolioni Masirewa
Special Administrator

Date: 4/5/10



.....
Mr. Chandar Prakash
Chief Executive Officer

Date: 03/05/10

**NAUSORI TOWN COUNCIL
GENERAL FUND ACCOUNT - STATEMENT OF REVENUE & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
The Revenue for the year was derived from:		
General Rates	839,722	275,717
Deferred Income	17,500	17,500
Busines and Trading Licenses	60,130	72,015
Fees, Charges and Rent	730,147	756,223
Garbage Fees	6,251	1,666
Grants	56,262	14,969
Interest on Investments	16,060	9,646
Sponsorship	40,000	---
Insurance Claims	---	16,757
Miscellaneous	24,528	11,110
TOTAL REVENUE	<u>1,790,600</u>	<u>1,175,603</u>
The Expenditure for the year was incurred on:		
Recurrent Expenditure		
Personnel Emoluments	219,253	207,751
Field Expenses	30,314	26,508
Audit Fee	13,522	10,000
Bank Charges	4,470	6,675
Loan Establishment and Interest on Loan	2,930	---
Fiji National Provident Fund	26,321	28,074
Training Productivity Authority of Fiji	4,311	4,483
Staff Training	1,570	3,430
Garbage Services	222,246	238,014
Street Cleaning and Grass Cutting Services	124,791	143,610
Traffic and Road Signs	1,493	3,155
Insurance	51,033	50,384
Legal Fees	3,734	8,764
Operation & Maintain-Plant, Equipment & Vehicles	35,487	46,009
Operation and Maintenance of Properties:		
Office	28,141	39,730
Library	2,545	---
Bus Stand	12,312	14,906
Cakobau Park	122,256	63,256
Taxi Stand	2,731	3,446
Shopping Complex	10,547	1,666
Market	74,387	77,064
Parks and Gardens	15,607	15,686
Mayoral Allowance	7,500	2,500
Civic Reception	8,200	6,664
Loss from Theft	99	---

**NAUSORI TOWN COUNCIL
GENERAL FUND ACCOUNT - STATEMENT OF REVENUE & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
Membership Subscription - FLGA	---	250
Printing, Stationery, Advertising and Office Expenses	28,441	17,788
Rent on Land	39,219	32,727
Roads, Footpath, Drains, Verges and Bridges	43,147	83,441
Election Expenses	---	5,855
Telephone Expenses	11,212	12,979
Travelling and Incidentals	8,128	2,694
Uniforms, Boots and Protective Gear	4,763	5,438
Valuation Fees	1,028	---
Financial Loss Allowance	16,420	13,580
Cleanup Campaign	6,449	6,178
Dog and Cattle Impounding	---	782
Depreciation	149,667	149,667
Provision For Doubtful Debts	53,122	95,862
Interest on Loan	18,954	---
Street Lights	70,541	---
Engeneering Fee	4,330	1,787
Total Expenditure	<u>1,481,221</u>	<u>1,430,803</u>
Net Surplus/(Deficit) for the year	309,379	(255,200)
Add Balance as at 1 January as previously reported	339,015	594,215
Leaving a Surplus Balance at 31 December	<u><u>648,394</u></u>	<u><u>339,015</u></u>

**NAUSORI TOWN COUNCIL
 FIRE SERVICE ACCOUNT - STATEMENT OF REVENUE & EXPENDITURE
 FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
The Revenue for the year was derived from:		
Fire Service Rate	---	---
TOTAL REVENUE	<u>---</u>	<u>---</u>
The Expenditure for the year was incurred on:		
Contribution to National Fire Authority	---	---
TOTAL EXPENDITURE	<u>---</u>	<u>---</u>
Net Surplus/(Deficit) for the year	---	---
Add Balance as at 1 January as previously reported	41,132	41,132
Leaving a Surplus Balance at 31 December	<u><u>41,132</u></u>	<u><u>41,132</u></u>

**NAUSORI TOWN COUNCIL
 LOAN REPAYMENT ACCOUNT - STATEMENT OF REVENUE & EXPENDITURE
 FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
The Revenue for the year was derived from:		
Special Loan Rates	---	77,543
Accrued	---	102,705
TOTAL REVENUE	<u>---</u>	<u>180,248</u>
The Expenditure for the year was incurred on:		
Principal Repaid	---	---
Interest On Loan	---	19,520
TOTAL EXPENDITURE	<u>---</u>	<u>19,520</u>
Net Surplus/(Deficit) for the year	---	160,728
Add Balance as at 1 January as previously reported	393,555	232,827
Leaving a Surplus Balance at 31 December	<u>393,555</u>	<u>393,555</u>

**NAUSORI TOWN COUNCIL
STREET LIGHT ACCOUNT - STATEMENT OF REVENUE & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
The Revenue for the year was derived from:		
Street Light Rate	---	73,352
Accrued Rates	---	230,167
TOTAL REVENUE	<u>---</u>	<u>303,519</u>
The Expenditure for the year was incurred on:		
Electricity Charges	---	37,649
Repairs and Maintenance	---	18,947
TOTAL EXPENDITURE	<u>---</u>	<u>56,596</u>
Net Surplus/(Deficit) for the year	---	246,923
Add Balance as at 1 January as previously reported	371,196	124,273
Leaving a Surplus Balance at 31 December	<u><u>371,196</u></u>	<u><u>371,196</u></u>

**NAUSORI TOWN COUNCIL
 LOAN CAPITAL EXPENDITURE ACCOUNT - STATEMENT OF REVENUE & EXPENDITURE
 FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
The Expenditure for the year was incurred on:		
Drainage and Road Upgrading	---	---
New Changeroom, Public Convenience	---	---
Ratu Cakobau Park - Repairs and Maintenance	---	---
Engeneering and Architectural Fee	---	---
New Market Shelter	---	---
Drainage Upgrading - Ratu Cakobau Park	---	---
Street Lights and Floodlights	---	---
Office Extension	---	---
Bank Charges	---	---
TOTAL EXPENDITURE	<u>---</u>	<u>---</u>

NAUSORI TOWN COUNCIL
PARKING METER ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2007

	NOTES	2007 \$	2006 \$
Current Assets			
Cash at Bank		26,007	26,599
Total Current Assets		<u>26,007</u>	<u>26,599</u>
Non Current Assets			
Parking Meters	11	43,200	50,400
Total Non Current Assets		<u>43,200</u>	<u>50,400</u>
TOTAL ASSETS		<u>69,207</u>	<u>76,999</u>
Current Liabilities			
Trade & Other Payables	12	5,879	461
Total Current Liabilities		<u>5,879</u>	<u>461</u>
TOTAL LIABILITIES		<u>5,879</u>	<u>461</u>
NET ASSETS		<u>63,328</u>	<u>76,538</u>
Represented By :			
RESERVES			
Asset Revaluation Reserve		72,000	72,000
Accumulated Funds	13	(8,672)	4,538
		<u>63,328</u>	<u>76,538</u>

(The accompanying notes are to be read in conjunction with the Financial Statements)

Councils Statement

In our opinion, the financial statements have been drawn up as to give a true and a fair view of the state of affairs, operations and cash flows of the Nausori Town Council Parking Meter Account for the year ended 31 December 2007.


.....
Mr. Napolioni Masirewa
Special Administrator

Date: 4/5/10


.....
Mr. Chandar Prakash
Chief Executive Officer

Date: 03/05/10

**NAUSORI TOWN COUNCIL
PARKING METER ACCOUNT - STATEMENT OF REVENUE & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
The Revenue for the year was derived from:		
Tolls	37,907	52,069
Fines	1,972	5,220
TOTAL REVENUE	<u><u>39,879</u></u>	<u><u>57,289</u></u>
The Expenditure for the year was incurred on:		
Salaries, Wages & FNPF	42,396	36,592
Parking Meter Expenses	3,237	4,435
Bank Charges	256	---
Depreciation	7,200	7,200
TOTAL EXPENDITURE	<u><u>53,089</u></u>	<u><u>48,227</u></u>
Net Surplus/(Deficit) for the year	(13,210)	9,062
Add Balance as at 1 January as previously reported	4,538	(4,524)
Leaving a Deficit Balance at 31 December	<u><u>(8,672)</u></u>	<u><u>4,538</u></u>

**NAUSORI TOWN COUNCIL
GENERAL FUND ACCOUNT - STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTES	2007 \$	2006 \$
Cash Flows from Operating Activities			
Receipts from customers		1,473,114	1,311,163
Payments to trade creditors, other creditors and employees		(1,306,977)	(1,200,755)
Interest paid		---	---
Interest received		16,060	9,646
Net Vat paid		<u>(42,561)</u>	<u>(37,728)</u>
Net cash provided by Operating Activities	14(a)(i)	<u>139,636</u>	<u>82,326</u>
Cash flows from Investing Activities			
Acquisition of property, plant & equipment		(80,000)	(50,461)
Payment for capital works (roads, footpaths and drains)		---	---
Proceeds from sale of property, plant and equipment		---	---
Net cash used in Investing Activities		<u>(80,000)</u>	<u>(50,461)</u>
Cash flows from Financing Activities			
Repayment of borrowings		39,504	(3,618)
Additional loan		---	---
Contribution from other funds		---	---
Net cash provided by Financing Activities		<u>39,504</u>	<u>(3,618)</u>
Net Decrease in Cash & Cash Equivalents		99,140	28,247
Cash and Cash Equivalent at the Beginning of the Year		156,714	128,467
Cash and Cash Equivalent at the End of the Year	14(a)(ii)	<u>255,854</u>	<u>156,714</u>

**NAUSORI TOWN COUNCIL
PARKING METER ACCOUNT - STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
Cash Flows from Operating activities		
Receipts from customers (Meter Tolls & Fines)	39,879	57,289
Payments to Suppliers & Employees	<u>(41,073)</u>	<u>(41,702)</u>
	(1,194)	15,587
Net VAT Received	602	(84)
Interest and Other Costs of Finance Paid	---	---
Net Cash Provided by Operating Activities	14(b)(i) <u>(592)</u>	<u>15,503</u>
Cash Flows from Investing Activities		
Acquisition of Property, Plant & Equipment	<u>---</u>	<u>---</u>
Net Cash used in Investing Activities	<u>---</u>	<u>---</u>
Cash Flows from Financing activities		
Repayment of Term Loans	<u>---</u>	<u>---</u>
Net Cash Provided by Financing Activities	<u>---</u>	<u>---</u>
Net Decrease in Cash & Cash Equivalents	(592)	15,503
Cash & Cash Equivalent at the Beginning of Year	26,599	11,096
Cash & Cash Equivalent at the end of the Year	<u><u>26,007</u></u>	<u><u>26,599</u></u>

**NAUSORI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2007.

(a) Basis of Accounting

Accrual accounting was introduced for the first time in the Council in 2004 and this is the basis on which the accounts are being presented. In the years prior to 2004, cash basis was being used. Furthermore, historical costs of transactions are used for recording and changing values of money are not taken into account.

(b) Fixed Assets and Depreciation

In changing from cash to accrual basis, the fixed assets are brought into account and the costs of wear and tear are being charged to income. With the exception of the fixed assets financed from the Loan Fund which is depreciated by the amount of actual principle repaid annually, depreciation on property, plant and equipments are charged on the following rates on a straight line basis;

Motor Vehicles	10%
Furniture & Equipment	10%
Plant, Machine and Tools	10%
Parking Meters	10%
Street Lights	10%
Building and Improvements	2%

(c) Investments

Investments are stated at cost price except in the case of those held with Merchant Finance which are stated at realizable value.

(d) Fund Accounting

The Council has adopted a fund accounting system as a considerable part of annual revenue comprises rates for different purposes and special purpose funds as required by the Local Government Act. Accordingly, it is necessary to establish a separate fund to record the

(e) Fire Service Account

The account is maintained to record fire rates received. The National Fire Service Act requires the Council to pay all fire rates to the Authority.

(f) Street Light Account

The Council maintains an account for funds received from street lights levied and the expenses incurred which includes electricity charges, repairs and maintenance and other necessary expenditure.

(g) Income Tax

The Council is exempted from Income Tax under Section 17 of the Income Tax Act (Cap 201).

NAUSORI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007 (Continued.....)

	2007	2006
	\$	\$
NOTE 2: ACCOUNTS RECEIVABLE		
Town Rates	1,824,290	1,494,985
Fees, Charges & Rents	26,752	15,305
Interest Receivable	---	1,649
	<u>1,851,042</u>	<u>1,511,939</u>
NOTE 3: FUNDS		
Project Fund	763	763
Garbage Truck Fund	3,152	6,264
Vehicle Fund	2,922	---
Labourers Fund	165	264
	<u>7,002</u>	<u>7,291</u>
NOTE 4: INVESTMENTS		
Term deposits held at various financial institutions are:		
Colonial National Bank (Fire Rate Account)	---	41,132
ANZ (FEA Bond)	582	582
Merchant Finance Ltd	---	66,142
Fijian Holdings Unit Trust	219,365	100,000
	<u>219,947</u>	<u>207,856</u>
	<u>Rate</u>	<u>Term</u>
Colonial National Bank	2.0%	6 months
Merchant Finance	3.5%	12 months
Fijian Holdings Unit Trust	1.47%	6 months

NAUSORI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 5:	Leasehold Land \$	Buildings & Improvements \$	Plants, Machines & Tools \$	Motor Vehicles \$	Office Equipment & Furniture \$	Street Lights \$	Roads & Drains \$	Total \$
Valuation Amount	2,010,000	3,627,729	8,000	273,683	58,672	419,000	11,765	6,408,849
Additions/Capitalizations	---	80,000	---	---	---	---	---	80,000
Disposal	---	---	---	---	---	---	---	---
Accumulated Depreciation	---	213,202	2,400	50,518	15,667	125,700	1,177	408,664
Depreciation Charge	---	72,555	800	27,368	5,867	41,900	1,177	149,667
Carrying Amount 31/12/07	2,010,000	3,421,972	4,800	195,797	37,138	251,400	9,412	5,930,518

NAUSORI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007 (Continued.....)

	2007	2006
	\$	\$
NOTE 6: TRADE & OTHER PAYABLES		
Trade Creditors	175,451	176,188
Other Payables	31,930	58,907
VAT	---	1,804
	<u>207,381</u>	<u>236,899</u>
NOTE 7: SUNDRY DEPOSITS		
Kiosk Deposit	6,196	6,196
Other Deposits	61,290	46,323
Election Deposits	280	280
Shopping Complex	3,830	4,830
Car Park	90,760	90,760
Building Deposits	6,340	5,340
	<u>168,696</u>	<u>153,729</u>
NOTE 8: LOAN ACCOUNT		
The loan was raised by the Council in 2003 at an interest rate of 7% for a period of 7 years. The loan was raised under the provisions of the Local Government Act and is secured on the assets of the Council.		
Balance as at 1 January	233,175	236,793
Add: Loan Raised	85,500	25,083
	<u>318,675</u>	<u>261,876</u>
Add: Bank Charges	19,376	80
	<u>338,051</u>	<u>261,956</u>
Less: Principle amount repaid	65,372	28,781
Balance as at 31 December	<u>272,679</u>	<u>233,175</u>
NOTE 9: DEFERRED INCOME		
Japanese Grant	148,750	166,250
Less: Benefits realised	17,500	17,500
	<u>131,250</u>	<u>148,750</u>

NAUSORI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007 (Continued.....)

	2007	2006
	\$	\$
NOTE 10: ACCUMULATED FUNDS		
General Fund Account	648,394	339,015
Street Light Account	371,196	371,196
Fire Service Account	41,132	41,132
Loan Repayment Account	393,555	393,555
	<u>1,454,276</u>	<u>1,144,898</u>
NOTE 11: PARKING METERS		
Value as at 01/01/07	50,400	57,600
Depreciation for 2007	7,200	7,200
Book Value as at 31 December 2007	<u>43,200</u>	<u>50,400</u>
NOTE 12: TRADE & OTHER PAYABLES (Parking Meter)		
Pay As You Earn (PAYE)	245	97
National Union for Municipal Workers (NUMW)	118	230
Fiji National Provident Fund	851	(7)
Fiji Local Govt Officers Association	(9)	(13)
Town Rates	570	360
Post Fiji Deduction	---	(206)
Advance from General Fund	4,104	---
	<u>5,879</u>	<u>461</u>
NOTE 13: ACCUMULATED FUND (Parking Meter)		
Fund Balance as at 01/01/07	4,538	(4,524)
Surplus for 2007	(13,210)	9,062
Balance as at 31/12/07	<u>(8,672)</u>	<u>4,538</u>

NAUSORI TOWN COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007 (Continued.....)

NOTE 14: NOTES TO THE STATEMENT OF CASH FLOWS

(a) GENERAL FUND	2007 \$	2006 \$
(i) Reconciliation of Net Cash Provided by Operating Activities of Net Surplus		
Net (deficit)/surplus for the year	309,379	152,451
Depreciation	149,667	149,667
(Gain)/loss on disposal	---	---
Provision for doubtful debts	---	---
Capital expenditure commitment written off	---	---
Net cash provided by operating activities before changes in Assets and Liabilities	459,046	302,118
Change in assets and liabilities:		
Increase in receivables	(339,103)	(358,921)
Increase/(decrease) in other Liabilities	49,213	81,862
Increase in creditors and borrowings	(29,518)	57,267
Decrease in other assets	---	---
Net cash Inflows from Operating Activities	<u>139,638</u>	<u>82,326</u>

(ii) Cash & Cash Equivalents

For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank. Cash as 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 & Cash Equivalents	35,907	7,441
Term Deposits / Investments	219,947	207,856
Bank Overdraft	---	(58,583)
	<u>255,854</u>	<u>156,714</u>

NAUSORI TOWN COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007 (Continued.....)

(b) PARKING METER FUND	2007	2006
	\$	\$
(i) Reconciliation of Net Cash Provided by Operating Activities to Net Surplus		
Net Surplus for the Year	(13,210)	9,062
Depreciation	<u>7,200</u>	<u>7,200</u>
Net Cash Provided by operating activities before changes in assets and liabilities	(6,010)	16,262
Change in Assets & Liabilities:		
Increase in Sundry Creditors	5,418	(759)
Increase in Other Assets	---	---
Increase in Provisions	---	---
Net Cash Inflows from Operating Activities	<u>(592)</u>	<u>15,503</u>

(ii) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank. Cash as 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 at Bank	<u>26,007</u>	<u>26,599</u>
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