



# NAUSORI TOWN COUNCIL

## 2008

### ANNUAL REPORT



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 101 OF 2020



# NAUSORI TOWN COUNCIL

## 2008

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31<sup>st</sup> 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 31<sup>st</sup> December, 2008.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Baskaran Nair'.

**Baskaran Nair**  
**Special Administrator/Chair**



## **ANNUAL REPORT - 2008**

### **1.0 INTRODUCTION**

The Town of Nausori was established on the 13<sup>th</sup> 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 31<sup>st</sup> 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**

<b><u>Period</u></b>	<b><u>01/01/08 to 12/11/08</u></b>	<b><u>13/11/08 to 31/12/08</u></b>
Mayor	Cr Yogeshwar Singh	Cr Jagdish Bali
Deputy Mayor	Cr Rev Malakai Curulala	Cr Rev Malakai Curulala

## **2.3 Sub-Committees**

At the Annual General Meeting of 12/11/08 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 Hari Karan  
Deputy Chairman : Cr Mohammed Nabi

### **2. Finance, Staff and General Purpose**

Chairman : Cr Moti Lal [JP, MOF]  
Deputy Chairman : Cr Joseph Fong

### **3. Subdivision, Town Planning and Traffic**

Chairman : Cr Rev Malakai Curulala  
Deputy Chairman : Cr Jagdish Bali

### **4. Staff Committee**

Chairman : Cr Arun Prasad  
Deputy Chairman : Cr Mosese Cakau

### **5. Tender Committee**

Chairman : Cr Ratu Lepani Tagicakibau  
Deputy Chairman : Cr Yogeshwar Singh



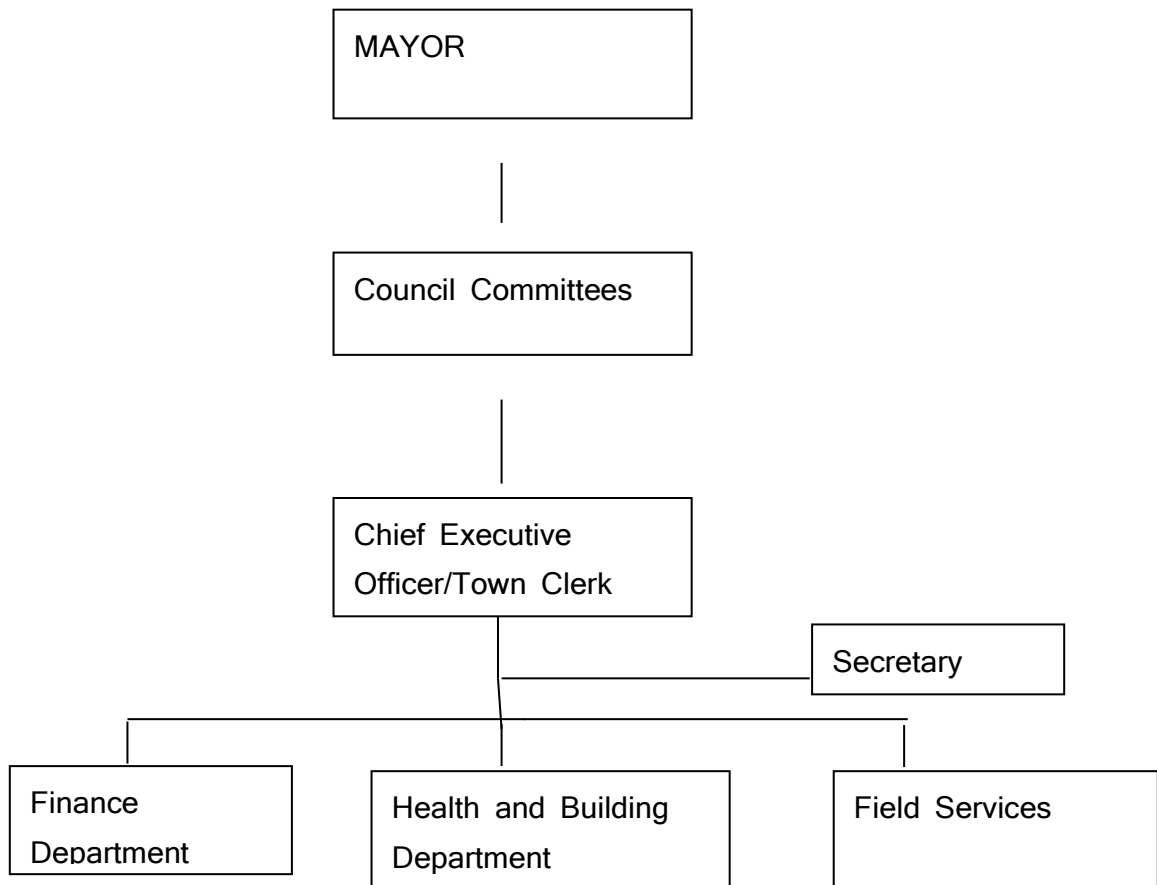
6. Parks, Garden and Beautification Committee

Chairman : Cr Iliesa Suguturaga

Deputy Chairman : Cr Jagdish Bali

All Councillors were members of the Six Committees.

2.4 Organizational Structure in 2008



## **2.5 Meetings**

The following Meetings were held in 2008.

Ordinary Council Meeting	-	12
Building, Health and Works	-	12
Finance, Properties and General Purposes	-	11
Subdivision, Town Planning and Traffic	-	10
Tender	-	11
Annual General Meeting	-	01
Staff	-	10
Special Staff Committee Meetings	-	05
Special Ordinary Council Meeting	-	01

## **2.6 Principal Officers of the Council**

Town Clerk/CEO	-	Satendra Singh (22/9/08)
	-	Chandra Prakash (Acting) (23/9/08 - 31/12/08)
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	-	<a href="mailto:nausoritown@connect.com.fj">nausoritown@connect.com.fj</a>
Total Area	-	768.5 hectares
<b>2.8 Total Number of Properties</b>	-	3973
❖ Residential	-	3568
❖ Commercial	-	176
❖ Industrial	-	84
❖ Other Land Size	-	229
<b>2.9 Total Value of Properties</b> (based on 2001 Revaluation)	-	88,035,075
<b>2.10 Council Auditors</b>		

The Auditor General's Office of Fiji

#### **2.11 Council Bankers**

Bank of Baroda

### **1.2 OUR VISION**

A town that fosters a diverse culture, life style and quality standard of living.

### **1.3 OUR MISSION**

The aim of Nausori Town Council is to promote the Health, welfare and quality of life for the ratepayers of Nausori for present and future generations through the set goals.

#### **1.4 OUR GOALS**

- ❖ To enhance the quality of life of the ratepayers by providing efficient services.
- ❖ To protect and encourage a wider appreciation of the towns natural environment.
- ❖ To encourage community participation within the people of Nausori in order to maintain the surrounding environment and services provided by the Council.
- ❖ Support and promote town's economy taking into account its social and environmental values.

#### **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 107 with a value of \$7,713,764.09.

#### **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 upkeep 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
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for Mr Chandra Prakash  
Acting Town Clerk/CEO



REPUBLIC OF THE FIJI ISLANDS  
OFFICE OF THE AUDITOR GENERAL



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



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 850

13 October 2010

Mr. Napolioni Masirewa  
The Special Administrator  
Nausori Town Council  
NAUSORI

Dear Mr. Masirewa

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AUDIT OF THE ACCOUNTS OF THE NAUSORI TOWN COUNCIL FOR THE YEAR ENDED 31  
DECEMBER 2008

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Two copies of the audited financial statements of the Nausori Town Council for the year ended 31 December 2008 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  
**AUDITOR GENERAL**

cc: Minister for Local Government, Urban Development, Housing & Environment  
Mr. Azam Khan, Chief Executive Officer for Nausori Town Council ✓

Encl.





**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 2008**

**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of the Nausori Town Council for the year ended 31 December 2008 in accordance with the provisions 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 they contain.

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

My audit has been 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 the Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, and the results of its operations and its cash flows.

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

**Qualifications**

- a) 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 2008 as required under Section 57(1) of the Local Government Act and Fiji Accounting Standards 1 – *Presentation of Financial Statements*.
- b) The Council's WINBIZ Rate System has not generated separate rates reports from 2007. As a result special loan rates and street light rates were not appropriately disclosed in their respective accounts but included with general rates income in the General Fund Account contrary to section 47(2) (b) of the Local Government Act.
- c) The Council did not provide a detailed Fixed Assets Register for audit; therefore Property, Plant & Equipment totaling \$6,440,466 and Depreciation Expense totaling \$172,074 could not be substantiated.

**Qualified Audit Opinion**

In my opinion, except for the effects of the matters referred to in the qualification paragraphs, the financial statements present fairly the financial position of the Nausori Town Council as at 31 December 2008 and the result of its operations and cash flows for the year then ended.

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

A difference of \$8,826 existed between the Cash Book and the Bank Statement balances as at 31 December, 2008. The discrepancy could not be supported or explained by the Council.



Tevita Bolanavanua  
AUDITOR-GENERAL



Suva, Fiji

13 October, 2010



ACCOUNTABILITY IN THE PUBLIC SECTOR  
THROUGH QUALITY AUDIT SERVICES

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# NAUSORI TOWN COUNCIL

## 2008 AUDITED ACCOUNTS

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NAUSORI TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

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NAUSORI TOWN COUNCIL  
GENERAL FUND  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2008

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COUNCIL'S STATEMENT

In our opinion the Financial Statements have been properly drawn up so as to show a true and fair view of the Nausori Town Council's operations for the year ended 31 December 2008 and of the state of affairs and cash flows as at that date.



.....  
AZAM AZMAT KHAN  
TOWN CLERK / CEO  
DATE: 12/10/10



.....  
NAPOLIONI MASIREWA  
SPECIAL ADMINISTRATOR  
DATE: 12/10/10

NAUSORI TOWN COUNCIL  
STATEMENT OF FINANCIAL POSITION - GENERAL FUND  
AS AT 31 DECEMBER 2008

	Notes	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash on hand	2	✓ 450	28,905
Receivables	3	✓ 2,122,561	1,703,435
Funds	4	✓ 25,421	7,002
Investment	5	✓ 239,028	219,947
<b>Total current assets</b>		<u>2,387,460</u>	<u>1,959,289</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	✓ 6,393,036	5,930,518
<b>Total non current assets</b>		<u>6,393,036</u>	<u>5,930,518</u>
<b>TOTAL ASSETS</b>		<u>8,780,496</u>	<u>7,889,807</u>
<b>CURRENT LIABILITIES</b>			
Bank overdraft		✓ 12,380	-
Creditors and borrowings	7	119,432	193,318
Provision for employee entitlements		✓ 8,728	14,063
Sundry Deposits	8	✓ 163,196	168,696
Term loans	9	✓ 112,800	112,800
<b>Total current liabilities</b>		<u>416,536</u>	<u>488,877</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred Income	10	✓ 113,750	131,250
Term loans	9	✓ 293,768	159,879
<b>Total non current liabilities</b>		<u>407,518</u>	<u>291,129</u>
<b>TOTAL LIABILITIES</b>		<u>824,054</u>	<u>780,006</u>
<b>NET ASSETS</b>		<u>7,956,442</u>	<u>7,109,801</u>
<b>MUNICIPAL FUNDS</b>			
Accumulated Funds	12	✓ 1,940,917	1,454,276
Reserves	11	✓ 6,015,525	5,655,525
<b>TOTAL MUNICIPAL FUNDS</b>		<u>7,956,442</u>	<u>7,109,801</u>

The accompanying notes are to be read in conjunction with the financial statements.

NAUSORI TOWN COUNCIL  
STATEMENT OF FINANCIAL POSITION - PARKING METER FUND  
AS AT 31 DECEMBER 2008

	Notes	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash	2	<del>18,667</del>	26,007
Receivables	3	<del>18,615</del>	-
Total current assets		<u>37,282</u>	<u>26,007</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6 (b)	<del>47,430</del>	43,200
Total non current assets		<u>47,430</u>	<u>43,200</u>
<b>TOTAL ASSETS</b>		<u>84,712</u>	<u>69,207</u>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	7	<del>5,470</del>	5,879
Total current liabilities		<u>5,470</u>	<u>5,879</u>
<b>TOTAL LIABILITIES</b>		<u>5,470</u>	<u>5,879</u>
<b>NET ASSETS</b>		<u>79,242</u>	<u>63,328</u>
Capital employed			
ACCUMULATED FUNDS (Page 8)		<del>7,242</del>	(8,672)
Asset revaluation reserve	11	<del>72,000</del>	72,000
		<u>78,242</u>	<u>63,328</u>

The accompanying notes are to be read in conjunction with the financial statements.



NAUSORI TOWN COUNCIL  
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2008

INCOME	2008 \$	2007 \$
Business, trading and other licenses	77,474	60,130
Amortization of Deferred Income	17,500	17,500
Fees, Charges & Rent	808,800	730,147
Government grant	22,977	56,262
Garbage dump	557	6,251
General rate	820,804	839,722
Interest - Investments	19,663	16,060
LICI Commission	535	-
Sponsorship	45,000	40,000
Sundries	34,537	24,528
<b>Total income</b>	<b>1,847,847</b>	<b>1,790,600</b>
EXPENDITURE		
Administration	214,881	219,253
Audit Fees	6,300	13,522
Bank fees and charges	4,760	4,470
Cleanup Campaign	12,965	6,449
Civic Reception	3,530	8,200
Council expenses	16,600	16,420
Depreciation and amortisation	164,581	149,667
Doubtful Debts	16,582	53,122
Engineering Fee	-	4,330
Field Expenses	35,182	30,314
FNPF	37,478	26,321
Garbage Services	205,394	222,246
Insurance	37,375	51,033
Interest on loan	36,081	21,884
Legal Fees	115	3,734
Loss from Theft	18,222	99
Miscellaneous	14,287	-
Mayoral expense	5,000	7,500
Membership Subscription - FLGA	1,300	-
Operation & Maintenance - Plant, Equipment & Vehicles	46,788	35,487
Operation & Maintenance - Office	19,523	28,141
Operation & Maintenance - Library	6,504	2,545
Operation & Maintenance - Bus Stand	13,528	12,312
Operation & Maintenance - Cakobau Park	26,113	122,256
Operation & Maintenance - Taxi Stand	1,937	2,731
Operation & Maintenance - Shopping Complex	4,621	10,547
Operation & Maintenance - Market	73,724	74,387
Operation & Maintenance - Parks & Gardens	24,874	15,607
Printing & Stationary	23,941	28,441
Rent on Land	34,366	39,219
Roads, Footpaths, Drains, Verges and Bridges	52,197	43,147

NAUSORI TOWN COUNCIL

STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$	2007 \$
Staff Training & Staff Expenses		9,108	10,644
Street Cleaning and Grass Cutting Services		102,519	124,791
Streetlights		79,185	70,541
Telephone Expenses		7,998	11,212
Traffic and Road Signs		2,774	1,493
Travelling & Incidentals		874	8,128
Valuation Expenses		-	1,028
<b>Total expenditure</b>		<b>1,361,207</b>	<b>1,481,221</b>
<b>Net surplus for the year</b>		<b>486,640</b>	<b>309,379</b>
Accumulated funds at the beginning of the year		648,394	339,015
<b>Accumulated funds at the end of the financial year</b>		<b>1,135,034</b>	<b>648,394</b>

The accompanying notes form an integral part of this Statement of Income & Expenditure.

NAUSORI TOWN COUNCIL  
 STATEMENT OF INCOME AND EXPENDITURE - PARKING METER FUND  
 FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$	2007 \$
INCOME			
Meter tolls		53,360	37,907
Fines		3,241	1,972
Total income		<u>56,601</u>	<u>39,879</u>
EXPENDITURE			
Bank Fees		275	256
Depreciation		7,493	7,200
Meter maintenance		1,309	3,237
Salaries, wages and related payments		31,610	42,396
Total expenditure		<u>40,687</u>	<u>53,089</u>
Net (deficit) / surplus for the year		15,914	(13,210)
Accumulated funds at the beginning of the year		<u>(8,672)</u>	<u>4,538</u>
Accumulated fund at the end of the financial year		<u><u>7,242</u></u>	<u><u>(8,672)</u></u>

The accompanying notes form an integral part of this Statement of Income & Expenditure.

NAUSORI TOWN COUNCIL  
 STATEMENT OF INCOME AND EXPENDITURE - LOAN RATE FUND  
 FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$	2007 \$
INCOME			
Loan rate		-	-
Total income		-	-
EXPENDITURE			
Interest		-	-
Surplus for the year		-	-
Accumulated funds at the beginning of the year		393,555	393,555
Accumulated fund at the end of the financial year		<u>393,555</u>	<u>393,555</u>

The accompanying notes form an integral part of this Statement of Income & Expenditure.



NAUSORI TOWN COUNCIL  
 STATEMENT OF INCOME AND EXPENDITURE - FIRE SERVICE ACCOUNT  
 FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$	2007 \$
<b>INCOME</b>			
Fire rate		-	-
Total income		<u>-</u>	<u>-</u>
<b>EXPENDITURE</b>			
Fire Service		<u>-</u>	<u>-</u>
Surplus for the year		-	-
Accumulated funds at the beginning of the year		41,132	41,132
Accumulated fund at the end of the financial year		<u><u>41,132</u></u>	<u><u>41,132</u></u>

The accompanying notes form an integral part of this Statement of Income & Expenditure.

NAUSORI TOWN COUNCIL  
STATEMENT OF CASH FLOWS - GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$ Inflows/ (Outflows)	2007 \$ Inflows/ (Outflows)
<b>Cash flows from operating activities</b>			
Receipts from customers		1,394,638	1,473,114
Payments to trade creditors, other creditors and employees		(1,232,575)	(1,306,977)
Interest Received		-	16,060
Interest paid		(32,188)	(42,561)
<b>Net cash provided by Operating Activities</b>	16 (a) (i)	<u>129,875</u>	<u>139,636</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant & equipment		<u>(267,099)</u>	<u>(80,000)</u>
<b>Net cash used in Investing Activities</b>		<u>(267,099)</u>	<u>(80,000)</u>
<b>Cash flows from financing activities</b>			
Borrowings		198,598	85,500
Repayment of borrowings		<u>(64,709)</u>	<u>(45,996)</u>
<b>Net cash provided by Financing Activities</b>		<u>133,889</u>	<u>39,504</u>
 Net decrease in cash and cash equivalents		 (3,335)	 99,140
Cash and cash equivalent at the beginning of the year		<u>255,854</u>	<u>156,714</u>
<b>Cash and cash equivalent at the end of the year</b>	16 (a) (ii)	<u><u>252,519</u></u>	<u><u>255,854</u></u>

The accompanying notes form an integral part of this Statement of Cashflows.

NAUSORI TOWN COUNCIL  
STATEMENT OF CASH FLOWS - PARKING METER FUND  
FOR THE YEAR ENDED 31 DECEMBER 2008

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	Notes	2008 \$ Inflows/ (Outflows)	2007 \$ Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers (meter tolls and other revenues)		37,986	39,879
Payments to suppliers and employees		(33,603)	(41,073)
VAT Received		-	602
Net cash provided by Operating Activities	16 (b) (i)	<u>4,383</u>	<u>(592)</u>
Cash flows from investing activities			
Acquisition of property, plant & equipment		<u>(11,723)</u>	<u>-</u>
Net cash used in Investing Activities		<u>(11,723)</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		(7,340)	(592)
Cash and cash equivalent at the beginning of the year		<u>26,007</u>	<u>26,599</u>
Cash and cash equivalent at the end of the year	16 (b) (ii)	<u><u>18,667</u></u>	<u><u>26,007</u></u>

The accompanying notes form an integral part of this Statement of Cashflows.



NAUSORI TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

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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 2008. Unless otherwise stated similar policies were followed in the previous year. All amounts are stated in Fijian currency.

(a) Basis of Accounting

The accrual basis of accounting is adopted for all financial transactions with the exception of parking meter tolls. The financial statements have been prepared on the basis of historical cost and do not take into account changing money values.

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation as at the balance date. When assets are retired or otherwise disposed, the related cost is removed from the accounts and any profit or loss arising there from is included in the statement of income and expenditure.

(c) Depreciation

The Councils' fixed assets are depreciated over their estimated useful lives using the diminishing value method at the following rates.

	<u>Rate</u>
Parking Meters	10%
Buildings	2%
Furniture and Equipment	10%
Plant, Machine and tools	10%
Motor vehicles	10%
Road, footpath and drains	10%
Street Lights	10%

(d) Receivables

Receivables are stated at expected realisable value as certified by the Council. A provision is created for any doubtful debts based on a review by Council of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

(e) Investments

Investments are stated at a realizable value.

(f) Revenue

Revenue is recognised in the Statement of Income and Expenditure when charged to the ratepayers by the Council. The major sources of revenue are collections in the form of General rates, Loan rates and rental income from the Council's properties.

NAUSORI TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

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(g) Fund Accounting

The Council has adopted a fund accounting system as a considerable part of annual revenues which comprises rates for different purposes and special purpose funds as required by the Local Government Act. Accordingly it is necessary to establish separate fund to recover the amounts received, expenditure incurred and the net balance of funds available to be carried forward into the next financial period.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received.

Details of Special Purpose Funds maintained by the Council are:-

**Parking Meter Fund**

The Council, in compliance with the Land Transport Act, has to maintain a separate account for the operation of Parking Meters in designated areas of roads within the municipality.

(h) Income Tax

The Council is exempt from income tax in accordance with the provisions of Section 17 of the Fiji Income Tax Act.

(i) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NAUSORI TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 2. CASH		2008	2007
		\$	\$
General Fund			
Cash on hand		450	450
Cash at Bank		-	28,455
		<u>450</u>	<u>28,905</u>
Parking Meter Fund			
Cash at Bank		18,667	26,007
		<u>18,667</u>	<u>26,007</u>
NOTE 3. RECEIVABLES			
General Fund			
Rate debtors		2,239,186 ✓	1,824,290
Provision for Doubtful Debts		(164,190)	(147,607)
Fees, Charges & Rents		44,935 ✓	24,402
Others		2,630 ✓	2,350
		<u>2,122,561</u>	<u>1,703,435</u>
Parking Meter Fund			
General Fund Cheques Presented in Parking Meter Account		18,615	-
		<u>18,615</u>	<u>-</u>
NOTE 4. FUNDS		\$	\$
Project Fund		✓ 22,428	763
Garbage Truck Fund		-	3,152
Vehicle Fund		✓ 2,828	2,922
Labourers Fund		165	165
		<u>25,421</u>	<u>7,002</u>
NOTE 5. INVESTMENT		\$	\$
ANZ ( FEA Bond)		-	582
Labourers Fund		239,028	219,365
		<u>239,028</u>	<u>219,947</u>

NAUSORI TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2008

Note 6(a) : Movement in Carrying amount - General Fund

	Leasehold Land \$	Buildings & Improvements \$	Plants, Machines & Tools \$	Motor Vehicles \$	Office Equipment & Furniture \$	Street Lights \$	Roads & Drains \$	Total \$
Valuation Amount	2,010,000	3,707,729	8,000	273,683	58,672	419,000	11,765	6,488,849
Additions/Capitalizations	86,000	457,677	-	-	-	12,310	71,112	627,099
Disposal	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	285,757	3,200	77,886	21,534	167,600	2,354	558,331
Depreciation Charge	-	81,778	800	27,368	5,867	42,257	6,510	164,581
Carrying Amount 31/12/08	2,096,000	3,797,871	4,000	168,429	31,271	221,453	74,013	6,393,036

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NAUSORI TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 6 (b). Movements in Carrying Amounts - Parking Meter Fund

	2008 \$	2007 \$
<u>Parking Meter</u>		
<u>Parking Meters</u>		
Carrying amount at beginning	✓ 43,200	50,400
Additions	11,723	-
Depreciation	(7,493)	(7,200)
Total balance as at 31 December 2008	<u>✓ 47,430</u>	<u>43,200</u>

NOTE 7. CREDITORS AND BORROWINGS

General Fund

Sundry creditors and accruals	✓ 97,560	175,451
Other creditors	16,062	17,867
VAT payable	5,810	-
	<u>✓ 119,432</u>	<u>193,318</u>

Parking Meter Fund

Other Creditors	✓ 1,346	1,775
Advance from general fund	✓ 4,124	4,104
	<u>✓ 5,470</u>	<u>5,879</u>

NOTE 8. SUNDRY DEPOSITS

General Fund

Kiosk Deposit	✓ 6,196	6,196
Other Deposits	✓ 53,790	61,290
Election Deposits	280	280
Shopping Complex	✓ 5,830	3,830
Car Park	✓ 90,760	90,760
Building Deposits	✓ 6,340	6,340
	<u>✓ 163,196</u>	<u>168,696</u>

NAUSORI TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 9. TERM LOANS	2008 \$	2007 \$
<u>General Fund</u>		
Balance as at 1 January	272,679	233,175
Loan Raised	198,598	85,500
	<u>471,277</u>	<u>318,675</u>
Interest	32,188	19,376
	<u>503,465</u>	<u>338,051</u>
Repayment	96,897	65,372
	<u>406,568</u>	<u>272,679</u>
Represented in the balance sheet as:		
Current	112,800	112,800
Non-current	293,768	159,879
	<u>406,568</u>	<u>272,679</u>

Loans raised by the Council bear interest charges ranging from 7%. All loans are raised under the provisions of Local Government Act and is secured over the assets of the Council.

NOTE 10. DEFERRED REVENUE	2008 \$	2007 \$
<u>General Fund</u>		
Japanese Grant	131,250 ✓	148,750
Less: Benefits Realised	17,500 ✓	17,500
	<u>113,750</u>	<u>131,250</u>

NOTE 11. RESERVES		
<u>Asset Revaluation Reserve</u>		
Opening Balance	5,655,525	5,655,525
Valuation done during the year	360,000	0
Asset revaluation reserve	<u>6,015,525</u>	<u>5,655,525</u>
 <u>Parking meter account</u>		
Asset revaluation reserve	<u>72,000</u>	<u>72,000</u>

**NAUSORI TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 12. ACCUMULATED FUNDS**

Accumulated general fund (Page 6)	1,135,034	648,394
Loan rate fund (Page 7)	393,555	393,555
Street Light Account (Page 8)	371,196	371,196
Fire Service Account (Page 9)	41,132	41,132
Asset revaluation reserve	<u>1,940,917</u>	<u>1,454,276</u>

**NOTE 13. CAPITAL COMMITMENTS**

Capital commitment as at 31 December 2008 was Nil.

**NOTE 14. PRINCIPAL ACTIVITY**

The Nausori Town Council was established under the Local Government Act to provide for the health, welfare and convenience of the inhabitants of the Nausori Town Municipality and to preserve the amenities or credit thereof.

**NOTE 15. SUBSEQUENT EVENTS**

Since the end of the financial year, the Council is not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the Council, the results of those operations or state of affairs of the Council in subsequent years.

**NOTE 16. NOTES TO THE STATEMENT OF CASH FLOWS**

(a)

(i) Reconciliation of Net Cash provided by Operating Activities to Net Surplus	2008 \$	2007 \$
Net surplus/(deficit) for the year - General fund	486,640	309,379
Net surplus/(deficit) for the year - Loan rate fund	-	-
Depreciation and amortisation	164,581	149,667
Loss / Gain on Fixed Asset	-	-
Provisions for doubtful Debts	16,582	-
Provision for Employee Entitlements	(5,335)	-
Net cash provided by operating activities before changes in assets and liabilities	<u>662,468</u>	<u>459,046</u>
Change in assets and liabilities:		
Increase in receivable	(435,708)	(339,103)
(Decrease)/Increase in other liabilities	(23,000)	49,211
(Decrease)/Increase in creditors and borrowings	<u>(73,885)</u>	<u>(29,518)</u>
Net cash inflows from operating activities	<u>129,875</u>	<u>139,636</u>

NAUSORI TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(ii) Cash and Cash Equivalents (Continued)	2008 \$	2007 \$
Cash on hand	450	450
Cash at Bank	(12,380)	28,455
Investment	239,028	219,947
Funds	25,421	7,002
	<u>252,519</u>	<u>255,854</u>

(b) Parking Meter Fund

(i) Reconciliation of Net Cash provided by Operating Activities to Net Surplus

Net (deficit)/surplus for the year	15,914	(13,210)
Depreciation	7,493	7,200
Net cash provided by operating activities before changes in assets and liabilities	<u>23,407</u>	<u>(6,010)</u>
Change in assets and liabilities:		
(Decrease)/increase in sundry creditors	(409)	5,418
Decrease/(increase) in receivables	(18,615)	-
Increase/(decrease) in provisions	-	-
Net cash inflows from operating activities	<u>4,383</u>	<u>(592)</u>

(ii) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank, net of outstanding bank overdraft. 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	18,667	26,007
	<u>18,667</u>	<u>26,007</u>



