



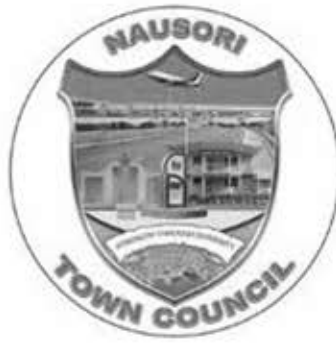
NAUSORI TOWN COUNCIL

2011

ANNUAL REPORT



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 151 OF 2020



NAUSORI TOWN COUNCIL

2011

ANNUAL REPORT



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PARLIAMENTARY PAPER NO. 151 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, 2011.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Baskaran Nair', is written above the printed name.

Baskaran Nair
Special Administrator/Chair

1.0 BACKGROUND OF NAUSORI TOWN

1.1 Introduction

Nausori is a town that has evolved from what was once a thriving sugar industry in the 19th century for the colony of Fiji, to a rural backwater town on the banks of the Rewa from 1937 onwards to the present. It is historic in the sense that it was the first sugar mill established by the Colonial Sugar Refining Co of Australia in 1881. It also hosted the first major influx of Indian labourers in Viti Levu in 1881 to come and work on the sugar plantations in the Rewa Delta. The descendants of those labourers have remained in Nausori or have moved to other parts of the country.

A lot of the relic of Nausori's colonial past still stand today as a postmark of what was once Nausori's golden age between 1881 – 1959. It ceased operations in early 1960's and the company and its workers left with a town in limbo. A distinct physical character of the town in the 1960's was the abundance of open spaces for sporting and cultural activities. Over the years these have become eroded by the conversion of some of those spaces into development lots where buildings have begun to establish themselves undermining the order and coherence that once marked the old town.

Nausori has grown rapidly in the last few years because of the addition of the Naulu/Nakasi and Davuilevu Housing areas. In the 1996 census the town's population was 17,000. By 2007 the population was 24,950. It is likely that the new adjacent areas of Waila Housing State I – III may be added to it in the review of the Nausori Scheme Plan in 2010.

Downtown Nausori is physically located by the Rewa River sitting on the border between the three provinces of Tailevu, Rewa and Naitaisiri. This strategic location makes it an important town serving a regional function for these provinces. It lies at the heart of the agricultural hinterland that was once home to sugar cane and thence rice cultivation. It is the gateway to the flat alluvial plains of the Rewa Delta, which is subject to flooding at intermittent intervals.

By contrast the newer Nausori from the opposite banks of the Rewa in Waila, Davuilevu, Naulu and Nakasi are a direct consequence of Suva's urban sprawl. The resident population of the town is heavily concentrated there because of higher ground which on most cases have saved it from the ravages of the delta flood. The process of urban sprawl is also heavily concentrated in this area, the consequence for which is the heavy traffic jam on Kings Road during the rush hour.

The economic base of the town is primarily in retailing and some services. There is some food processing but very little industrial or manufacturing base. Nausori could very rightly be regarded as a dormitory town for Suva, growing but not significantly.

The town is primarily composed of Indo Fijians and the indigenous population. There are very few Chinese, part Europeans left there from the colonial era. But a lot of

new migrants into Nausori can be felt, particularly those coming from the Northern division and many others who have been relocated from Suva. They are mostly located in the suburbs of Nausori. Downtown Nausori itself is not densely populated. Those who do business there live outside of the area. There is much movement in traffic during the day indicating the rather transient nature of the town.

The sense of identity for the town cannot be easily established because of the transient nature of the town and of the sharp divide in the ethnic lines which keeps the Indians mostly in town and the indigenous people in their villages. But this is slowly changing in view of the new additions to the township.

1.2 Environmental Scan

Local and Regional Issues

Nausori is an old town fraught with many challenges of which have been there for a long time while others have recently emerged with the process of urbanization. These issues can be summarized briefly thus:

a) Population

The population of Nausori in the last census had grown from 15,000 to 24,950 in 2007. This major increase is attributed to the transfer of Naulu/Nakasi/Davuilevu Housing and Wainibuku from Nasinu and its inclusion in the Nausori township in 2004. Also in the last few years there have been migration into the township from the Northern Division with the expiry of cane leases and people looking for alternative livelihood. The government's policy of the relocation of squatters from Suva into the peri urban peripheries has seen an influx of informal settlements within and about Nausori's vicinity. Nausori is part of the fastest growing population zones in the country and growth is expected to continue in the long term.

b) Economic Malaise

The growth in the population is mostly among the working class and unemployed while the economy remains stagnant and has been for a long time. The Town functions as a trade centre for the Delta area with emphasis on some services, food processing and retailing. There is very little manufacturing of light industrial goods and timber milling and log processing. Downtown Nausori has recently experienced out migration of business and people either to outer suburbs or elsewhere.

c) Traffic Growth

The advent of the motor car and its impact on settlement patterns has its obvious impact on a small town like Nausori. With old infrastructure, limited streetscape and an influx of people converging on it gives the feel of an overcrowded, vibrant and busy town. In fact it merely underscores the state of confusion that the town is in rather than a genuine economic revival. But the flow of traffic within and out of Nausori is an issue worthy of attention. In its rough triangular shape downtown Nausori's limited street numbers and narrow spacing poses a challenge for any driver. The possibility of "pedestrianising" part of the town should not be discounted.

d) Insensitive Development

The original design and layout of the town has been undermined by inconsistent policy decisions by past Councils. Contravention of planning regulations have been evident particularly in the substitution of public open spaces by buildings creating a smug look that negatively impacts the aesthetic value and character of the town. Encroachment of new buildings to various lots have been evident on a number of occasions.

The sprawl of urban settlements in the relocation of squatters has already created disruptions in the town planning regulations particularly in areas of disputed land tenureship. There is a growth of backyard garages in residential areas and an incompatibility in new development to zoning classification which need correcting.

e) Littering and Waste Disposal

Indiscriminate littering both in downtown and the suburbs are a common feature of Nausori, some of which are quite deliberate sabotage. Counter measures taken by the Council to combat littering have so far remained ineffective because the matter requires the introduction of some form of deterrence to control it.

f) Impact of Waste Disposal on Municipal Expenditure

The necessity for bringing some discipline into the litter issue through the use of Naboro Landfill has an associated problem of cost, due to the long distance of transporting waste to Naboro. The cost of dumping at Naboro which currently represents 25% of our total operating expenditure will soon exceed 30% once the Lakena dump is closed.

g) Impact of Land Tenure on Planning

Town Planning is made more difficult by the complexity in the land tenure system with a good portion of the land belonging to native owners and private owners. There is little land controlled by the Council. Occasional interference by native land owners on leased land causes negative perceptions on investment in the town.

h) Unemployment

Unemployment is a common problem in Nausori with a very little commercial and industrial base, most of the people live here but work in Suva or elsewhere. With the relocation of squatters from Suva to Nausori the problem is exacerbated.

But Nausori remains an important town from the strategic, social, economic and historic point of view. Apart from being the regional centre for the three provinces it is also a centre for cultural and sporting events. Major rugby and soccer events are hosted at Ratu Cakobau Park.

It is also a centre of academic excellence with 4 major secondary schools within its vicinity. The government administration for the Central division is based there headed by the Divisional Commissioner and other departmental heads. In terms of government's regional planning the thinking is to continue to maintain Nausori as the centre for the division and to allow subcentres like Vunidawa and Korovou as satellites that feed into it. There will be a need to strengthen the centre by building on agricultural potential to promote food processing in the town as a way of generating employment and strengthening the economy.

The Nausori airport hosts local, regional and international flights and is key to the development of the economy of the whole Central division. The export trade could be facilitated if quarantine facilities were introduced. Tourists from Australia and New Zealand can access tourist attractions in Northwest Viti Levu, Ovalau and in the Central Division.

In planning for the future, Nausori has to address some of its key contradictions. It is an overcrowded town yet few live and work there. It is an agricultural based town yet there is little food processing being done there. It is a growing town yet its Council has precious few assets to enable it to grow well into the future. The town has sound infrastructure yet it has little investment. While these maybe stereotypes gleaned from the daily conversations of its towns folk they reflect a concern that should not be taken for granted.

Finally Nausori also has to carefully weigh the impact of its local role as opposed to its regional one. The bulk of its revenue is drawn from ratepayers

particularly the residents who often begrudge the business community for paying similar level of rates yet gain more income and services from their investments. This needs to be corrected. More opportunities should also be created for Nausori's regional constituents to invest more in Nausori not only in shopping for basic goods but also selling more products and investing more money in business to help Nausori grow. It will help consolidate the rural-urban linkage.

1.3 Review of Current Services and Programs

The Nausori Town Council has limited assets confined mainly to the bus stand, the market, Ratu Cakobau Park, to Council commercial complexes hosting the Library, restaurants, nightclub and various other services. There are also some small parcel of land on Vunivivi Hill and Manoca. There are 3 Council's trucks and 3 official vehicles. Yet it's scope of responsibility is wide and burdensome.

It maintains 20,512 meters of roads and 38,553 meters of drains of the municipality. It clears 2973 tons of garbage for disposal at Naboro and maintains key infrastructure like Cakobau Park, the Nausori Market and ensures the cleanliness of the town. It does these in consultation with the ratepayers. It has to address all grievances that are made to it on a regular basis and it tries to be a good custodian of ratepayers and stakeholder interests. But it can only do so within the resources it has at its disposal.

In the past 3 years the average budget implementation ratio was 4% Capital against 96% operating expenditure. The high operating expenditure was due in no small part on the cost of carting garbage to the Naboro Landfill which constitutes about 25% of our total annual operating budget. There being a significant improvement in our rate collection this year it is envisaged that our capital budget will be in excess of 10% of the total budget.

We have also for this year extended our services to Naulu/Nakasi and Davuilevu Housing in direct response to their call for better services to be given by the Council. We have in the process opened a Council Office in that area and it has proved useful in our community outreach and the collection of rates.

The potential for community involvement has yet to be fully explored. In June this year we had Environment Week where we marshaled community support for hosting community clean up in Waila and Davuilevu Housing. We hope to be appointing neighbourhood advisors from our neighbourhoods to help in identifying critical community issues that can be jointly tackled with the community. There is a serious problem of unemployment in the township and appropriate strategies need to be put in place to combat it.

1.4 Relevance of the “People’s Charter”

There are certain aspects of “The People’s Charter” which are very relevant to municipal governance. The issue of ensuring effective and enlightened leadership as stated on Pillar 3 is appropriate. The others on Pillars 4 on Efficiency and Effectiveness of Service Delivery and Pillar 5 on Higher Economic Growth and ensuring sustainability are also relevant. So is Pillar 6 on making more land available for productive and social purposes. Pillar 8 on reducing poverty, (as part of social justice) is a critical component of sustainable urban development. The form and content of this Strategic Plan incorporates many of the principles of the Charter.

2.0 Council Members and Principal Officers

- 2.1** The review/reform program, introduced by Ministry of Local Government, Urban Development, Housing and Environment had Napolioni Masirewa appointed by the Government as the Special Administrator for the Council.

| | | |
|-------------------------------------|---|--|
| Special Administrator | - | Napolioni Masirewa |
| Town Clerk/CEO | - | Azam Khan |
| Treasurer | - | Nizhat Alzari 19/10/11 – 31/12/11] Vikash Singh (actg.) [1/11/11 -20/11/11] |
| Health Inspector/ Building Surveyor | - | Kitione Batiwale |
| Secretary | - | Chandra Krishna (Mrs) |
| Market Master | - | Pita Tamanikaisawa 1/10/11 to 31/10/11 Naresh Ram actg. [1/1/11 – 30/9/11] |
| Senior Rates Officer | - | Hirendra Prasad [1/1/11 – 30/8/11] Vinay Singh [1/9/11 to 31/12/11] |
| Technical Officer | - | Taniela Taukeinikoro [1/9/11 to 31/12/11] |

Total staffs employed by the Council at the end of the year 2011 was 24 with four staffs on attachment. During the year Council upgraded the Market Master position to Market Manager and introduced Business Licensing Officer position. Assistant Town Planner went for a workshop to Delhi, India on Urban Town Planning. Assistant Health Inspector went for a one month workshop on Solid Waste Management to China.

A new Prosecutor/Traffic Officer was appointed who was tasked to upgrade prosecution and traffic management standards at Nausori.

2.2 Sub Committees

Subcommittees established during 2009 were:

- a) Building, Health and Works
- b) Finance and General Purposes
- c) Subdivision, Town Planning and Traffic

- d) Staff Committee
- e) Tender Committee
- f) Monday Staff Meeting

All committee meetings were chaired by the Special Administrator.

2.3 **Meetings**

The following meetings were held:

| | |
|---------------------------------------|------|
| Meetings | 2011 |
| Building, Health and Works | 8 |
| Finance, Properties & General Purpose | 6 |
| Subdivision, Town Planning | 10 |
| Tender | - |
| Staff | 6 |
| Monday Staff Meetings | 51 |
| Inter Transport | 24 |
| Rates | 3 |
| Market | 2 |

2.4 **Directory**

| | | |
|----------------|---|--|
| Location | - | 2 Wainibokasi Road |
| Postal Address | - | P O Box 72, Nausori |
| Telephone | - | 3477133 |
| Fax: | - | 3400048 |
| Email | - | nausoritown@connect.com.fj |

2.5 **Population**

Population of the town recorded as per the last census is:

| | |
|-----------|-------|
| Nakasi | 11062 |
| Davuilevu | 3568 |
| Nausori | 2176 |

2.6 **Councils Solicitor**

| | |
|--------------------|--------------|
| Lajendra Law | |
| Phone: 3100008 | Fax: 3100009 |
| Registered Office: | Nasese, Suva |

Tirath Sharma Law
Reddy and Nandan Lawyers
Ravono and Raikivi

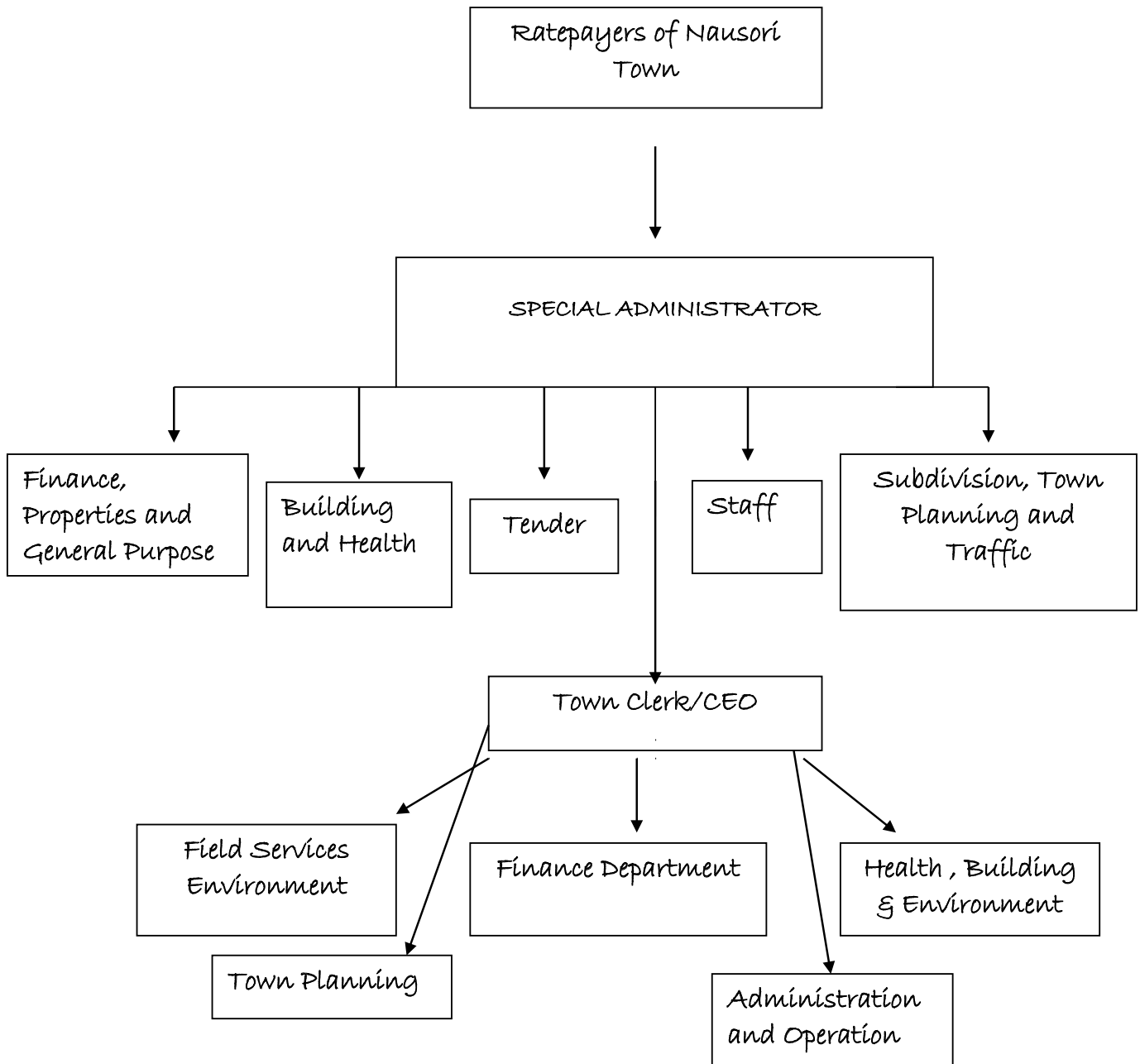
2.7 **Councils Auditors**

Auditor General's Office of Fiji

2.8 **Council Bankers**

Bank of Baroda

2.9 ORGANIZATION STRUCTURE OF THE MUNICIPALITY OF NAUSORI



3.0 STRATEGIC DIRECTION

3.1 Vision

- To develop Nausori to be a sustainable and liveable town that advocates the principles of sustainable economic growth, environmental responsibility and social justice.

3.2 Founding Principles

The town of Nausori will be focused on the process of sustainable urban development. During the plan period the key strategic priorities will involve the following:

- i) The promotion of sustainable economic growth through targeted investment to generate employment and income for all.
- ii) The provision of sound infrastructure for transport, water and sewerage, energy and communications and other sporting and cultural activities.
- iii) The promotion of sustainable environmental strategies to enhance the town's natural, built and human environment.
- iv) The promotion of integrated and strategic planning for land use, community and environmental planning that meets statutory requirements and community needs.
- v) The development of community based strategies to combat the rising problem of poverty and to promote fairness and equality of access for all.
- vi) The development a system of governance and service delivery that are financially sustainable, accountable and efficient.

4.0 Activities

4.1 Building Applications

Health and Building section received a total of 97 building applications during the year. Total value of building applications received was \$13,165,404.55 and fees generated by the Council was \$34280.96. During the year 14 completion certificates were issued which had a value of \$5499767.15.

4.2 Health Report

| TYPE OF BUSINESS | INSPECTION | REINSPECTION | TOTAL |
|---------------------------------------|------------|--------------|-------------|
| SHOPS | 47 | 37 | 84 |
| SUPERMARKET | 27 | 31 | 58 |
| FACTORIES | 25 | 11 | 36 |
| SUBDIVISIONS | | | |
| BUILDING UNDER CONSTRUCTION | 50 | 53 | 103 |
| SCHOOLS | 1 | 1 | 2 |
| HAWKERS | 58 | 26 | 84 |
| HOUSE TO HOUSE | 67 | 38 | 105 |
| INVESTIGATION OF COMPLAINTS/NUISANCES | 241 | 163 | 404 |
| NEW BUILDING SITE BEFORE APPROVAL | 8 | 124 | 9 |
| BAKE HOUSE | 18 | 5 | 42 |
| KAVA SALOONS | 8 | 53 | 13 |
| RESTAURANTS/EATING PLACES | 76 | 16 | 129 |
| MILK PLACES | 16 | 4 | 32 |
| HAIRDRESSERS/CHIROPODISTS | 5 | | 9 |
| RUBBISH DUMP | | | |
| BUTCHER SHOPS | 8 | 8 | 16 |
| BOARDING HOUSES/HOTELS | 1 | 1 | 2 |
| <u>TOTAL</u> | 656 | 472 | 1128 |
| | | | |

- Two food safety workshops were conducted during the year. The main objective was to create awareness on the food safety regulation 2009 amongst Food establishment within the Nausori Municipal Boundary.
- Food condemnation was also conducted on several Supermarkets and Butchers. Food items confiscated were disposed of at the Naboro Landfill.
- Five major Clean Up campaign was conducted during the year.
- Conducted one in-house training for 6 new Litter prevention Officers on the Litter Promulgation 2008.

4.3 Business License Report

A total of 422 business continued operation in town with 105 new business opening. Grand total of business of business operating in town was 527.

4.4 Finance Report

Funds collected compared to budget from major revenue streams during the year was:

4.4.1

| Commercial Stand | 2011 | |
|-------------------------|---------------|-------------------|
| | Budget | Collection |
| Bus Stand | 85000 | 90413 |
| Taxi Stand | 12663 | 7587 |
| Carrier Stand | 28000 | 30344 |
| Minibus Stand | 125663 | 128344 |

4.4.2

| Property | 2011 | |
|-----------------|---------------|-------------------|
| | Budget | Collection |
| Complex Rental | 180000 | 187226 |
| Kiosk Rental | 35000 | 35620 |
| Total | 226678 | 222846 |

4.4.3

| Business License | 2011 | |
|-------------------------|---------------|-------------------|
| | Budget | Collection |
| Business License | 90000 | 128626 |
| Building Fees | 20000 | 32015 |
| Sweetmeat Rental | 3500 | 3655 |

4.4.4

| Ratu Cakobau Park | 2011 | |
|--------------------------|---------------|-------------------|
| | Budget | Collection |
| Sports Ground Revenue | 50000 | 82781 |

4.4.5

| Parking Meter | 2010 | |
|---------------------------------|---------------|-------------------|
| | Budget | Collection |
| Tolls,fines and carpark revenue | 78480 | 125462 |

4.4.6

| Market | Budget | Collection |
|----------------|---------------|-------------------|
| Market Revenue | 330000 | 368567 |

4.4.7 Expenditure

| | Budget | Actual |
|--|----------------|----------------|
| Operations and maintenance of Properties | 200000 | 180000 |
| Personnel Emoluments | 750000 | 724430 |
| Garbage Collection | 250000 | 273059 |
| Street Cleaning and Grass Cutting | 210000 | 208609 |
| Capital Expenditure | 160000 | 186105 |
| Insurance | 36000 | 32339 |
| Street Lights | 175000 | 175292 |
| Loan Repayment | 105829 | 65832 |
| Others (Dep) | 218800 | 218000 |
| Total Expenditure | 1418629 | 2063666 |

5.0 Rates

5.1 RATES STRUCTURE

The rates structure for 2010/ 2011 was as follows:

| | 2011 Nausori/ Davuilevu | 2011 Naulu Nakasi |
|---|--|----------------------------------|
| General Rate | 0.0064533 | 0.0064533 |
| Special Rate | 0.002415 | 0.002415 |
| Street Light | 0.001544 | 0.001544 |
| | | |
| Total Rate Levy (Cents in a dollar of ucv) | 0.0104123 | 0.0104123 |

5.2 RATES COLLECTION ANALYSIS

| TYPE OF PROPERTIES | NAUSORI | NAKASI | DAVUILEVU |
|---------------------------|-------------|-------------|------------|
| | | | |
| Residential | 414 | 2579 | 574 |
| Commercial | 108 | 54 | 14 |
| Industrial | 70 | 13 | - |
| Others | 63 | 75 | 11 |
| | | | |
| Total | 655 | 2721 | 599 |
| TOTAL OF ALL WARDS | 3975 | | |

5.3

| | |
|----------------------|---------|
| Particulars | Amount |
| Balance at 1/1/10 | 2199580 |
| Current rates | 813753 |
| Total | 3013333 |
| Cash received | 1114554 |
| Discount allowed | 124868 |
| Add closing interest | 195130 |
| Balance at the end | 1969041 |

5.3.1 An interest waiver period was organized to assist ratepayers who had defaulting rates and wanting to settle in full without interest to come and settle. In addition, rates book investigation commenced in August 2011 following complaints from ratepayers that rates had been settled but books in within Council had not been upgraded. The investigation continued throughout the balance of the year.

5.4 LIBRARY

5.4.1 INTRODUCTION

The collection of books and periodicals provided by the Nausori Library has form a vital part of communication and education. It makes available knowledge that has been accumulated through the years and people in all works of life use library resources in their work, including students, teachers, scholars, business executives, government officials or a housewife. Large numbers of people also visit the library to satisfy a desire for knowledge or to obtain material for some kind of leisure time activity.

5.4.2 Objectives

- (1) Library collections serve as important resources in the education work and recreation to members of the community.
- (2) Maintains a wide selection of books for library users. The selection include, up-to-date reference works such as almanacs, atlases, encyclopedias and government publications, non-fiction work that covers the whole broad range of people's interest as well as fiction collection of the past and present.
- (3) Become an information sources for many groups in the community

5.4.3 Holdings of the Library

The library has a wide selection of reading materials such as Fiction and Non-Fiction books, Reference collection, Hindi and Fijian books.

Periodicals, Newspapers (local), Universities calendars (Fiji and overseas), and Annual Reports for in- house use.

Up-to-date information about Aids, Education, Diabetes, S.O.P.A.C, Environment, E.C.R.E.A, U.N.D.P, Women Crisis Center, and Secretariat of the Pacific Community, Consumer Council, National Food and Nutrition, National Center for Health Promotion, U.N.I.C.E.F, Kava, and other government and non-government organizations.

5.4.4 Overdue Books

Overdue notices are sent every month to members whose books are overdue. At times members do not respond even when reminder notices are sent so we therefore, have to make telephone calls as well. 5 cents per day fine is charged and the fine money collected is deposited at Marela House, Suva.\$225.20 was collected during the year.

5.4.5 Vertical File

Some very important topics such as pollution, drugs, Information on Water, Reconciliation, Human Rights, Tourism etc. are always selected from newspapers and other worn out magazines, pamphlets, and Brochures and a file is made.

These ready information are very useful to students doing research work. It saves a lot of time and information are readily available.

5.4.5 Opening Hours

| | |
|--|----------------|
| Monday - Thursday | 9.00am- 4.30pm |
| Friday | 9.00am- 4.00pm |
| Saturday | 9.00am- 1.00pm |
| Closed on Sundays and Public holidays. | |

5.4.6 Staffing

| | |
|----------------|-------------|
| Mereia Sila | |
| Mere Yaunisiga | - Relieving |

5.4.7 Membership fees

The membership fee is as follows:-
Primary [classes 1-6] - \$1.00
Secondary students - \$2.00
Tertiary / Adults \$5.00

5.4.8 Clientele

Apart from the registered members majority of the clientele were students using reference and non-fiction books for research, assignments and for study purposes. Adults also make a good use of the library by taking advantage of free newspapers, magazines, health and fitness books, cookery, or spending leisure hours reading storybooks.

5.5 FIELD DEPARTMENT

5.5.1 Road works

- a) Road patching continued throughout the year. Adverse weather condition experienced in this part of the island had Council spending a considerable amount on road patching works.

- b) Service delivery programs were introduced with Council introducing supplement grass cutting, drain cleaning and sweeping program per month to ensure that the rotation of work increased by one extra round.
- c) Road Marking and upkeep of Central Business District program was upgraded with 24 hours cleaning and upkeep program introduced, quarterly town washing and road marking activity.
- d) Additional equipments for upkeep were introduced during the year including increase in the number of brush cutters.

5.5.2 Garbage Collection

The Garbage Collection Contract was awarded to Inter Clean Fiji Ltd for Naulu/Nakasi/Davuilevu Housing and Wainbuku area. For Nausori Town Ward Council did the garbage collection.

5.5.3 Grass Cutting/Drainage Contracts

Nailagobokola Holdings Ltd did the grasscutting and drain cleaning works for Nausori Ward, while Young Peoples Department did the Davuilevu Ward and Viti E Loma did Davuilevu Housing..

5.5.4 Clean Up Campaign

A total of two Clean Up Campaigns were organized during the year on a half basis. The free collection service rendered by the Council was for three weeks in each ward which was well patronized by the rate payers. Huge volume of unwanted items and garden refuse were removed from both the Wards. In addition, Council continued on a monthly basis collecting green waste from all areas.

5.5.5 Town Beautification

Flower gardens were upgraded in the central business. New plants were purchased and planted.

5.5.6 Ratu Cakobau Park

Upgrading works at Ratu Cakobau Park was continued with additional floodlights installed and upgrade to power supply. This investment by the Council was \$120000. In addition, stadium seating areas were upgraded. The main turf was upgraded temporarily with proper upgrade to be carried out in 2012. Total invested at the Park was \$168000. After four years a major soccer tournament was organized at the park. The tournament Battle of the Giants had Fiji FA recording the highest revenue collections out of all the tournaments organized during the year.

5.6 Town Planning

The department commenced work on the Naulu/Nakasi town planning scheme and draft was submitted to Department of Town and Country planning. The section also worked with the chief executive on the inter transport project.

5.7 Inter Transport Project

Twelve technical committee meetings were held during the year. Twelve subcommittee meetings were held. Council following approvals in the technical committee meeting appointed the following consultants:

1. Wood and Jepsen – Survey and contour works
2. Ernst and Young – Financial Consultants
3. Erasito Consultants – Traffic Impact Assessment
4. Ashok Balgovind & Associates – Concept Design
5. E Care – Environment Impact Assessment

A total budget of \$180,000 was set aside for these preliminary consultancy works.

5.8 Inter Agency Meeting

An inter agency meeting was organized with all government departments based at Nausori to discuss matters relating to Nausori Town. The half day get together had the Council presenting its program and at the same time allowing civil servants to make recommendations on possible assistance from relevant government departments.

5.9 Climate Change Study


A climate change study was carried out Kellog, Brown and Roots on behalf of Asian Development Bank. The study concentrated in the downtown and focused on flood disasters. Nausori was selected as a pilot study town in Fiji. Council assisted in the study and also organized two workshops.

5.10 Annual Corporate Plan

The second first annual corporate plan was developed in 2011 for the Council. The document was reviewed by a special committee during the year. Achievement and progress noted as per deliverables of the annual corporate plan was 75% of the total targets. In absence of a business plan the document had some ongoing activities recorded in within.

6.0 Acknowledgement

Council takes this opportunity to thank its line Ministry of Local Government, Urban Development, Housing and Environment for its continued support and assistance. Office of the Commissioner Central is also acknowledged for continued support provided during the year.



for Mr Azam Khan
Chief Executive Officer

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P.O.Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 330 9032
Fax: (679) 330 3812
Email: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 850

3 November 2014

Mr. Azam Khan
Chief Executive Officer
Nausori Town Council
NAUSORI

| | |
|----------------------|-------------|
| NAUSORI TOWN COUNCIL | |
| RECEIVED | |
| DATE : | 04 NOV 2014 |
| FILE REF : | |

Dear Mr. Khan

AUDIT OF THE ACCOUNTS OF THE NAUSORI TOWN COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2011

Two copies of the audited financial statements of the Nausori Town Council for the year ended 31 December 2011 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

Encl.

**NAUSORI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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NAUSORI TOWN COUNCIL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

INDEPENDENT AUDIT REPORT

I have audited the accompanying financial statements of Nausori Town Council, which comprise the statement of financial position as at 31 December 2011, the statement of income and expenditure, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 15 to 22.

Management's Responsibility for the Financial Statements

The Special Administrator and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium Sized Entities and the requirements of Section 57 (2) of the Local Government Act. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material mis-statements, 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

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Disclaimer of Opinion


1. Nausori Town Council is a Municipal Council and the Financial Statements are required to be prepared in accordance with the International Financial Reporting Standards for Small and Medium Entities ("IFRS for SMEs"). The Council is yet to comply with IFRS for SMEs as required for general purpose financial statements.

Accordingly, I am unable to determine the impact on the financial statements of the Council if any, adjustment which may be necessary if the financial statements were prepared under IFRS for SMEs.

2. The Council failed to provide a detailed Fixed Assets Register for audit. Consequently, I was not able to perform necessary audit procedures to substantiate the value and existence of Property, Plant and Equipment (PPE). Accordingly, I am not able to confirm if PPE of \$6,975,293 and the relevant depreciation charge of \$166,103 are fairly stated in the Financial Statements.
3. The Council's WINBIZ Rate System has not generated separate 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 Local Government Act.
4. Included in the Statement of Financial Position – General Fund is cash on hand amounting to \$15,022. Reconciliation or supporting documents were not provided to substantiate the existence of this amount at balance date. Accordingly, I was not able to satisfy myself if cash on hand is fairly reported in the financial statements.
5. Un-reconciled difference of \$143,217 existed for sundry creditors and accruals (note 7) between the general ledger and subsidiary listing. Additionally, un-reconciled variance of \$96,954 also exists between the general ledger for Value Added Tax (VAT) and independent reconciliation of Statement of VAT Account. I was not able to resolve these variances through any other alternative audit procedures. Accordingly, I am not able to satisfy myself if the creditors and accruals of \$759,733 are fairly stated in the statement of financial position.
6. Included as part of current liability is sundry deposits of \$163,196 (Note 9). The Council failed to provide detailed listings or supporting documentation to substantiate the existence and valuation of these deposits. Thus, I was unable to satisfy myself whether the sundry deposit of \$163,196 is fairly stated in the financial statements.
7. Stale cheques of \$30,860 were not written back to cash at bank general ledger. I was not able to make the necessary adjustments to the account due to unavailability of appropriate supporting documents. Consequently, bank overdraft of \$86,808 is not fairly stated in the Financial Statements.
8. The Council failed to provide any reconciliation or listing for the general rates revenue of \$1,220,886. Therefore, I am unable to confirm if the general rates is fairly stated in the statement of income and expenditure.

Disclaimer of Opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I am unable to and do not express an opinion as to whether the financial statements present fairly in accordance with International Financial Reporting Standards for Small and Medium Sized Entities the financial position of Nausori Town Council as at 31 December 2011 and the results of its operations for the year then ended.



Tevita Bolanavanua
AUDITOR GENERAL

Suva, Fiji

3 November 2014



**NAUSORI TOWN COUNCIL
STATEMENT BY THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 2011 and of the state of affairs and cash flows as at that date.



.....
AZAM KHAN
CHIEF EXECUTIVE OFFICER
DATE: 31/10/2014



.....
SWASTIKA RATTAN
MANAGER FINANCE
DATE: 31/10/2014

NAUSORI TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION - GENERAL FUND
AS AT 31 DECEMBER 2011

| | Notes | 2011 \$ | 2010 \$ |
|--------------------------------------|-------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash on hand | 2 | 15,022 | 16,364 |
| Funds | 4 | 6,376 | 8,743 |
| Receivables | 3 | 2,363,427 | 2,283,726 |
| Deposits | | 1,031 | 1,031 |
| Investments | 5 | 107,225 | 265,705 |
| Total current assets | | <u>2,493,081</u> | <u>2,575,569</u> |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 6 (a) | 6,975,293 | 6,761,886 |
| Total non current assets | | <u>6,975,293</u> | <u>6,761,886</u> |
| TOTAL ASSETS | | <u>9,468,374</u> | <u>9,337,455</u> |
| CURRENT LIABILITIES | | | |
| Bank overdraft | 8 | 86,808 | 59,005 |
| Creditors and accruals | 7 | 759,733 | 519,100 |
| Provision | 10 | 18,940 | 6,652 |
| Sundry deposits | 9 | 163,196 | 163,196 |
| Term loans | 11 | 27,380 | 112,800 |
| Total current liabilities | | <u>1,056,057</u> | <u>860,753</u> |
| NON CURRENT LIABILITIES | | | |
| Deferred income | 12 | 318,226 | 345,626 |
| Term loans | 11 | 167,274 | 126,722 |
| Total non current liabilities | | <u>485,500</u> | <u>472,348</u> |
| TOTAL LIABILITIES | | <u>1,541,557</u> | <u>1,333,101</u> |
| NET ASSETS | | <u>7,926,817</u> | <u>8,004,354</u> |
| MUNICIPAL FUNDS | | | |
| Accumulated funds | 14 | 1,911,292 | 1,988,829 |
| Reserves | 13 | 6,015,525 | 6,015,525 |
| TOTAL MUNICIPAL FUNDS | | <u>7,926,817</u> | <u>8,004,354</u> |

The accompanying notes form an integral part of this statement of financial position.

For and on behalf of the Council.



AZAM KHAN
 CHIEF EXECUTIVE OFFICER
 DATE: 31/10/2014



SWASTIKA RATTAN
 MANAGER FINANCE
 DATE: 31/10/2014

NAUSORI TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION - PARKING METER FUND
AS AT 31 DECEMBER 2011

| | Notes | 2011 \$ | 2010 \$ |
|----------------------------------|-------|----------------|---------------|
| CURRENT ASSETS | | | |
| Cash at bank | 2 | 6,177 | 11,731 |
| Receivables | 3 | 77,791 | 14,429 |
| Total current assets | | <u>83,968</u> | <u>26,160</u> |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 6 (b) | <u>57,808</u> | <u>59,291</u> |
| Total non current assets | | <u>57,808</u> | <u>59,291</u> |
| TOTAL ASSETS | | <u>141,776</u> | <u>85,451</u> |
| CURRENT LIABILITIES | | | |
| Creditors and accruals | 7 | <u>13,271</u> | <u>8,767</u> |
| Total current liabilities | | <u>13,271</u> | <u>8,767</u> |
| TOTAL LIABILITIES | | <u>13,271</u> | <u>8,767</u> |
| NET ASSETS | | <u>128,505</u> | <u>76,684</u> |
| Capital employed | | | |
| Accumulated profits (Page 9) | | 56,505 | 4,684 |
| Asset revaluation reserve | 13 | <u>72,000</u> | <u>72,000</u> |
| | | <u>128,505</u> | <u>76,684</u> |

The accompanying notes form an integral part of this statement of financial position.

For and on behalf of the Council.



AZAM KHAN
 CHIEF EXECUTIVE OFFICER
 DATE: 31/10/2014



SWASTIKA RATTAN
 MANAGER FINANCE
 DATE: 31/10/2014

NAUSORI TOWN COUNCIL

STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND FOR THE YEAR ENDED 31 DECEMBER 2011

| | 2011 \$ | 2010 \$ |
|---|------------------|------------------|
| INCOME | | |
| Business, trading and other licenses | 128,562 | 90,507 |
| Amortization of deferred income | 27,400 | 27,400 |
| Fees, charges & rent | 768,806 | 918,988 |
| Government grant | 37,994 | 12,020 |
| Garbage dump | 6,630 | 1,527 |
| General rate | 1,220,886 | 608,357 |
| Interest - investments | - | 14,935 |
| Interest on fixed deposits | - | 4,255 |
| Sundries | 47,759 | 142,716 |
| Total income | 2,238,037 | 1,820,705 |
| EXPENDITURE | | |
| Administration | 924,155 | 752,292 |
| Audit fees | 8,261 | 8,000 |
| Bank fees and charges | 10,869 | 14,074 |
| Council expenses | 32,891 | 63,324 |
| Depreciation and amortisation | 159,729 | 267,290 |
| Field expenses | 4,907 | 8,238 |
| FNPF | 54,140 | 52,942 |
| Garbage services | 258,466 | 221,312 |
| Insurance | 38,943 | 37,185 |
| Interest on loan | 20,419 | 30,111 |
| Legal fees | 51,993 | 17,024 |
| Loss from theft | 14,960 | - |
| Operation & Maintenance - Plant, Equipment & Vehicles | 62,140 | 69,228 |
| Operation & Maintenance - Office | 36,570 | 22,693 |
| Operation & Maintenance - Library | 8,326 | 5,674 |
| Operation & Maintenance - Bus Stand | 12,022 | 15,346 |
| Operation & Maintenance - Cakobau Park | 52,905 | 41,428 |
| Operation & Maintenance - Taxi Stand | 2,584 | 99 |
| Operation & Maintenance - Shopping Complex | 2,997 | 7,246 |
| Operation & Maintenance - Market | 31,880 | 55,122 |
| Operation & Maintenance - Parks & Gardens | 6,830 | 10,346 |
| Operation & Maintenance - Multipurpose court | 1,689 | 3,211 |
| Printing and stationary | 36,500 | 17,388 |
| Rent on land | 36,406 | 24,000 |
| Roads, footpaths, drains, verges and bridges | 66,955 | 28,780 |
| Staff training & staff expenses | 11,019 | 13,678 |
| Street cleaning and grass cutting services | 185,766 | 100,121 |
| Streetlights | 172,971 | 121,301 |
| | 2,307,293 | 2,007,453 |

NAUSORI TOWN COUNCIL

STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

| | 2011 | 2010 |
|---|------------------|------------------|
| | \$ | \$ |
| EXPENDITURE (CONT'D) | 2,307,293 | 2,007,453 |
| Traffic and road signs | 5,927 | 5,407 |
| Travelling & incidentals | 2,353 | 1,407 |
| Loss on sale of motor vehicle | - | 455 |
| Valuation expenses | - | 650 |
| Total expenditure | 2,315,573 | 2,015,372 |
| Net deficit for the year | (77,536) | (194,667) |
| Accumulated funds at the beginning of the year | 1,218,712 | 1,413,379 |
| Accumulated funds at the end of the financial year | 1,141,176 | 1,218,712 |

NAUSORI TOWN COUNCIL

**STATEMENT OF INCOME AND EXPENDITURE - PARKING METER FUND
FOR THE YEAR ENDED 31 DECEMBER 2011**

| | 2011 \$ | 2010 \$ |
|--|---------------|---------------|
| INCOME | | |
| Meter towings | 9,989 | 28,329 |
| Meter tolls | 42,504 | 28,234 |
| Fines | 24,869 | 4,825 |
| Total income | 77,362 | 61,388 |
| EXPENDITURE | | |
| Other expenses | 3,744 | 1,600 |
| Road and traffic signage | 174 | - |
| Towing contractors | 4,334 | 9,384 |
| Prosecution | 10,346 | 6,434 |
| Bank fees | 201 | 280 |
| Depreciation | 6,374 | 5,089 |
| Meter maintenance | 58 | 1,533 |
| Salaries, wages and related payments | - | 25,650 |
| Loss from theft | 310 | - |
| Total expenditure | 25,541 | 49,970 |
| Net surplus / (deficit) for the year | 51,821 | 11,418 |
| Accumulated funds /(loss) at the beginning of the year | 4,684 | (8,121) |
| Adjustment in accumulated fund for stale cheques written back | - | 1,387 |
| Accumulated funds / (loss) at the end of the financial year | 56,505 | 4,684 |

NAUSORI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - LOAN RATE FUND
FOR THE YEAR ENDED 31 DECEMBER 2011

| | 2011 | 2010 |
|---|----------------|----------------|
| | \$ | \$ |
| INCOME | | |
| Loan rate | - | - |
| Total income | <u>-</u> | <u>-</u> |
| EXPENDITURE | | |
| Interest | - | - |
| Total expenditure | <u>-</u> | <u>-</u> |
| Surplus/deficit for the year | - | - |
| Accumulated funds at the beginning of the year | 393,555 | 393,555 |
| Accumulated funds at the end of the financial year | <u>393,555</u> | <u>393,555</u> |

NAUSORI TOWN COUNCIL

**STATEMENT OF INCOME AND EXPENDITURE - STREET LIGHT ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

| | 2011 | 2010 |
|---|----------------|----------------|
| | \$ | \$ |
| INCOME | | |
| Street light rate | - | - |
| Total income | - | - |
| EXPENDITURE | | |
| Street light expenses | - | - |
| Total expenditure | - | - |
| Surplus/deficit for the year | - | - |
| Accumulated funds at the beginning of the year | 371,196 | 371,196 |
| Accumulated funds at the end of the financial year | 371,196 | 371,196 |

NAUSORI TOWN COUNCIL

**STATEMENT OF INCOME AND EXPENDITURE - FIRE SERVICE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

| | 2011 \$ | 2010 \$ |
|---|------------|------------|
| INCOME | | |
| Fire rate | - | - |
| Total income | - | - |
| EXPENDITURE | | |
| Fire Service | - | 8,341 |
| Total expenditure | - | 8,341 |
| Surplus/(Deficit) for the year | - | (8,341) |
| Accumulated funds at the beginning of the year | 32,791 | 41,132 |
| Accumulated funds at the end of the financial year | 32,791 | 32,791 |

NAUSORI TOWN COUNCIL
STATEMENT OF CASH FLOWS - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2011

| | Notes | 2011 \$ Inflows/ (Outflows) | 2010 \$ Inflows/ (Outflows) |
|--|-------------|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers, government | | 2,130,936 | 2,061,024 |
| Payments to trade creditors, other creditors and employees | | (1,882,505) | (1,535,918) |
| Net cash provided by operating activities | 18 (a) (i) | <u>248,431</u> | <u>525,105</u> |
| Cash flows from investing activities | | | |
| Acquisition of property, plant & equipment | | (373,136) | (677,452) |
| Withdrawal of investment | | 158,480 | - |
| Net cash used in investing activities | | <u>(214,656)</u> | <u>(677,452)</u> |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | (65,287) | (123,544) |
| Net cash used by financing activities | | <u>(65,287)</u> | <u>(123,544)</u> |
| Net decrease in cash and cash equivalents | | (31,512) | (275,891) |
| Cash and cash equivalent at the beginning of the year | | (33,898) | 241,993 |
| Cash and cash equivalent at the end of the year | 18 (a) (ii) | <u><u>(65,410)</u></u> | <u><u>(33,898)</u></u> |

The accompanying notes form an integral part of this statement of cash flows.

NAUSORI TOWN COUNCIL
STATEMENT OF CASH FLOWS - PARKING METER FUND
FOR THE YEAR ENDED 31 DECEMBER 2011

| | Notes | 2011 \$ Inflows/ (Outflows) | 2010 \$ Inflows/ (Outflows) |
|--|-------------|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (meter tolls and other revenues) | | 14,000 | 56,122 |
| Payments to suppliers and employees | | (14,663) | (421,210) |
| Net cash used by operating activities | 18 (b) (i) | <u>(663)</u> | <u>(365,088)</u> |
| Cash flows from investing activities | | | |
| Acquisition of property, plant & equipment | | (4,891) | (20,239) |
| Net cash used in investing activities | | <u>(4,891)</u> | <u>(20,239)</u> |
| Net decrease in cash and cash equivalents | | (5,554) | (385,327) |
| Cash and cash equivalent at the beginning of the year | | 11,731 | 397,058 |
| Cash and cash equivalent at the end of the year | 18 (b) (ii) | <u><u>6,177</u></u> | <u><u>11,731</u></u> |

The accompanying notes form an integral part of this statement of cash flows.

NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011. 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 straight-line 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. No provision was created for any doubtful debts for 2011.

(e) Investments

The investments are stated at a amortised cost.

(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 (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

(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, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

(j) Employee Entitlement

Provision is made for benefits accruing to employees in respect of salaries/wages and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using remuneration rate expected to apply at the time of settlement.

(k) Deferred Income

Government grants are recognised where there is reasonable assurances that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match them with the related costs which the grants are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.

(l) Creditors and Accruals

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the council.

NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

| NOTE 2. CASH AT BANK ON HAND | | 2011 | 2010 |
|--|--|------------------|------------------|
| | | \$ | \$ |
| General Fund | | | |
| Cash on hand | | 15,022 | 16,364 |
| | | <u>15,022</u> | <u>16,364</u> |
| Parking Meter Fund | | | |
| Cash at bank | | 6,177 | 11,731 |
| | | <u>6,177</u> | <u>11,731</u> |
| NOTE 3. RECEIVABLES | | | |
| General Fund | | | |
| Rate debtors | | 2,261,131 | 2,080,517 |
| Provision for doubtful debts | | - | - |
| Fees, charges & rents | | 104,159 | 203,333 |
| Others | | (4,124) | (4,124) |
| Loan to Levuka Town Council | | 1,531 | 4,000 |
| Tebara Carnival | | 730 | - |
| | | <u>2,363,427</u> | <u>2,283,726</u> |
| Parking Meter Fund | | | |
| Receivable from General Fund | | 77,791 | 14,429 |
| | | <u>77,791</u> | <u>14,429</u> |
| NOTE 4. FUNDS | | | |
| Project Fund | | 2,680 | 4,887 |
| Garbage Truck Fund | | 951 | 1,031 |
| Vehicle Fund | | 2,580 | 2,660 |
| Labourers Fund | | 165 | 165 |
| | | <u>6,376</u> | <u>8,743</u> |
| NOTE 5. INVESTMENTS | | | |
| Labourers Fund - Fiji Holdings Unit Trust | | 107,225 | 265,705 |
| | | <u>107,225</u> | <u>265,705</u> |
| Fiji Holdings Unit Trust | | | |
| The market value as at 31 December 2011 of investments stands at \$107,225 | | | |

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Note 6 PROPERTY, PLANT AND EQUIPMENT

a) Movements in Carrying Amount - General Fund

| | Leasehold Land | Buildings & Improvements | Plants, Machines & Tools | Motor Vehicles | Office Equipment & Furniture | Street Lights | Roads & Drains | Total |
|-----------------------------|-------------------|-----------------------------|--------------------------------|-------------------|------------------------------------|------------------|-------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Carrying amount at 1/1/11 | 2,096,000 | 3,835,759 | 32,337 | 183,102 | 99,769 | 179,351 | 335,568 | 6,761,886 |
| Additions | - | 305,674 | 12,506 | 2,655 | 11,069 | 9,883 | 31,347 | 373,134 |
| Disposal | - | - | - | - | - | - | - | - |
| Depreciation expense | - | (76,715) | (3,233) | (18,310) | (9,977) | (17,935) | (33,557) | (159,727) |
| Carrying amount at 31/12/11 | 2,096,000 | 4,064,718 | 41,610 | 167,447 | 100,861 | 171,299 | 333,358 | 6,975,293 |

b) Movement in Carrying Amount - Parking Meter Fund

| | Parking Meters | Computer Set | Camera | Total |
|-----------------------------|-------------------|--------------|--------|---------|
| | \$ | \$ | \$ | \$ |
| Carrying amount at 1/1/11 | 59,291 | - | - | 59,291 |
| Additions | 2,930 | 1,452 | 509 | 4,891 |
| Depreciation expense | (6,202) | (145) | (27) | (6,374) |
| Carrying amount at 31/12/11 | 56,019 | 1,307 | 482 | 57,808 |

NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

| NOTE 7. CREDITORS AND ACCRUALS | 2011 | 2010 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| <u>General Fund</u> | | |
| Sundry creditors and accruals | 510,383 | 291,366 |
| Provisional tax | 65,524 | 65,524 |
| VAT payable | 119,119 | 156,543 |
| Payable to Parking Meter | 64,707 | 5,667 |
| | <u>759,733</u> | <u>519,100</u> |
| <u>Parking Meter Fund</u> | | |
| Other Creditors | 4,780 | 4,780 |
| VAT payable | 8,491 | 3,987 |
| | <u>13,271</u> | <u>8,767</u> |

NOTE 8. BANK OVERDRAFT

| | | |
|----------------------------|---------------|---------------|
| <u>General Fund</u> | | |
| Bank Overdraft | 86,808 | 59,005 |
| | <u>86,808</u> | <u>59,005</u> |

Section 40 of the Local Government Acts allows the council to have an overdraft facility with their banks. Nausori Town Council's overdraft limit with Bank of Baroda is \$90,000 bearing variable interest rate of 8.5% per annum. The overdraft facility is secured over the DP note signed by the council with the bank.

NOTE 9. SUNDRY DEPOSITS

| | | |
|----------------------------|----------------|----------------|
| <u>General Fund</u> | | |
| Kiosk Deposit | 6,196 | 6,196 |
| Other Deposits | 53,790 | 53,790 |
| Election Deposits | 280 | 280 |
| Shopping Complex | 5,830 | 5,830 |
| Car Park | 90,760 | 90,760 |
| Building Deposits | 6,340 | 6,340 |
| | <u>163,196</u> | <u>163,196</u> |

NOTE 10. PROVISION

| | | |
|---------------------------------|--------|-------|
| <u>General Fund</u> | | |
| Provision for leave entitlement | 18,940 | 6,652 |

The amounts expected to be paid to employees for their pro-rata entitlements for annual leave are accrued at current wage rates.

NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 11. TERM LOANS

| | 2011 | 2010 |
|--------------------------------------|----------------|----------------|
| | \$ | \$ |
| <u>General Fund</u> | | |
| Balance as at 1 January | 239,522 | 332,955 |
| Loan raised | - | - |
| | <u>239,522</u> | <u>332,955</u> |
| Interest | 20,419 | 28,906 |
| Bank charges | 546 | - |
| | <u>260,487</u> | <u>361,861</u> |
| Repayment | 65,833 | 122,339 |
| | <u>194,654</u> | <u>239,522</u> |
| Represented in the balance sheet as: | | |
| Current | 27,380 | 112,800 |
| Non-current | 167,274 | 126,722 |
| | <u>194,654</u> | <u>239,522</u> |

Loans raised by the Council bear variable interest charges of 9.5% per annum. All loans raised are in accordance with the provisions of Local Government Act. As at balance date, the Council had one loans with Bank of Baroda. This include BOB Commercial account number 91080600000202 which had a balance of \$194,654 and a monthly repayment of \$4,000 bearing first registered mortgage over CL no. 9624 (Taxi Stand no. 3 Crown Lease situated at Main Street, Nausori)

NOTE 12. DEFERRED INCOME

| | | |
|--------------------------------------|----------------|----------------|
| <u>General Fund</u> | | |
| Japanese grant | 78,750 | 96,250 |
| Less: Benefits realised | 17,500 | 17,500 |
| | <u>61,250</u> | <u>78,750</u> |
| Government grant | 266,876 | 276,776 |
| Less: Benefits realised | 9,900 | 9,900 |
| | <u>256,976</u> | <u>266,876</u> |
| Total balance as at 31 December 2010 | <u>318,226</u> | <u>345,626</u> |

NOTE 13. ASSET REVALUATION RESERVES

| | | |
|----------------------------------|------------------|------------------|
| <u>General Fund</u> | | |
| Opening balance | 6,015,525 | 6,015,525 |
| Valuation done during the year | - | - |
| Closing balance | <u>6,015,525</u> | <u>6,015,525</u> |
| <u>Parking Meter Fund</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 2011

| | | 2011 | 2010 |
|---|--|------------------|------------------|
| | | \$ | \$ |
| NOTE 14. ACCUMULATED FUNDS | | | |
| Accumulated general fund (Page 8) | | 1,141,176 | 1,218,712 |
| Loan rate fund (Page 10) | | 393,555 | 393,555 |
| Street Light Account (Page 11) | | 371,196 | 371,196 |
| Fire Service Account (Page 12) | | 32,791 | 32,791 |
| Prior year adjustments - Stale cheques written back | | 38,098 | 38,098 |
| Prior year adjustments - Provisional tax | | (65,524) | (65,524) |
| | | <u>1,911,292</u> | <u>1,988,828</u> |

NOTE 15. CAPITAL COMMITMENTS

Capital commitment as at 31 December 2011 was nil. (2010: nil)

NOTE 16. 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 17. SUBSEQUENT EVENTS

- (a) Fiji Road Authority (amendment decree) 2012 dated 14 May 2012 paragraph 7 (b) states that effective from 14 May 2012 all assets, interests, rights, privileges, liabilities and obligation of municipal councils in relation to municipal roads shall be immediately be transferred to and shall vest in the Authority without conveyance, assignment or transfer.
- (b) The Council withdrew a total of \$188,000 from the investment at Fijian Holding Unit Trust Limited on three separate occasions:
 - An amount of \$42,000 was withdrawn on 30 June 2012;
 - An amount of \$75,000 was withdrawn on 7 June 2012 to support the Council's operations.
- (c) The Ministry of Finance vide letter dated 5 October 2012 approved a Government Grant of \$3million to be provided to the Council over the next two years (2013 -2014) for the relocation of the Nausori Bus Station.

NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

| NOTE 18. NOTES TO THE STATEMENT OF CASH FLOWS | | 2011 | 2010 |
|---|---|-----------------|------------------|
| | | \$ | \$ |
| (a) | | | |
| (i) | Reconciliation of Net Cash provided by Operating Activities to Net Deficit | | |
| | Net surplus/(deficit) for the year - General fund | (77,536) | (194,667) |
| | Depreciation and amortisation | 159,729 | 267,290 |
| | Dividend reinvested | - | (14,935) |
| | Prior Year Adjustment | - | (27,426) |
| | Interest on loan | 20,419 | 30,111 |
| | Provision for employee entitlements | 12,288 | (11,407) |
| | Net cash provided by operating activities before changes in assets and liabilities | 114,900 | 48,967 |
| | Change in assets and liabilities: | | |
| | Increase/(Decrease) in receivable | (79,701) | 282,654 |
| | Increase in deposits and prepayments | - | (1,031) |
| | Decrease in other liabilities | (27,400) | (27,400) |
| | Increase in creditors and borrowings | 240,633 | 221,915 |
| | Net cash inflows from operating activities | 248,432 | 525,104 |
| (ii) | Cash and Cash Equivalents | | |
| | Cash on hand | 15,022 | 16,364 |
| | Bank overdraft | (86,808) | (59,005) |
| | Funds | 6,376 | 8,743 |
| | | (65,410) | (33,898) |
| (b) | Parking Meter Fund | | |
| (i) | Reconciliation of Net Cash provided by Operating Activities to Net Surplus | | |
| | Net surplus for the year | 51,821 | 11,418 |
| | Depreciation | 6,374 | 5,089 |
| | Prior year adjustment | - | 1,387 |
| | Net cash provided by operating activities before changes in assets and liabilities | 58,195 | 17,894 |
| | Change in assets and liabilities: | | |
| | (Decrease)/increase in sundry creditors | 4,504 | (377,716) |
| | Increase in receivables | (63,362) | (5,266) |
| | Net cash provided from operating activities | (663) | (365,088) |
| (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 | 6,177 | 11,731 |
| | | 6,177 | 11,731 |