



# LABASA TOWN COUNCIL



## ANNUAL REPORT 2006



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 106 OF 2020



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# **LABASA TOWN COUNCIL**

## **Annual Report for the Year 2006**

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# LABASA TOWN COUNCIL

## CIVIC CENTRE BUILDING

P.O.Box 92, LABASA, FIJI

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E-mail: lbstc@connect.com.fj

IN REPLY Please Quote:

The Honorable Premila Kumar

Minister for Local Government, Housing & Community Development

Gladstone Road

**Suva**

Dear Madam

I have much pleasure in submitting the Labasa Town Council Annual Report for year 2006.

The report provides details of activities for the Council throughout the year.

The Annual Report 2006 has been prepared in the accordance with the provisions of section 19 (1) (a), (b) and (c) of the Local Government Act Cap.125

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Sumeet', is written over a horizontal dashed line.

Mr. Sumeet Prasad

*For* Chief Executive Officer

**Labasa Town Council**

## **FORWARD**

Labasa Town Council is delighted to present the 2006 Annual Report for Labasa Town Council. The report provides an opportunity to reflect and present details of events that have transpired through the course of the Council' Operation.

For the past years, the Labasa Town Council has sincerely endeavored to pursue its mandate of providing effective and efficient basic services to our people. Labasa Town Council was able to deliver its expected services, despite financial challenges posed to the council in year 2006, through the rates collected from 1408 rate payer, business licenses and taxi, carrier and bus operators and the assistance of the government funding through annual grants.

To conclude, Labasa Town Council with the devoted staffs and the supportive ratepayers and with the much needed support from our ministry continues to work and achieve the desired vision of achieving excellence through dedication.



Mr.Sumeet Prasad

*For* Chief Executive Officer

**Labasa Town Council**

## **INTRODUCTION**

Annual Report is a summary of proceedings and activities of the Council from January 1, 2006 to December 31, 2006 (s19).

## **COUNCILLORS MEMBERS**

### **NASEA NORTH WARD**

Cr. Dr. Pradeep Singh - Mayor (October 2005 to October 2006)

Cr. Kalyan Sharma

Cr. Pardeep Chandra Pratap

### **NASEA SOUTH WARD**

Cr. Ram Deo JP MF

Cr. Karan Singh

Cr. Paulini Waqaniboro

### **NASEKULA WARD**

Cr. Leslie David Williams - Deputy Mayor (October 2005 to October 2006)

Cr. Shiu Lal Nagin

Cr. Malakai Yadraca

### **VATIA WARD**

Cr. Aporosa Rakai

Cr. Charan Jeath Singh MOF JP

Cr. Ashwin Rajesh Chand

### **ELECTION OF MAYOR AND DEPUTY MAYOR**

Election of Mayor and Deputy Mayor was transacted at the Annual Meeting of the Council in October, 2006 in accordance with the Local Government Act Cap 125 (s21(2)). The election of the Mayor and Deputy Mayor was held the following councilors were elected for the ensuing 12 months:

Cr. Leslie David Williams - Mayor (October 2006 to October 2007)

Cr. Shiu Lal Nagin - Deputy Mayor (October 2006 to October 2007)

### **APPOINTMENT OF STANDING COMMITTEES**

#### **Building/Health/Market/Environment & Beautification Committee**

Cr. Leslie David Williams - Mayor - Chairman

Cr. Shiu Lal Nagin - Deputy Mayor

Cr. Dr. Pradeep Singh

Cr. Kalyan Sharma

Cr. Pardeep Chandra Pratap

Cr. Ram Deo JP MF

Cr. Karan Singh

Cr. Paulini Waqaniboro

Cr. Malakai Yadraca

Cr. Aporosa Rakai

Cr. Charan Jeath Singh MOF JP

Cr. Ashwin Rajesh Chand

#### **Works/Parks/Roads/Gardens Committee**

Cr. Malakai Yadraca - Chairman

Cr. Leslie David Williams - Mayor  
Cr. Shiu Lal Nagin - Deputy Mayor  
Cr. Dr. Pradeep Singh  
Cr. Kalyan Sharma  
Cr. Pardeep Chandra Pratap  
Cr. Ram Deo JP MF  
Cr. Karan Singh  
Cr. Paulini Waqaniboro  
Cr. Aporosa Rakai  
Cr. Charan Jeath Singh MOF JP  
Cr. Ashwin Rajesh Chand

**Finance Development Staff & General Purposes Committee**

Cr. Leslie David Williams - Mayor - Chairman  
Cr. Shiu Lal Nagin - Deputy Mayor  
Cr. Dr. Pradeep Singh  
Cr. Kalyan Sharma  
Cr. Pardeep Chandra Pratap  
Cr. Ram Deo JP MF  
Cr. Karan Singh  
Cr. Paulini Waqaniboro  
Cr. Malakai Yadraca  
Cr. Aporosa Rakai  
Cr. Charan Jeath Singh MOF JP  
Cr. Ashwin Rajesh Chand



**Adhoc Corporate Services Committee**

Cr. Ram Deo JP MF - Chairman

Cr. Leslie David Williams - Mayor

Cr. Shiu Lal Nagin - Deputy Mayor

Cr. Malakai Yadraca

Cr. Paulini Waqaniboro

Cr. Ashwin Rajesh Chand

**Board of Survey Committee**

Cr. Paulini Waqaniboro - Chairlady

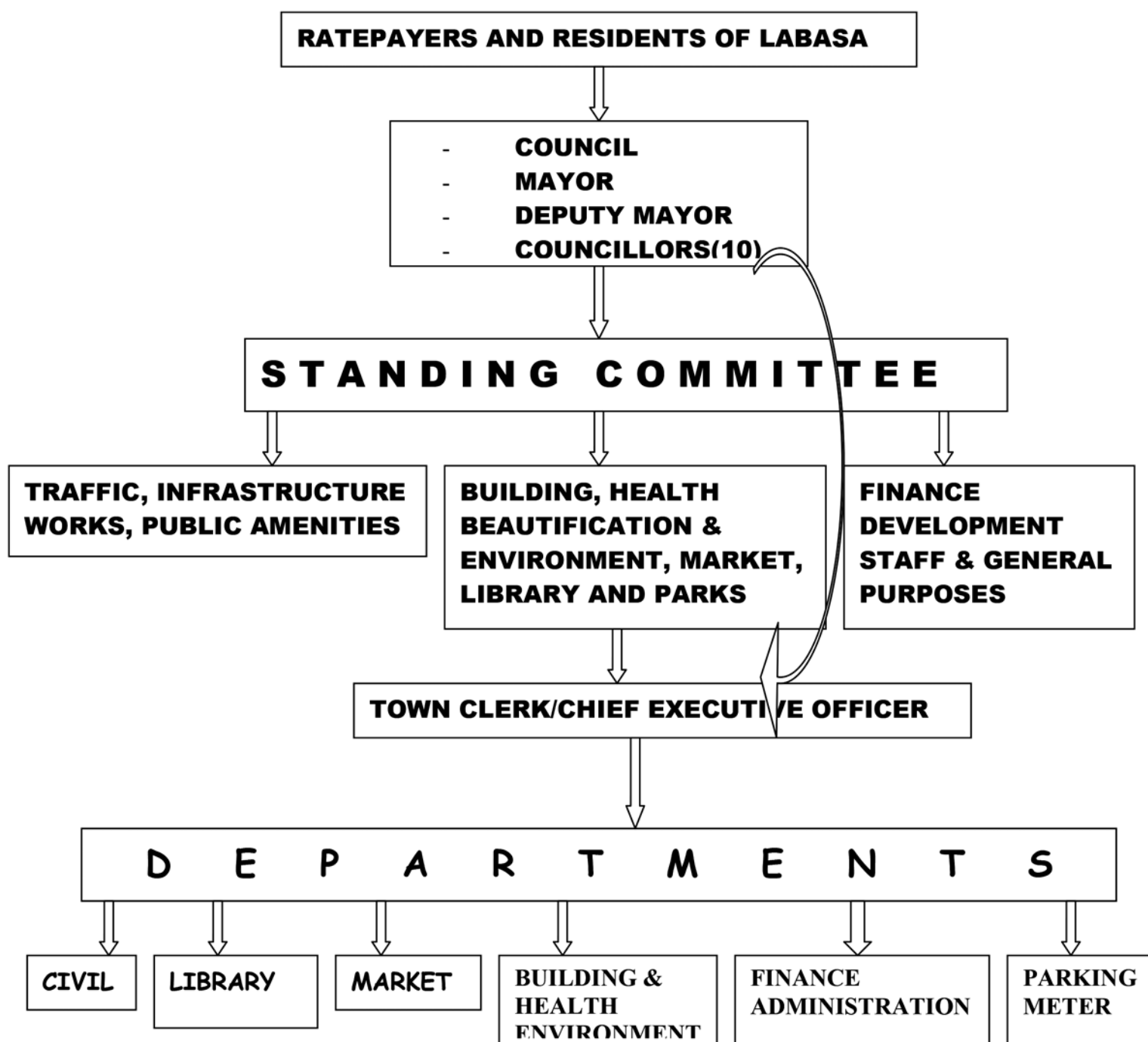
Cr. Ram Deo JP MF

Cr. Dr. Pradeep Singh

**SENIOR OFFICERS OF THE COUNCIL**

Town Clerk/Chief Executive Officer	-	Mr Sharma Nand JP
Deputy Town Clerk/Treasurer	-	Mr Chandrika Prasad
Health Inspector/Building Surveyor	-	Mr Mohammed Faiz Ali
Librarian	-	Mrs Subhag L Nandan
Market Master	-	Mr Satya Nand
Town Ranger	-	Mr Ram Datt
Parking Meter Supervisor	-	Mr Ashok Kumar

## ORGANISATION STRUCTURE



## **POPULATION**

Estimated population for 2006:

Labasa Urban	-	7,700
Labasa Peri Urban	-	20,200

Other Provinces that the council indirectly serves:

Bua	-	14,000
Macuata	-	72,250
Cakaudrove	-	49,250

## **RATES**

Town Rates are the highest income source for the Council Rates are levied on unimproved capital value of all rateable properties within the town.

Rates Levied for the year 2005 were as follows:-

General Rate	-	0.737 cents in the \$ on UV
Lighting Rate	-	0.125 cents in the \$ on UV
Loan Repayment Rate	-	0.200 cents in the \$ on UV

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1.062 cents in the \$ on UV

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Audited Financial Statement is attached as Appendix I
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## **TOTAL VALUE OF PROPERTIES**

Total value of rateable properties based on year 2000 valuation:

\$50,440,100 UV

**COUNCIL AUDITORS**

The Auditor General's Office of Fiji

**COUNCIL BANKERS**

Bank of Baroda

Westpac Banking Corporation Limited

Australia and New Zealand Banking Group Limited

**PUBLIC HEALTH, SANITARY SERVICES AND ENVIRONMENT**

Detailed report is attached as Appendix II.

**APPRECIATION**

The council wishes to convey its appreciation to the ratepayers for paying their rates to meet the running cost of the council administration and sincerely appreciates the assistance received from the Government through the Hon. Minister for Local Government and other departments which we deal with.

Submitted to the Hon. Minister for Local Government, Urban Development, Housing and Environment.

**Cr. Leslie David Williams**  
**His Worship the Mayor**





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

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



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File 735/1

11 May 2009

Mr. Vijay Chand  
Special Administrator  
Labasa Town Council  
PO Box 92  
**LABASA**

Dear Mr. Chand

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**AUDITED FINANCIAL STATEMENT FOR LABASA TOWN COUNCIL FOR  
THE YEAR ENDED 31 DECEMBER 2006**

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Two copies of the financial statements for the year ending 31 December 2006 together with audit reports on them are enclosed.

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

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

Yours sincerely

Tevita Bolanavanua  
**ACTING AUDITOR GENERAL**

cc : Minister for Local Government, Urban Development and Environment  
: Town Clerk/Chief Executive Officer

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

File: 735/1

**LABASA TOWN COUNCIL  
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006**

**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of the Labasa Town Council for the year ended 31 December 2006 in accordance with the provisions of Section 57(2) of the Local Government Act and Section 13 of the Audit Act. The Labasa Town Council is responsible for the preparation and presentation of the financial statement and the information they contain.

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

The 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 misstatement. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations, and its cash flows.

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

**Qualifications**

1. The Statement of Revenue and Expenditure of the Council at 31 December 2006 has been prepared using the cash basis of accounting and does not take into account revenues not received and expenditures not paid at balance date. Similarly, property, plant & equipment have not been incorporated in the Statement of Financial Position as at 31 December 2006, contrary to Fiji Accounting Standards (FAS) 16 and section 57(1) of the Local Governments Act.



2. The Council used General Fund account for Parking Meter expenses without obtaining prior approval of the Minister which was contrary to section 48 of the Local Government Act.
3. Section 10 of the National Fire Authority Act requires the Council to pay fire rates collected by the Council from 1995 to the National Fire Authority. Fire rates amounting to \$19,290 were still held in the fire service account at 31 December 2006.
4. Separate accounting records and bank accounts were not maintained for special rates levied by the Council and the Parking Meter Fund account. All monies collected were banked in one account maintained for the General Fund, contrary to section 47(2) and 59(3) of the Local Government Act.
5. Funds held by the Council at 31 December 2006 do not sufficiently cover the deposits totaling \$209,387.
6. The amount of VAT payable disclosed in the financials does not reconcile with the amount in the Statement of VAT Account with Fiji Islands Revenue & Customs Authority. The quantum of the additional VAT liability required cannot be determined with accuracy.

#### **Qualified Audit Opinion**

Due to the significance of the matters discussed in the qualification paragraphs, I am unable to express an opinion as to whether the financial statements present fairly in accordance with Fiji Accounting Standards the financial position of Labasa Town Council as at 31 December 2006 and the results of its operations, cash flows and changes in equity of the year then ended.



Tevita Bolanavanua

**ACTING AUDITOR GENERAL**



Suva, Fiji

11 May 2009

**LABASA TOWN COUNCIL**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2006**

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**LABASA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION**

	NOTES	2006 \$	2005 \$
<b>Current Assets</b>			
Cash at bank	2	17,475	5,151
Advances	4	272,336	267,918
<b>Total Current Assets</b>		<u>289,811</u>	<u>273,069</u>
<b>Non-Current Assets</b>			
Fixed assets less depreciation	3	<u>179,171</u>	<u>300,190</u>
<b>Total Assets</b>		<u>468,982</u>	<u>573,259</u>
<b>Current Liabilities</b>			
Miscellaneous deposits	5	209,387	193,846
Vat payable		8,487	116,749
Rates received in advance		3,726	29,168
<b>Total Current Liabilities</b>		<u>221,600</u>	<u>339,763</u>
<b>Non-Current Liabilities</b>			
Loan funds less repayment	6	361,921	482,940
<b>Total Liabilities</b>		<u>583,521</u>	<u>822,703</u>
<b>Net Assets</b>		<u>(114,539)</u>	<u>(249,444)</u>
<b>Accumulated Fund in Deficit</b>	7	<u>(114,539)</u>	<u>(249,444)</u>

*The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 13 to 17.*

**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 Labasa Town Council's operations for the year ended 31 December 2006 and of the state of affairs and cash flows as at that date.

.....  
Special Administrator  
Mr. Vijay Chand  
Date 22/04/09

.....  
Town Clerk/CEO  
Mr. Jitendra Prasad JP  
Date 22/04/09

**LABASA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE**

	NOTES	2006 \$	2005 \$
<b>The Revenue for the year was derived from :</b>			
Administration cost		890	885
British Government Aid		3,547	-
Building fees		6,790	4,182
Bus station, car park and taxi base fees		57,962	49,374
Business, trading, professional & other licences		107,790	104,983
Contribution for management expenses	10	4,037	4,037
Festival of Friendly North Recovery		5,106	2,425
Garbage dump fees		4,444	-
Garbage fees arrears	9	682	-
Gate fees - sports ground/squash courts		29,866	19,364
General rates		336,094	224,102
General rates on state land		19,598	20,876
Interest on overdue account		7,735	2,681
Interest on overdue rates		42,204	28,397
Japanese Government Aid		5,399	-
Library fines		42	44
Library subscription		144	164
Market fees		175,030	167,019
Miscellaneous		5,639	8,757
Playing field hire charge		12,466	27,556
Rent from council properties		127,580	109,761
Swimming pool admission charges		7,277	5,909
<b>Total Revenue</b>		<b>960,322</b>	<b>780,516</b>
<b>The Expenditure for the year was:</b>			
Acquisition of land		130	-
Advertising		1,755	3,091
Anti mosquito campaign litter awareness		740	3,496
Audit fees		1,500	3,111
Bank interest		-	1,395
Civic reception & entertainment		8,618	12,885
Computer software		4,781	5,270
Construction of float		-	568
Cyclone Ami rehabilitation		-	1,022
Destruction of stray dogs		-	16
Election expenses		1,299	10,819
Festival of Friendly North		99	2,411
Financial loss allowance	11	13,000	6,425
FNPF contribution		35,214	14,929
Garbage services		62,076	52,737

**LABASA TOWN COUNCIL**  
**GENERAL FUND ACCOUNT**  
**STATEMENT OF REVENUE AND EXPENDITURE (Cont'd)**

	NOTES	2006	2005
		\$	\$
Incidental		4,961	3,260
Installation of internet library		68	-
Insurance		5,692	10,935
Interest on overdue account		39	2,079
Land rent		5,602	14,598
Legal expenses		10,980	8,195
Maintenance and operation of expense of plants & equipment		24,397	21,715
Maintenance expenses - market, pavillion & public convenience		90,933	67,243
Maintenance of flood lights		3,986	802
Maintenance of roads, footpath, drains and parks		93,953	58,445
Maintenance of swimming pool		29,302	22,293
Maintenance services on contract		48,160	77,679
Mayoral allowance		2,250	3,500
Medical consultation fees		463	225
Office equipment maintenance		2,173	696
Personal emoluments		222,584	229,860
Printing, stationery and equipment		7,972	9,623
Staff training		707	705
Subscription		563	550
Tea expenses		620	724
Telephone/water and electrical charges		60,246	46,749
TPAF		2,073	1,714
Travelling & subsistence		8,433	9,973
Uniform & protective clothing expenses		4,341	5,476
Upgrading of Computers		694	-
<b>Total Operating Expenditure</b>		<b>760,404</b>	<b>715,214</b>

**LABASA TOWN COUNCIL**  
**GENERAL FUND ACCOUNT**  
**STATEMENT OF REVENUE AND EXPENDITURE (Cont'd)**

	NOTES	2006 \$	2005 \$
<b>Capital Expenditure</b>			
Construction of bus stand shelter		134	1,913
Construction of carrier stand shelter		142	604
Construction of food shelter		1,521	3,478
Construction of kava stalls		-	502
Construction of market		1,069	1,865
Construction of portable stage		-	1,682
Construction of taxi stand shelter		-	445
Construction of toilets		99	1,161
Construction of canteen		4,762	-
Construction of water fountain		2,437	-
Improvement to market		564	-
Installation of water tank		2,791	-
Purchase of computer		3,342	-
Purchase of tools and equipment		2,159	23,605
Reclamation of river bank		-	10,378
Traffic and street signs		1,707	939
Upgrading of roads		-	5,867
<b>Total Capital Expenditure</b>		<u>20,727</u>	<u>52,439</u>
<b>Total Expenditure</b>		<u>781,131</u>	<u>767,653</u>
 <b>Transfer from Sewerage fund</b>		 -	 -
<b>Surplus Balance</b>		<u>179,191</u>	<u>12,863</u>
<b>Add Deficit Balance at 1 January of</b>		(260,289)	(273,152)
 <b>Leaving a Deficit Balance at 31 December of</b>		<u><u>(81,098)</u></u>	<u><u>(260,289)</u></u>

**LABASA TOWN COUNCIL  
LIGHTING FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE**

	NOTES	2006	2005
<b>The Revenue for the year was derived from</b>		<b>\$</b>	<b>\$</b>
Lighting rate		57,335	48,797
Lighting rate on state land		3,324	4,824
<b>Total Revenue</b>		<b>60,659</b>	<b>53,621</b>
 <b>The expenditure for the year was incurred on</b>			
Administrative charges to general fund	10	1,011	1,011
Installation of street lights		6,631	8,391
Maintenance & installation of festoon lights		1,673	488
Maintenance of street lights		25,116	39,362
<b>Total Expenditure</b>		<b>34,431</b>	<b>49,252</b>
 <b>Net surplus for the year was</b>		<b>26,228</b>	<b>4,369</b>
<b>Add Balance at 1st January of</b>		<b>69,739</b>	<b>65,370</b>
<b>Leaving a surplus Balance as at 31 December of</b>	<b>7</b>	<b>95,967</b>	<b>69,739</b>

**LABASA TOWN COUNCIL  
FIRE SERVICE FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE**

<hr/>		
<b>The Revenue for the year was derived from</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Fire service rate - arrears	18	142
<b>Total revenue</b>	<hr/> 18 <hr/>	<hr/> 142 <hr/>
 <b>The expenditure for the year was incurred on</b>		
<b>Total Expenditure</b>	<hr/> - <hr/>	<hr/> - <hr/>
<b>Net surplus for the year was</b>	18	142
<b>Add Surplus balance at 1 January was</b>	<hr/> 19,272 <hr/>	<hr/> 19,130 <hr/>
<b>Leaving a surplus balance at 31 December of</b>	<hr/> <hr/> 19,290 <hr/> <hr/>	<hr/> <hr/> 19,272 <hr/> <hr/>

(The fire service was taken over by National Fire Authority with effect from 1 February 1995)



**LABASA TOWN COUNCIL  
LOAN REPAYMENT FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE**

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	<b>2006</b>	<b>2005</b>
<b>The Revenue for the year was derived from</b>	<b>\$</b>	<b>\$</b>
Loan rate	92,049	78,244
Loan rate on state land	5,318	7,718
<b>Total Revenue</b>	<u>97,367</u>	<u>85,962</u>
 <b>The expenditure for the year was incurred on</b>		
Interest charges	46,880	49,461
Principal repayment	121,019	82,090
<b>Total Expenditure</b>	<u>167,899</u>	<u>131,551</u>
 <b>Net Deficit for the year was</b>	<b>(70,532)</b>	<b>(45,589)</b>
<b>Add Deficit balance at 1 January</b>	<u><b>(78,166)</b></u>	<u><b>(32,577)</b></u>
<b>Leaving a Deficit balance at 31 December of</b>	<u><u><b>(148,698)</b></u></u>	<u><u><b>(78,166)</b></u></u>

**LABASA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2006**

<b>GENERAL FUND</b>	<b>NOTES</b>	<b>2006</b>	<b>2005</b>
		<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Rates and other revenue		945,618	885,264
Interest		49,939	28,397
		<u>995,557</u>	<u>913,661</u>
Cash was applied to:			
Payments to Suppliers and employees		(891,974)	(771,343)
		<u>(891,974)</u>	<u>(771,343)</u>
Net Cash provided by Operating Activities		<u>103,583</u>	<u>142,318</u>
<b>Cash Flows from Investing Activities</b>			
Cash was applied to:			
Acquisition of property, plant and equipment		(20,727)	(52,439)
Advance to parking meter account		-	(6,943)
Net Cash (used in) Investing Activities		<u>(20,727)</u>	<u>(59,382)</u>
<b>Cash Flows from Financing Activities</b>			
Cash was provided from:			
Loan Rate		97,367	85,962
Cash was applied to:			
Loan Repayment		(121,019)	(82,090)
Interest		(46,880)	(49,461)
		<u>(167,899)</u>	<u>(131,551)</u>
Net Cash (used in) Financing activities		<u>(70,532)</u>	<u>(45,589)</u>
Net Increase in Cash held		12,324	37,347
Balance at the beginning of the year		5,151	(32,196)
Net cash at the end of the reporting period		<u>17,475</u>	<u>5,151</u>

**LABASA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION**

	NOTES	2006 \$	2005 \$
<b>Non-Current Assets</b>			
Fixed assets less depreciation		3,612	3,612
<b>Total Non - Current Assets</b>		<u>3,612</u>	<u>3,612</u>
<b>Total Assets</b>		<u>3,612</u>	<u>3,612</u>
<b>Current Liabilities</b>			
Advance from General Fund		3,612	3,612
Bank overdraft		246,524	239,434
<b>Total Current Liabilities</b>		<u>250,136</u>	<u>243,046</u>
<b>Total Liabilities</b>		<u>250,136</u>	<u>243,046</u>
<b>Net Assets</b>		<u>(246,524)</u>	<u>(239,434)</u>
<b>Accumulated Fund in Deficit</b>		<u>(246,524)</u>	<u>(239,434)</u>

*The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 13 to 17.*

**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 Labasa Town Council's operations for the year ended 31 December 2006 and of the state of affairs and cash flows as at that date.

.....  
Special Administrator  
Mr. Vijay Chand  
Date 22/4/09

.....  
Town Clerk/CEO  
Mr. Jitendra Prasad JP  
Date 22/4/09

**LABASA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE**

	NOTES	2006	2005
The Revenue for the Year was Derived from -		\$	\$
Infringement fines		8,100	13,029
Meter tolls		14,145	7,420
Traffic infringement fine		-	30
<b>Total revenue</b>		<u>22,245</u>	<u>20,479</u>
<b>The Expenditure for the Year was Incurred on</b>			
Administrative charges to general fund		3,026	3,026
Fiji National Provident Fund contribution		1,940	1,158
TPAF levy		166	224
Insurance		-	143
Maintenance of parking meters including parking bays		1,374	1,729
Miscellaneous		245	477
Office rent		1,200	1,200
Printing & stationery		366	451
Purchase of office equipment		-	40
Purchase of office uniform		79	731
Telephone expenses		114	128
Wages and related payments		20,825	22,341
<b>Total expenditure</b>		<u>29,335</u>	<u>31,648</u>
<b>Net (Deficit) for the year was</b>		(7,090)	(11,169)
<b>Add Deficit Balance at 1 January of</b>		(239,434)	(228,265)
<b>Leaving a Surplus balance as at 31 December of</b>		<u>(246,524)</u>	<u>(239,434)</u>

**LABASA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2006**

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<b>PARKING METER FUND</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
 <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Meter tolls	14,145	7,420
Infringement fines	8,100	13,029
Traffic infringement fine	-	30
Payments to suppliers and employees	(29,335)	(31,648)
Net Cash (used in) Operating Activities	<u>(7,090)</u>	<u>(11,169)</u>

**LABASA TOWN COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Year Ended 31 December 2006**

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**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 2006. Unless otherwise stated similar policies were followed in the previous year.

**a) Basis of Accounting**

The cash basis of accounting is adopted for all financial transactions.

**b) Fixed Assets Less Depreciation**

The Council has adopted the policy of charging to income the full cost of assets at the time of acquisition, except those financed from loan funds. Fixed assets financed from loan funds are written down by the actual amount of annual repayments over the period of the loan.

**c) Going concern**

The Council's General Fund account recorded a net deficiency of \$114,539 for the financial year end 31 December 2006. The financial statements have been prepared on a going concern basis. The Council is of the opinion that the basis used is valid given an undertaking to employ its solicitors Munro Leys and Company, to institute legal proceedings against the defaulting ratepayers for recovery of Rate arrears. Rates totalling \$377,215 has been handed over to the above solicitors and it is anticipated that a large sum of rates will be received to meet the operating expenses and reduce the deficit.

**d) Arrears of Revenue**

As the Council's accounts are kept on cash basis, the arrears of rates and interest, garbage fees and other revenue at the end of the year not reflected in the accounts were:

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Rates	536,155	474,085
Interest	775,883	698,491
Garbage fees	2,284	2,966
Other revenue	244,513	179,991
Total Arrears	<u>1,558,835</u>	<u>1,355,533</u>

**LABASA TOWN COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)**  
**Year Ended 31 December 2006**

**2. CASH AT BANK**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
This comprised of:		
Current account	17,193	5,229
Imprest account	282	(78)
Total	<u>17,475</u>	<u>5,151</u>

**3. FIXED ASSETS (FINANCED FROM LOAN FUNDS) AND DEPRECIATION**  
**GENERAL FUND**

	<b>\$</b>	<b>\$</b>
Book Value 01/01/06	<u>300,190</u>	<u>382,280</u>
Less: Repayment	<u>121,019</u>	<u>82,090</u>
	<u>179,171</u>	<u>300,190</u>

**4. ADVANCES**

	<b>\$</b>	<b>\$</b>
Public Works Department	380	380
Parking Meter Fund	250,136	243,046
Dishonoured cheques	2,070	4,742
Unspent balance of loan	<u>19,750</u>	<u>19,750</u>
	<u>272,336</u>	<u>267,918</u>

**5. MISCELLANEOUS DEPOSITS**

	<b>\$</b>	<b>\$</b>
This comprised of:		
Rent securities	12,640	10,010
Subrail Park security	8,428	7,579
Tender deposits	1,900	1,600
Car park contributions	99,478	99,478
Drains, streets, roads, footpaths	36,469	36,819
Library books	11,530	11,010
Hire of auditorium	5,217	4,817
Hire of chairs and tables	2,979	2,829
Naodamu Park security	200	200
Installation of banner	550	550

**LABASA TOWN COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)**  
**Year Ended 31 December 2006**

	2006	2005
	\$	\$
<b>5. MISCELLANEOUS DEPOSITS (continued)</b>		
Election deposit	-	580
Maintenance service security	6,650	6,650
Cleaning of market and public toilets	3,300	3,300
Garbage service security	15,046	8,424
Telecom Upgrading Project	5,000	-
	<u>209,387</u>	<u>193,846</u>

**6 LOAN FUNDS LESS REPAYMENTS**

Loan raised by the Council bear interest charges ranging from 8.5% to 10.5% per annum and repayable within periods ranging from 5 to 15 years. All loans are secured by the assets of the Council except for a \$400,000 loan raised in 1996 for the construction of the swimming pool and repairs to the roofing of Subrail Park pavilion.

The balance of the loans were as follows:

GENERAL FUND	\$	\$
Balance at 1 January	482,940	565,030
Add Loan raised	-	-
	<u>482,940</u>	<u>565,030</u>
Less Repayment	121,019	82,090
Balance at 31 December	<u>361,921</u>	<u>482,940</u>

**7. ACCUMULATED FUND - GENERAL FUND**

	\$	\$
This consists of:		
Lighting Fund account	95,967	69,739
Fire Service Fund account	19,290	19,272
	<u>115,257</u>	<u>89,011</u>
Deduct Overdrawn account:		
General Fund account	(81,098)	(260,289)
Loan Repayment Fund account	(148,698)	(78,166)
	<u>(229,796)</u>	<u>(338,455)</u>
Deficit Balance at 31 December	<u>(114,539)</u>	<u>(249,444)</u>



**LABASA TOWN COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)**  
**Year Ended 31 December 2006**

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**12. PRINCIPAL ACTIVITY**

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

**13. NOTES TO STATEMENT OF CASH FLOWS**

<b>GENERAL FUND</b>	
<b>2006</b>	<b>2005</b>
\$	\$

a) Reconciliation of cash

For the purpose of statement of cash flows, cash includes cash at bank and on hand net of outstanding bank overdraft. Cash at end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on Hand and at Bank	<u>17,475</u>	<u>5,151</u>
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