



# LABASA TOWN COUNCIL



## ANNUAL REPORT 2007



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 107 OF 2020



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# **LABASA TOWN COUNCIL**

## **Annual Report for the Year 2007**

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# LABASA TOWN COUNCIL

## CIVIC CENTRE BUILDING

P.O.Box 92, LABASA, FIJI

PH: (679) 8811066/8811331

Fax: (679) 8813718



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 2007.

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

The Annual Report 2007 has been prepared in the accordance with the provisions of section19 (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 2007 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 2007, 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, 2007 to December 31, 2007 (s19).

**COUNCILLORS MEMBERS****NASEA NORTH WARD**

Cr. Dr. Pradeep Singh

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 - Mayor (October 2006 to October 2007)

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

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 on 30<sup>th</sup> October, 2007 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. Dr. Pradeep Singh - Mayor (October 2007 to October 2008)

Cr. Ashwin Rajesh Chand - Deputy Mayor (October 2007 to October 2008)

### **APPOINTMENT OF STANDING COMMITTEES**

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

Cr. Karan Singh - Chairman

Cr. Dr. Pradeep Singh - Mayor

Cr. Ashwin Rajesh Chand - Deputy Mayor

Cr. Paulini Waqaniboro - Deputy Chairperson

Cr. Leslie David Williams

Cr. Shiv Lal Nagin

Cr. Pardeep Chandra Pratap

Cr. Ram Deo JP MF

Cr. Malakai Yadraca

Cr. Aporosa Rakai

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

Cr. Ashwin Rajesh Chand - Deputy Mayor - Chairman

Cr. Dr. Pradeep Singh - Mayor

Cr. Aporosa Rakai - Deputy Chairman

Cr. Malakai Yadraca

Cr. Leslie David Williams

Cr. Shiv Lal Nagin

Cr. Pardeep Chandra Pratap

Cr. Ram Deo JP MF

Cr. Karan Singh

Cr. Paulini Waqaniboro

#### **Finance Development Staff & General Purposes Committee**

Cr. Ram Deo JP MF - Chairman

Cr. Dr. Pradeep Singh - Mayor

Cr. Ashwin Rajesh Chand - Deputy Mayor

Cr. Shiv Lal Nagin - Deputy Chairman

Cr. Leslie David Williams

Cr. Kalyan Sharma

Cr. Pardeep Chandra Pratap

Cr. Karan Singh

Cr. Paulini Waqaniboro

Cr. Malakai Yadraca

Cr. Aporosa Rakai

Cr. Charan Jeath Singh MOF JP

#### **Adhoc Committee Beautification**

Cr. Paulini Waqaniboro - Chairperson

Cr. Dr. Pradeep Singh - Mayor



Cr. Ashwin Rajesh Chand - Deputy Mayor

Cr. Shiv Lal Nagin

Cr. Leslie David Williams

Cr. Pardeep Chandra Pratap

Cr. Karan Singh

Cr. Ram Deo JP MF

Cr. Malakai Yadraca

Cr. Aporosa Rakai

#### **Board of Survey Committee**

Cr. Paulini Waqaniboro - Chairperson

Cr. Ram Deo JP MF

Cr. Aporosa Rakai

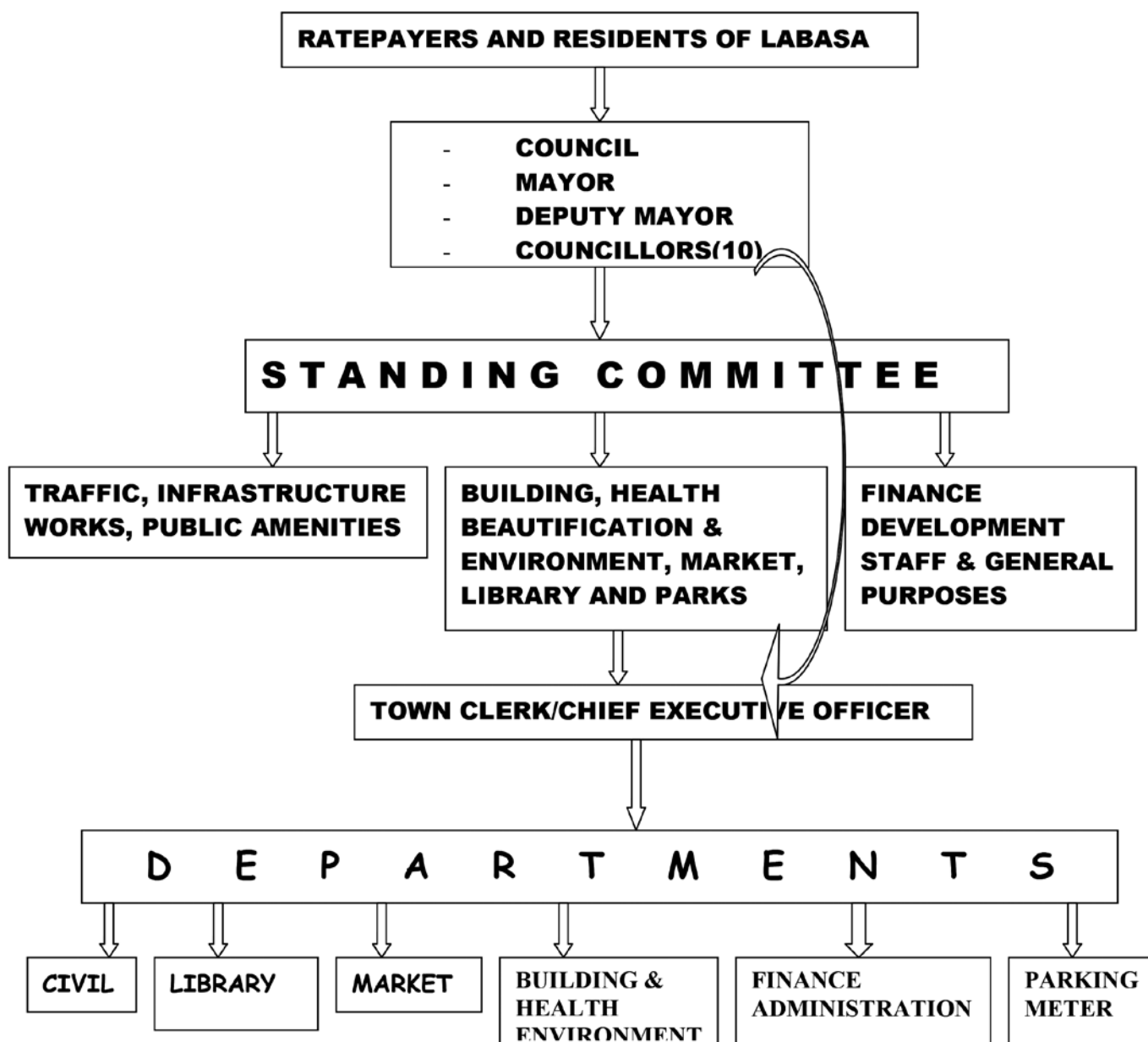
Cr. Karan Singh

Cr. Ashwin Rajesh Chand

#### **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. Dr. Pradeep Singh**  
**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**

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



ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File 735/1

23 June 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 2007**

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Two copies of the financial statements for the year ending 31 December 2007 together with audit reports on them are enclosed.

A copy of the audit report is being sent to the Minister for Education, National Heritage, Culture and Arts, Youth and Sports, Labour, Industrial Relations and Employment, Local Government, Urban Development, Housing 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*

Tevita Bolanavanua  
**ACTING AUDITOR GENERAL**

cc: Minister for Education, National Heritage, Culture and Arts, Youth and Sports, Labour, Industrial Relations and Employment, Local Government, Urban Development, Housing and Environment

Encl.





8<sup>th</sup> Floor, Ratu Sukuna House,  
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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

**LABASA TOWN COUNCIL**  
**ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of the Labasa Town Council for the year ended 31 December 2007 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 2007 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 2007, 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 \$19,429 were still held in the fire service account at 31 December 2007.
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 2007 do not sufficiently cover the deposits totaling \$212,956.
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 2007 and the results of its operations, cash flows and changes in equity of the year then ended.

*T Bolanavanua*

Tevita Bolanavanua

**ACTING AUDITOR GENERAL**

Suva, Fiji

23 June 2009



**LABASA TOWN COUNCIL**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

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**CONTENTS**

	<b>Page No</b>
General Fund Account - Statement of Financial Position.....	2
General Fund Account - Statement of Revenue and Expenditure.....	3 - 5
Lighting Fund Account - Statement of Revenue and Expenditure.....	6
Fire Service Fund Account - Statement of Revenue and Expenditure.....	7
Loan Repayment Fund Account - Statement of Revenue and Expenditure.....	8
General Fund Account - Statement of Cash Flows.....	9
Parking Meter Fund Account - Statement of Financial Position.....	10
Parking Meter Fund Account - Statement of Revenue and Expenditure.....	11
Parking Meter Fund Account - Statement of Cash Flows.....	12
Notes to and forming Part of the Financial Statements.....	13 - 17

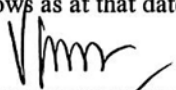
**LABASA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION**


	NOTES	2007 \$	2006 \$
<b>Current Assets</b>			
Cash at bank	2	60,592	17,475
Advances	4	281,232	272,336
<b>Total Current Assets</b>		<u>341,824</u>	<u>289,811</u>
<b>Non-Current Assets</b>			
Fixed assets less depreciation	3	<u>102,863</u>	<u>179,171</u>
<b>Total Assets</b>		<u>444,687</u>	<u>468,982</u>
<b>Current Liabilities</b>			
Overdrawn imprest account		82	-
Miscellaneous deposits	5	212,956	209,387
Vat payable		14,602	8,487
Rates received in advance		1,901	3,726
<b>Total Current Liabilities</b>		<u>229,541</u>	<u>221,600</u>
<b>Non-Current Liabilities</b>			
Loan funds less repayment	6	285,613	361,921
<b>Total Liabilities</b>		<u>515,154</u>	<u>583,521</u>
<b>Net Deficiency</b>		<u>(70,467)</u>	<u>(114,539)</u>
<b>Accumulated Fund in Deficit</b>	7	<u>(70,467)</u>	<u>(114,539)</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 12 to 15.*

**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 2007 and of the state of affairs and cash flows as at that date.

  
.....  
Special Administrator  
Mr. Vijay Chand  
Date

  
.....  
Town Clerk/CEO  
Mr. Jitendra Prasad JP  
Date

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

	NOTES	2007 \$	2006 \$
<b>The Revenue for the year was derived from :</b>			
Administration cost		1,310	890
British Government Aid		-	3,547
Building fees		4,571	6,790
Bus station, car park and taxi base fees		68,713	57,962
Business, trading, professional & other licences		103,207	107,790
Contribution for management expenses	10	4,037	4,037
Festival of Friendly North Recovery		-	5,106
Garbage dump fees		-	4,444
Garbage fees arrears	9	267	682
Gate fees - sports ground/squash courts		12,642	29,866
General rates		346,401	336,094
General rates on state land		18,008	19,598
Interest on overdue account		2,194	7,735
Interest on overdue rates		41,294	42,204
Japanese Government Aid		-	5,399
Library fines		12	42
Library subscription		93	144
Market fees		178,985	175,030
Miscellaneous		9,102	5,639
Playing field hire charge		20,770	12,466
Internet charges		153	-
Government grant		266,667	-
Rent from council properties		138,332	127,580
Swimming pool admission charges		677	7,277
<b>Total Revenue</b>		<b>1,217,435</b>	<b>960,322</b>

**The Expenditure for the year was:**

Acquisition of land		130	130
Advertising		2,402	1,755
Anti mosquito campaign litter awareness		1,896	740
Audit fees		178	1,500
Civic reception & entertainment		9,696	8,618
Computer software		3,180	4,781
Cyclone Ami rehabilitation		18,986	-
Destruction of stray dogs		506	-
Election expenses		100	1,299
Festival of Friendly North		280	99
Financial loss allowance	11	10,425	13,000
FNPF contribution		23,069	35,214
Garbage services		65,457	62,076

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

	NOTES	2007	2006
		\$	\$
Incidental		4,344	4,961
Installation of internet library		-	68
Insurance		8,658	5,692
Interest on overdue account		-	39
Land rent		955	5,602
Legal expenses		42,817	10,980
Maintenance and operation of expense of plants & equipment		36,464	24,397
Maintenance expenses - market, pavillion & public convenience		116,971	90,933
Maintenance of flood lights		1,478	3,986
Maintenance of roads, footpath, drains and parks		94,384	93,953
Maintenance of swimming pool		7,491	29,302
Maintenance services on contract		98,233	48,160
Mayoral allowance		4,250	2,250
Medical consultation fees		899	463
Office equipment maintenance		2,943	2,173
Personal emoluments		196,527	222,584
Printing, stationery and equipment		7,847	7,972
Staff training development		443	707
Subscription		-	563
Tea expenses		878	620
Telephone/water and electrical charges		59,220	60,246
TPAF		-	2,073
Traffic levy		3,266	-
Travelling & subsistence		13,631	8,433
Uniform & protective clothing expenses		5,628	4,341
Upgrading of Computers		1,065	694
<b>Total Operating Expenditure</b>		<b>844,697</b>	<b>760,404</b>

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

	NOTES	2007 \$	2006 \$
<b>Capital Expenditure</b>			
Construction of bus stand shelter		-	134
Construction of carrier stand shelter		-	142
Construction of food shelter		-	1,521
Construction of market		2,697	1,069
Construction of toilets		-	99
Construction of canteen		1,862	4,762
Construction of water fountain		39	2,437
Improvement to market		204	564
Installation of water tank		-	2,791
Purchase of computer		978	3,342
Purchase of tools and equipment		9,819	2,159
Traffic and street signs		484	1,707
Upgrading of roads		328,889	-
<b>Total Capital Expenditure</b>		<u>344,972</u>	<u>20,727</u>
<b>Total Expenditure</b>		<u>1,189,669</u>	<u>781,131</u>
 <b>Transfer from Sewerage fund</b>		 -	 -
<b>Surplus Balance</b>		<u>27,766</u>	<u>179,191</u>
<b>Add Deficit Balance at 1 January of</b>		(81,098)	(260,289)
 <b>Leaving a Deficit Balance at 31 December of</b>		 <u>(53,332)</u>	 <u>(81,098)</u>

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

	NOTES	2007 \$	2006 \$
<b>The Revenue for the year was derived from</b>			
Lighting rate		61,323	57,335
Lighting rate on state land		5,075	3,324
<b>Total Revenue</b>		<u>66,398</u>	<u>60,659</u>
<b>The expenditure for the year was incurred on</b>			
Administrative charges to general fund	10	1,011	1,011
Installation of street lights		2,805	6,631
Maintenance & installation of festoon lights		814	1,673
Maintenance of street lights		45,141	25,116
<b>Total Expenditure</b>		<u>49,771</u>	<u>34,431</u>
<b>Net surplus for the year was</b>		16,627	26,228
<b>Add Balance at 1st January of</b>		95,967	69,739
<b>Leaving a surplus Balance as at 31 December of</b>	7	<u><u>112,594</u></u>	<u><u>95,967</u></u>

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

<b>The Revenue for the year was derived from</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Fire service rate - arrears	139	18
<b>Total revenue</b>	<u>139</u>	<u>18</u>
 <b>The expenditure for the year was incurred on</b>		
	<u>-</u>	<u>-</u>
<b>Total Expenditure</b>	<u>-</u>	<u>-</u>
 <b>Net surplus for the year was</b>	139	18
<b>Add Surplus balance at 1 January was</b>	<u>19,290</u>	<u>19,272</u>
 <b>Leaving a surplus balance at 31 December of</b>	<u><u>19,429</u></u>	<u><u>19,290</u></u>

(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**

	<b>2007</b>	<b>2006</b>
<b>The Revenue for the year was derived from</b>	<b>\$</b>	<b>\$</b>
Loan rate	98,010	92,049
Loan rate on state land	8,120	5,318
<b>Total Revenue</b>	<b>106,130</b>	<b>97,367</b>
 <b>The expenditure for the year was incurred on</b>		
Interest charges	30,282	46,880
Principal repayment	76,308	121,019
<b>Total Expenditure</b>	<b>106,590</b>	<b>167,899</b>
 <b>Net Deficit for the year was</b>	<b>(460)</b>	<b>(70,532)</b>
<b>Add Deficit balance at 1 January</b>	<b>(148,698)</b>	<b>(78,166)</b>
<b>Leaving a Deficit balance at 31 December of</b>	<b>(149,158)</b>	<b>(148,698)</b>

**LABASA TOWN COUNCIL**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2007**

<b>GENERAL FUND</b>	<b>NOTES</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Rates and other revenue		1,238,659	945,618
Interest		43,488	49,939
		<u>1,282,147</u>	<u>995,557</u>
Cash was applied to:			
Payments to Suppliers and employees		(896,115)	(891,974)
		<u>(896,115)</u>	<u>(891,974)</u>
Net Cash provided by Operating Activities		<u>386,032</u>	<u>103,583</u>
<b>Cash Flows from Investing Activities</b>			
Cash was applied to:			
Acquisition of property, plant and equipment		(342,537)	(20,727)
Net Cash (used in) Investing Activities		<u>(342,537)</u>	<u>(20,727)</u>
<b>Cash Flows from Financing Activities</b>			
Cash was provided from:			
Loan Rate		106,130	97,367
Cash was applied to:			
Interest		(30,282)	(46,880)
Loan Repayment		(76,308)	(121,019)
		<u>(106,590)</u>	<u>(167,899)</u>
Net Cash (used in) Financing activities		<u>(460)</u>	<u>(70,532)</u>
Net Increase in Cash held		43,035	12,324
Balance at the beginning of the year		17,475	5,151
Net cash at the end of the reporting period		<u>60,510</u>	<u>17,475</u>

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

	NOTES	2007 \$	2006 \$
<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		256,562	246,524
<b>Total Current Liabilities</b>		<u>260,174</u>	<u>250,136</u>
<b>Total Liabilities</b>		<u>260,174</u>	<u>250,136</u>
<b>Net Deficiency</b>		<u>(256,562)</u>	<u>(246,524)</u>
<b>Accumulated Fund in Deficit</b>		<u>(256,562)</u>	<u>(246,524)</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 12 to 15.*

**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 2007 and of the state of affairs and cash flows as at that date.

.....  
Special Administrator  
Mr. Vijay Chand  
Date

.....  
Town Clerk/CEO  
Mr. Jitendra Prasad JP  
Date

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

	NOTES	2007	2006
		\$	\$
<b>The Revenue for the Year was Derived from -</b>			
Meter tolls		14,528	14,145
Infringement fine		7,920	8,100
<b>Total revenue</b>		<u>22,448</u>	<u>22,245</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		1,512	1,940
TPAF levy		204	166
Maintenance of parking meters including parking bays		1,792	1,374
Miscellaneous		219	245
Office rent		1,200	1,200
Printing & stationery		751	366
Purchase of office equipment		3	-
Purchase of office uniform		120	79
Telephone expenses		-	114
Wages and related payments		23,659	20,825
<b>Total expenditure</b>		<u>32,486</u>	<u>29,335</u>
<b>Net (Deficit) for the year was</b>		(10,038)	(7,090)
<b>Add Deficit Balance at 1 January of</b>		(246,524)	(239,434)
<b>Leaving a Surplus balance as at 31 December of</b>		<u>(256,562)</u>	<u>(246,524)</u>

**LABASA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2007**

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<b>PARKING METER FUND</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
 <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Meter tolls	14,528	14,145
Infringement fines	7,920	8,100
Payments to suppliers and employees	(32,486)	(29,335)
Net Cash (used in) Operating Activities	<u>(10,038)</u>	<u>(7,090)</u>

## LABASA TOWN COUNCIL

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

Year Ended 31 December 2007

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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 2007. 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 \$70,467 for the financial year end 31 December 2007. 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 \$386,671 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:

	2007	2006
	\$	\$
Rates	476,124	536,155
Interest	876,735	775,883
Garbage fees	2,016	2,284
Other revenue	323,101	244,513
Total Arrears	<u>1,677,976</u>	<u>1,558,835</u>

**LABASA TOWN COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)**  
**Year Ended 31 December 2007**

**2. CASH AT BANK**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
This comprised of:		
Current account	60,592	17,193
Imprest account	-	282
Total	<u>60,592</u>	<u>17,475</u>

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

	<b>\$</b>	<b>\$</b>
Book Value 01/01/06	<u>179,171</u>	<u>300,190</u>
Less: Repayment	<u>76,308</u>	<u>121,019</u>
	<u>102,863</u>	<u>179,171</u>

**4. ADVANCES**

	<b>\$</b>	<b>\$</b>
Public Works Department	380	380
Parking Meter Fund	260,184	250,136
Dishonoured cheques	918	2,070
Unspent balance of loan	<u>19,750</u>	<u>19,750</u>
	<u>281,232</u>	<u>272,336</u>

**5. MISCELLANEOUS DEPOSITS**

	<b>\$</b>	<b>\$</b>
This comprised of:		
Rent securities	17,790	12,640
Subrail Park security	9,128	8,428
Tender deposits	2,000	1,900
Car park contributions	100,878	99,478
Drains, streets, roads, footpaths	41,969	36,469
Library books	11,870	11,530
Hire of auditorium	5,817	5,217
Hire of chairs and tables	3,162	2,979
Naodamu Park security	200	200
Installation of banner	750	550

# LABASA TOWN COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd) Year Ended 31 December 2007

	2007	2006
	\$	\$
<b>5. MISCELLANEOUS DEPOSITS (continued)</b>		
Maintenance service security	-	6,650
Cleaning of market and public toilets	3,000	3,300
Garbage service security	11,392	15,046
Telecom Upgrading Project	5,000	5,000
	<u>212,956</u>	<u>209,387</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:

	\$	\$
<b>GENERAL FUND</b>		
Balance at 1 January	361,921	482,940
Add Loan raised	-	-
	<u>361,921</u>	<u>482,940</u>
Less Repayment	76,308	121,019
Balance at 31 December	<u>285,613</u>	<u>361,921</u>

## 7. ACCUMULATED FUND - GENERAL FUND

	\$	\$
This consists of:		
Lighting Fund account	112,594	95,967
Fire Service Fund account	19,429	19,290
	<u>132,023</u>	<u>115,257</u>
Deduct Overdrawn account:		
General Fund account	(53,332)	(81,098)
Loan Repayment Fund account	(149,158)	(148,698)
	<u>(202,490)</u>	<u>(229,796)</u>
Deficit Balance at 31 December	<u>(70,467)</u>	<u>(114,539)</u>



## LABASA TOWN COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd) Year Ended 31 December 2007

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#### 8. DISCOUNTS ON RATES

The Council resolved to grant discounts on rates as follows:

Rates paid in full by 31st January 2007, received a 10% discount;  
Rates paid in full by 28th February 2007, received a 7.5% discount;  
Rates paid in full by 31st March 2007, received a 5% discount.

Account:	2007 \$	2006 \$
General Fund account	59,730	20,346
Lighting Fund account	10,130	3,451
Loan Repayment account	16,209	5,521
	<u>86,069</u>	<u>29,318</u>

#### 9. GARBAGE FEES

It was resolved by the Council not to levy Garbage fees with effect from January 1993. Cost of Garbage Services has been incorporated in General Rates. Garbage fees collected in respect of arrears in 2007 was \$267 (2006: \$682).

#### 10. CONTRIBUTION FOR MANAGEMENT EXPENSES

Amounts representing salaries, accounting and administrative expenses as approved by the Council in conjunction with the management and operation of Lighting and Parking Meter Fund Account have been reimbursed to the General Fund account as follows:

Account	\$	\$
Lighting Fund account	1,011	1,011
Parking Meter Fund account	3,026	3,026
	<u>4,037</u>	<u>4,037</u>

#### 11. FINANCIAL LOSS ALLOWANCES

A member of the Council is entitled to an allowance at the rate of \$25 per meeting as financial loss allowance in respect of loss of earnings suffered or incurred for the purpose of enabling a Councillor to perform any approved duty as a member of the Council.

**LABASA TOWN COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)**

**Year Ended 31 December 2007**

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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**

**GENERAL FUND**

	<b>2007</b>	<b>2006</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>60,592</u>	<u>17,475</u>
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