



# LABASA TOWN COUNCIL



## ANNUAL REPORT 2008



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 108 OF 2020



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# **LABASA TOWN COUNCIL**

## **Annual Report for the Year 2008**

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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 2008.

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

The Annual Report 2008 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 2008 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 2008, 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, 2008 to December 31, 2008 (s19).

## **COUNCIL MEMBERS**

### **NASEA NORTH WARD**

Cr. Dr. Pradeep Singh - Mayor (October 2007 to October 2008)

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

Cr. Shiu Lal Nagindas

Cr. Malakai Yadraca

### **VATIA WARD**

Cr. Aporosa Rakai

Cr. Charan Jeath Singh MOF JP

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

### **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, 2008 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. Shiu Lal Nagindas - Mayor (October 2008 to October 2009)

Cr. Paulini Waqaniboro - Deputy Mayor (October 2008 to October 2009)

### **APPOINTMENT OF STANDING COMMITTEES**

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

Cr. Leslie David Williams - Chairman

Cr. Paulini Waqaniboro - Deputy Chairperson

Cr. Shiv Lal Nagin - Mayor

Cr. Karan Singh

Cr. Dr. Pradeep Singh

Cr. Ashwin Rajesh Chand

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. Pardeep Chandra Pratap - Chairman

Cr. Aporosa Rakai - Deputy Chairman

Cr. Shiv Lal Nagin - Mayor

Cr. Ashwin Rajesh Chand

Cr. Dr. Pradeep Singh

Cr. Malakai Yadraca

Cr. Leslie David Williams

Cr. Ram Deo JP MF

Cr. Karan Singh

Cr. Paulini Waqaniboro

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

Cr. Ram Deo JP MF - Chairman

Cr. Shiv Lal Nagin - Mayor - Deputy Chairman

Cr. Dr. Pradeep Singh

Cr. Ashwin Rajesh Chand

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**

To be appointed as and when required.



**Board of Survey Committee**

Cr. Malakai Yadraca - Chairperson

Cr. Paulini Waqaniboro

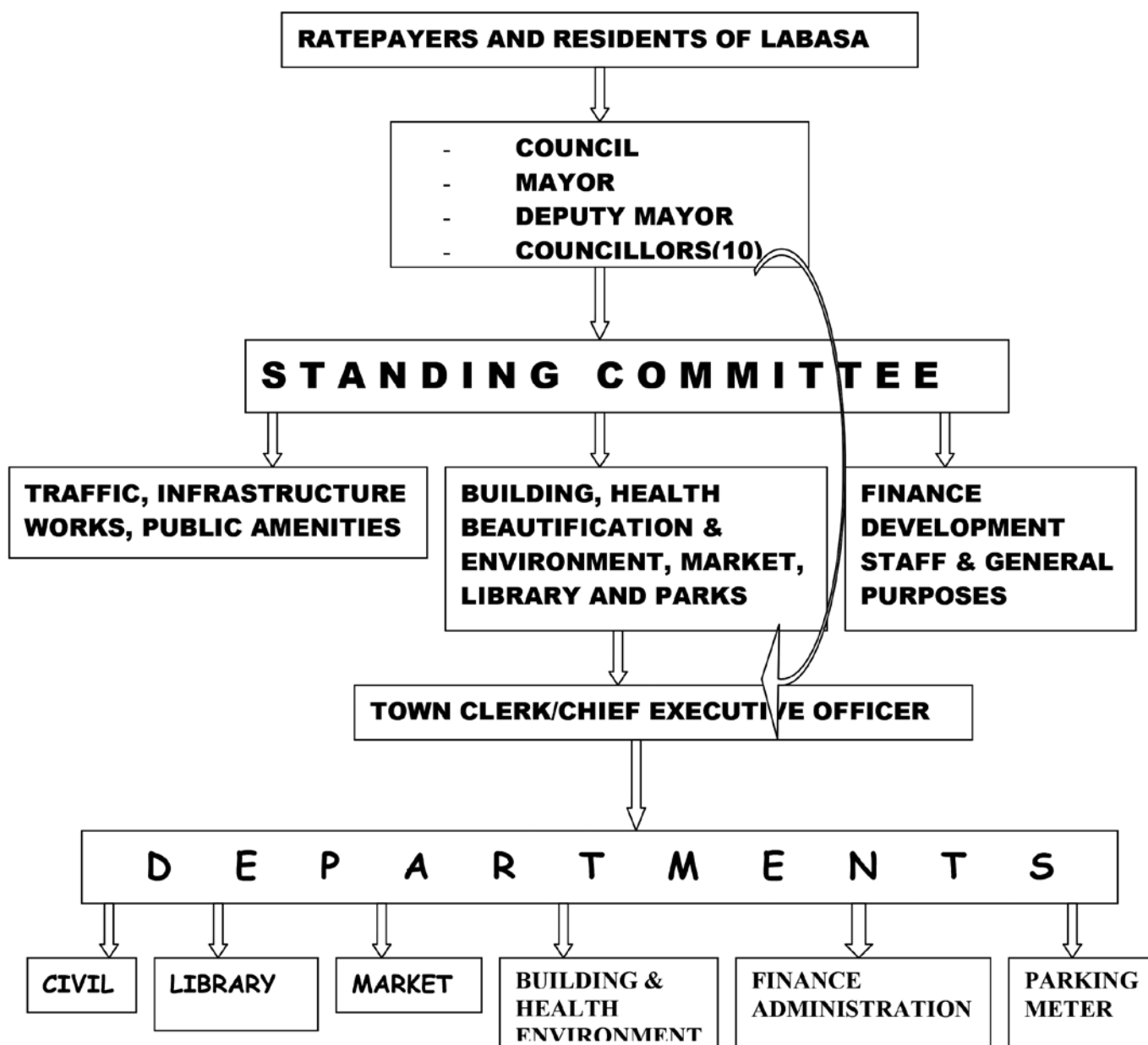
Cr. Pardeep Chandra Pratap

Cr. Leslie David Williams

**SENIOR OFFICERS OF THE COUNCIL**

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

### ORGANISATION STRUCTURE



## **POPULATION**

Estimated population for 2008:

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 2008 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

-----  
1.062 cents in the \$ on UV

=====

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.

### **APPOINTMENT OF NEW TOWN CLERK/CEO**

The Town Clerk/CEO, Mr. Sharma Nand retired from his duties and effective from 1<sup>st</sup> April, 2008 Mr. Jitendra Prasad was employed as the new Town Clerk/CEO for Labasa Town Council.

### **GRANT FOR NEW PUBLIC CONVIENCE**

The Government of Japan via the Embassy of Japan provided grant funds of amount US\$57,818.00 on 11<sup>th</sup> November 2008 by Labasa Town Council for construction of a New Public Toilet at the Market area for the people of Labasa.

### **EXPIRY OF COUNCILLORS TERM IN OFFICE**

The Ministry of Local Government on the 10<sup>th</sup> of December, 2008 informed that Cabinet through Cabinet Decision IGCP (08)439 of 02.12.08 had approved that the term of all Councilors will expire on the 31<sup>st</sup> of January,

2009. Town Clerks in the transition period were to control the affairs of the Council.

Council was told not to conduct any further meetings of the council nor commit to any capital works without the approval of the Minister.

### **APPRECIATION**

The council wishes to convey its appreciation to the ratepayers for paying their rates to meet the running cost of the council administration & operations 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. Shiv Lal Nagindas**  
**His Worship the Mayor**

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



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



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File 735/1

4 December 2009

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

Dear Mr. Chand

---

**AUDITED FINANCIAL STATEMENT FOR LABASA TOWN COUNCIL FOR  
THE YEAR ENDED 31 DECEMBER 2008**

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Two copies of the financial statements for the year ending 31 December 2008 together with my audit reports on them are enclosed.

A copy of the audit report is being sent to the Minister for Housing, Local Government 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 Housing, Local Government and Environment

Encl.





8<sup>th</sup> Floor, Ratu Sukuna House,  
MacArthur Street,  
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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 2008**

**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of the Labasa Town Council for the year ended 31 December 2008 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 2008 has been prepared using the cash basis of accounting and does not take into account revenue not received and expenditure not paid at balance date. Similarly, property, plant & equipment have not been incorporated in the Statement of Financial Position as at 31 December 2008, 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 2008.



4. Separate accounting records and bank accounts were not maintained for Parking Meter Fund account, Car Park Fund account and for special rates levied by the Council. 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 2008 do not sufficiently cover the deposits totaling \$117,845.

**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 2008 and the results of its operations, cash flows and changes in equity of the year then ended.

*TB*

Tevita Bolanavanua  
**ACTING AUDITOR GENERAL**

Suva, Fiji  
04 December 2009



**LABASA TOWN COUNCIL**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

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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
Car Park Fund Account - Statement of Revenue and Expenditure.....	9
General Fund Account - Statement of Cash Flows.....	10
Parking Meter Fund Account - Statement of Financial Position.....	11
Parking Meter Fund Account - Statement of Revenue and Expenditure.....	12
Parking Meter Fund Account - Statement of Cash Flows.....	13
Notes to and forming Part of the Financial Statements.....	14 - 18

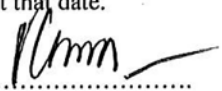
**LABASA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION**

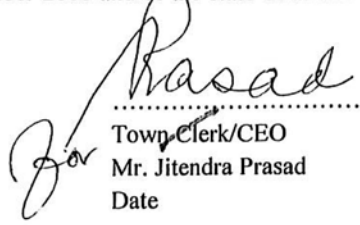
	NOTES	2008 \$	2007 \$
<b>Current Assets</b>			
Cash at bank	2	120,003	60,592
Advances	4	302,850	281,232
<b>Total Current Assets</b>		<u>422,853</u>	<u>341,824</u>
<b>Non-Current Assets</b>			
Fixed assets less depreciation	3	<u>48,628</u>	<u>102,863</u>
<b>Total Assets</b>		<u>471,481</u>	<u>444,687</u>
<b>Current Liabilities</b>			
Overdrawn imprest account	2	58	82
Miscellaneous deposits	5	117,845	212,956
Vat payable		-	14,602
Rates received in advance		<u>7,571</u>	<u>1,901</u>
<b>Total Current Liabilities</b>		<u>125,474</u>	<u>229,541</u>
<b>Non-Current Liabilities</b>			
Loan funds less repayment	6	235,777	285,613
<b>Total Liabilities</b>		<u>361,251</u>	<u>515,154</u>
<b>Net Assets/(Deficiency)</b>		<u>110,230</u>	<u>(70,467)</u>
<b>Accumulated Fund in Surplus/(Deficit)</b>	7	<u>110,230</u>	<u>(70,467)</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 2008 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  
Date

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

	NOTES	2008 \$	2007 \$
<b>The Revenue for the year was derived from :</b>			
Administration cost		4,313	1,310
Bank interest		65	-
Building fees		3,767	4,571
Bus station, car park and taxi base fees		60,854	68,713
Business, trading, professional & other licences		110,786	103,207
Contribution for management expenses	10	4,037	4,037
Garbage fees arrears	9	267	267
Gate fees - sports ground/squash courts		26,934	12,642
General rates		374,601	346,401
General rates on state land		22,524	18,008
Interest on overdue account		2,009	2,194
Interest on overdue rates		4,396	41,294
Japanese Government Aid		103,718	-
Library fines		4	12
Library subscription		129	93
Litter penalty		40	-
Market fees		195,368	178,985
Miscellaneous		30,460	9,102
Playing field hire charge		29,455	20,770
Internet charges		207	153
Government grant		-	266,667
Rent from council properties		141,737	138,332
Swimming pool admission charges		-	677
<b>Total Revenue</b>		<b>1,115,671</b>	<b>1,217,435</b>
<b>The Expenditure for the year was:</b>			
Acquisition of land		550	130
Advertising		3,644	2,402
Anti mosquito campaign litter awareness		4,239	1,896
Audit fees		7,778	178
Bank Interest		1,270	-
Charity Queen		500	-
Civic reception & entertainment		5,889	9,696
Computer software		2,667	3,180
Cyclone Ami rehabilitation		5,234	18,986
Destruction of stray dogs		-	506
Election expenses		-	100
Festival of Friendly North		-	280
Financial loss allowance	11	12,450	10,425
FNPF contribution		47,530	23,069
Garbage services		68,736	65,457

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

	NOTES	2008	2007
		\$	\$
Incidental		8,711	4,344
Insurance		-	8,658
Interest on overdue account		14,222	-
Land rent		54,864	955
Legal expenses		9,345	42,817
Maintenance and operation of expense of plants & equipment		54,667	36,464
Maintenance expenses - market, pavillion & public convenience		153,433	116,971
Maintenance of flood lights		2,335	1,478
Maintenance of roads, footpath, drains and parks		113,547	94,384
Maintenance of swimming pool		29	7,491
Maintenance services on contract		47,950	98,233
Mayoral allowance		2,000	4,250
Medical consultation fees		1,160	899
Office equipment maintenance		394	2,943
Personal emoluments		222,560	196,527
Printing, stationery and equipment		8,922	7,847
Staff training development		2,114	443
Subscription		1,850	-
Tea expenses		1,213	878
Telephone/water and electrical charges		61,864	59,220
TPAF		4,528	-
Traffic levy		-	3,266
Travelling & subsistence		21,530	13,631
Loan Penalty		4,399	-
Uniform & protective clothing expenses		5,485	5,628
Upgrading of Computers		-	1,065
<b>Total Operating Expenditure</b>		<b>957,609</b>	<b>844,697</b>

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

	NOTES	2008 \$	2007 \$
<b>Capital Expenditure</b>			
Construction of bus stand shelter		839	-
Construction of market		-	2,697
Construction of toilets		300	-
Construction of canteen		2,804	1,862
Construction of water fountain		-	39
Improvement to market		-	204
Purchase of computer		-	978
Purchase of Garbage Truck		6,000	-
Purchase of tools and equipment		3,379	9,819
Traffic and street signs		643	484
Upgrading of roads		125,360	328,889
<b>Total Capital Expenditure</b>		<u>139,325</u>	<u>344,972</u>
<b>Total Expenditure</b>		<u>1,096,934</u>	<u>1,189,669</u>
<b>Surplus Balance</b>		<u>18,737</u>	<u>27,766</u>
<b>Add Deficit Balance at 1 January of</b>		(53,332)	(81,098)
<b>Leaving a Deficit Balance at 31 December of</b>		<u>(34,595)</u>	<u>(53,332)</u>

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

	NOTES	2008 \$	2007 \$
<b>The Revenue for the year was derived from</b>			
Lighting rate		63,669	61,323
Lighting rate on state land		3,820	5,075
<b>Total Revenue</b>		<u>67,489</u>	<u>66,398</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		555	2,805
Maintenance & installation of festoon lights		2,820	814
Maintenance of street lights		51,033	45,141
<b>Total Expenditure</b>		<u>55,419</u>	<u>49,771</u>
<b>Net surplus for the year was</b>		12,070	16,627
<b>Add Balance at 1st January of</b>		112,594	95,967
<b>Leaving a surplus Balance as at 31 December of</b>	7	<u>124,664</u>	<u>112,594</u>

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

<b>The Revenue for the year was derived from</b>		
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Fire service rate - arrears	-	139
<b>Total revenue</b>	<u>-</u>	<u>139</u>
<b>The expenditure for the year was incurred on</b>		
<b>Total Expenditure</b>	<u>-</u>	<u>-</u>
<b>Net surplus for the year was</b>	-	139
<b>Add Surplus balance at 1 January was</b>	<u>19,429</u>	<u>19,290</u>
<b>Leaving a surplus balance at 31 December of</b>	<u><u>19,429</u></u>	<u><u>19,429</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>2008</b>	<b>2007</b>
<b>The Revenue for the year was derived from</b>	<b>\$</b>	<b>\$</b>
Loan rate	101,843	98,010
Loan rate on state land	6,112	8,120
<b>Total Revenue</b>	<b>107,955</b>	<b>106,130</b>
 <b>The expenditure for the year was incurred on</b>		
Interest charges	18,708	30,282
Principal repayment	54,235	76,308
<b>Total Expenditure</b>	<b>72,943</b>	<b>106,590</b>
 <b>Net Surplus/(Deficit) for the year was</b>	<b>35,012</b>	<b>(460)</b>
<b>Add Deficit balance at 1 January</b>	<b>(149,158)</b>	<b>(148,698)</b>
<b>Leaving a Deficit balance at 31 December of</b>	<b>(114,146)</b>	<b>(149,158)</b>

**LABASA TOWN COUNCIL  
CAR PARK FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>The Revenue for the year was derived from</b>		
Car park contribution	114,878	-
<b>Total Revenue</b>	<u>114,878</u>	<u>-</u>
 <b>The expenditure for the year was incurred on</b>		
<b>Total Expenditure</b>	<u>-</u>	<u>-</u>
 <b>Net Surplus for the year was</b>	114,878	-
<b>Add Deficit balance at 1 January</b>	<u>-</u>	<u>-</u>
 <b>Leaving a Surplus balance at 31 December of</b>	<u>114,878</u>	<u>-</u>

**LABASA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2008**

<b>GENERAL FUND</b>	<b>NOTES</b>	<b>2008 \$</b>	<b>2007 \$</b>
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Rates and other revenue		1,282,701	1,238,659
Interest		6,405	43,488
		<u>1,289,106</u>	<u>1,282,147</u>
Cash was applied to:			
Payments to Suppliers and employees		(1,125,358)	(896,115)
		<u>(1,125,358)</u>	<u>(896,115)</u>
Net Cash provided by Operating Activities		<u>163,748</u>	<u>386,032</u>
<b>Cash Flows from Investing Activities</b>			
Cash was applied to:			
Acquisition of property, plant and equipment		(139,325)	(342,537)
Net Cash (used in) Investing Activities		<u>(139,325)</u>	<u>(342,537)</u>
<b>Cash Flows from Financing Activities</b>			
Cash was provided from:			
Loan Rate		107,955	106,130
Cash was applied to:			
Interest		(18,708)	(30,282)
Loan Repayment		(54,235)	(76,308)
		<u>(72,943)</u>	<u>(106,590)</u>
Net Cash provided by/(used in) Financing activities		<u>35,012</u>	<u>(460)</u>
Net Increase in Cash held		59,435	43,035
Balance at the beginning of the year		60,510	17,475
Net cash at the end of the reporting period	13	<u>119,945</u>	<u>60,510</u>


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

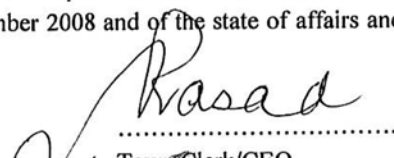
	NOTES	2008 \$	2007 \$
<b>Non-Current Assets</b>			
Fixed assets less depreciation		3,612	3,612
<b>Total Non - Current Assets</b>		<u>3,612</u>	<u>3,612</u>
<b>Total Assets</b>		<u>3,612</u>	<u>3,612</u>
<b>Current Liabilities</b>			
Advance from General Fund		3,612	3,612
Bank overdraft		277,245	256,562
<b>Total Current Liabilities</b>		<u>280,857</u>	<u>260,174</u>
<b>Total Liabilities</b>		<u>280,857</u>	<u>260,174</u>
<b>Net Deficiency</b>		<u>(277,245)</u>	<u>(256,562)</u>
<b>Accumulated Fund in Deficit</b>		<u>(277,245)</u>	<u>(256,562)</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 2008 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  
Date

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

	NOTES	2008	2007
		\$	\$
<b>The Revenue for the Year was Derived from -</b>			
Meter tolls		13,822	14,528
Infringement fine		6,620	7,920
<b>Total revenue</b>		<u>20,442</u>	<u>22,448</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		3,027	1,512
TPAF levy		227	204
Maintenance of parking meters including parking bays		4,498	1,792
Miscellaneous		46	219
Office rent		1,200	1,200
Printing & stationery		865	751
Purchase of office equipment		-	3
Purchase of office uniform		209	120
Wages and related payments		28,027	23,659
<b>Total expenditure</b>		<u>41,125</u>	<u>32,486</u>
<b>Net Deficit for the year was</b>		(20,683)	(10,038)
<b>Add Deficit Balance at 1 January of</b>		(256,562)	(246,524)
<b>Leaving a Deficit balance as at 31 December of</b>		<u>(277,245)</u>	<u>(256,562)</u>

**LABASA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2008**

**PARKING METER FUND**

**2008**  
\$

**2007**  
\$

**CASH FLOWS FROM OPERATING ACTIVITIES**

Meter tolls	13,822	14,528
Infringement fines	6,620	7,920
Payments to suppliers and employees	(41,125)	(32,486)
Net Cash (used in) Operating Activities	<u>(20,683)</u>	<u>(10,038)</u>

**LABASA TOWN COUNCIL**

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

**Year Ended 31 December 2008**

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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 2008. 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 asset of \$114,629 for the financial year end 31 December 2008. 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:

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Rates	458,261	476,124
Interest	918,499	876,735
Garbage fees	1,749	2,016
Other revenue	338,973	323,101
Total Arrears	<u>1,717,482</u>	<u>1,677,976</u>

**LABASA TOWN COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)**  
**Year Ended 31 December 2008**

**2. CASH AT BANK**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
This comprised of:		
Current account	120,003	60,592
Overdrawn imprest account	(58)	(82)

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

	<b>\$</b>	<b>\$</b>
Book Value 01/01/08	<u>102,863</u>	<u>179,171</u>
Less: Repayment	<u>54,235</u>	<u>76,308</u>
	<u>48,628</u>	<u>102,863</u>

**4. ADVANCES**

	<b>\$</b>	<b>\$</b>
Public Works Department	380	380
Parking Meter Fund	280,857	260,184
Dishonoured cheques	1,863	918
Unspent balance of loan	<u>19,750</u>	<u>19,750</u>
	<u>302,850</u>	<u>281,232</u>

**5. MISCELLANEOUS DEPOSITS**

	<b>\$</b>	<b>\$</b>
This comprised of:		
Rent securities	17,990	17,790
Subrail Park security	9,447	9,128
Tender deposits	2,600	2,000
Car park contributions	-	100,878
Drains, streets, roads, footpaths	46,479	41,969
Library books	12,230	11,870
Hire of auditorium	6,937	5,817
Hire of chairs and tables	3,062	3,162
Naodamu Park security	200	200
Installation of banner	900	750



**LABASA TOWN COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)**  
**Year Ended 31 December 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>5. MISCELLANEOUS DEPOSITS (continued)</b>		
Cleaning of market and public toilets	3,000	3,000
Garbage service security	-	11,392
Telecom Upgrading Project	5,000	5,000
Telecom Civil Works	10,000	-
	<u>117,845</u>	<u>212,956</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>	<b>\$</b>	<b>\$</b>
Balance at 1 January	285,613	361,921
Add Loan raised	-	-
	<u>285,613</u>	<u>361,921</u>
Less Repayment	54,235	76,308
Add Penalty Charged	4,399	-
Balance at 31 December	<u>235,777</u>	<u>285,613</u>

**7. ACCUMULATED FUND - GENERAL FUND**

	<b>\$</b>	<b>\$</b>
This consists of:		
Lighting Fund account	124,664	112,594
Fire Service Fund account	19,429	19,429
Car Park Fund account	114,878	-
	<u>258,971</u>	<u>132,023</u>
Deduct Overdrawn account:		
General Fund account	(34,595)	(53,332)
Loan Repayment Fund account	(114,146)	(149,158)
	<u>(148,741)</u>	<u>(202,490)</u>
Deficit Balance at 31 December	<u>110,230</u>	<u>(70,467)</u>

## LABASA TOWN COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd) Year Ended 31 December 2008

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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 2008, received a 10% discount;  
Rates paid in full by 28th February 2008, received a 7.5% discount;  
Rates paid in full by 31st March 2008, received a 5% discount.

	2008	2007
Account:	\$	\$
General Fund account	14,778	59,730
Lighting Fund account	2,506	10,130
Loan Repayment account	4,010	16,209
	<u>21,294</u>	<u>86,069</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 2008 was \$267 (2007: \$267).

#### 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:

	2008	2007
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 2008**

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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>2008</b>	<b>2007</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>119,945</u>	<u>60,510</u>
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