



LABASA TOWN COUNCIL



ANNUAL REPORT 2010



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 110 OF 2020



LABASA TOWN COUNCIL

Annual Report for the Year 2010



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 2010.

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

The Annual Report 2010 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 2010 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 2010, 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, 2010 to December 31, 2010 (s19).

THE COUNCIL

The Ministry of Local Government, Urban Development, Housing and Environment appointed **Mr. Vijay Chand JP** as the Special Administrator of Labasa & Savusavu Town Council's on the 11th of February, 2009.

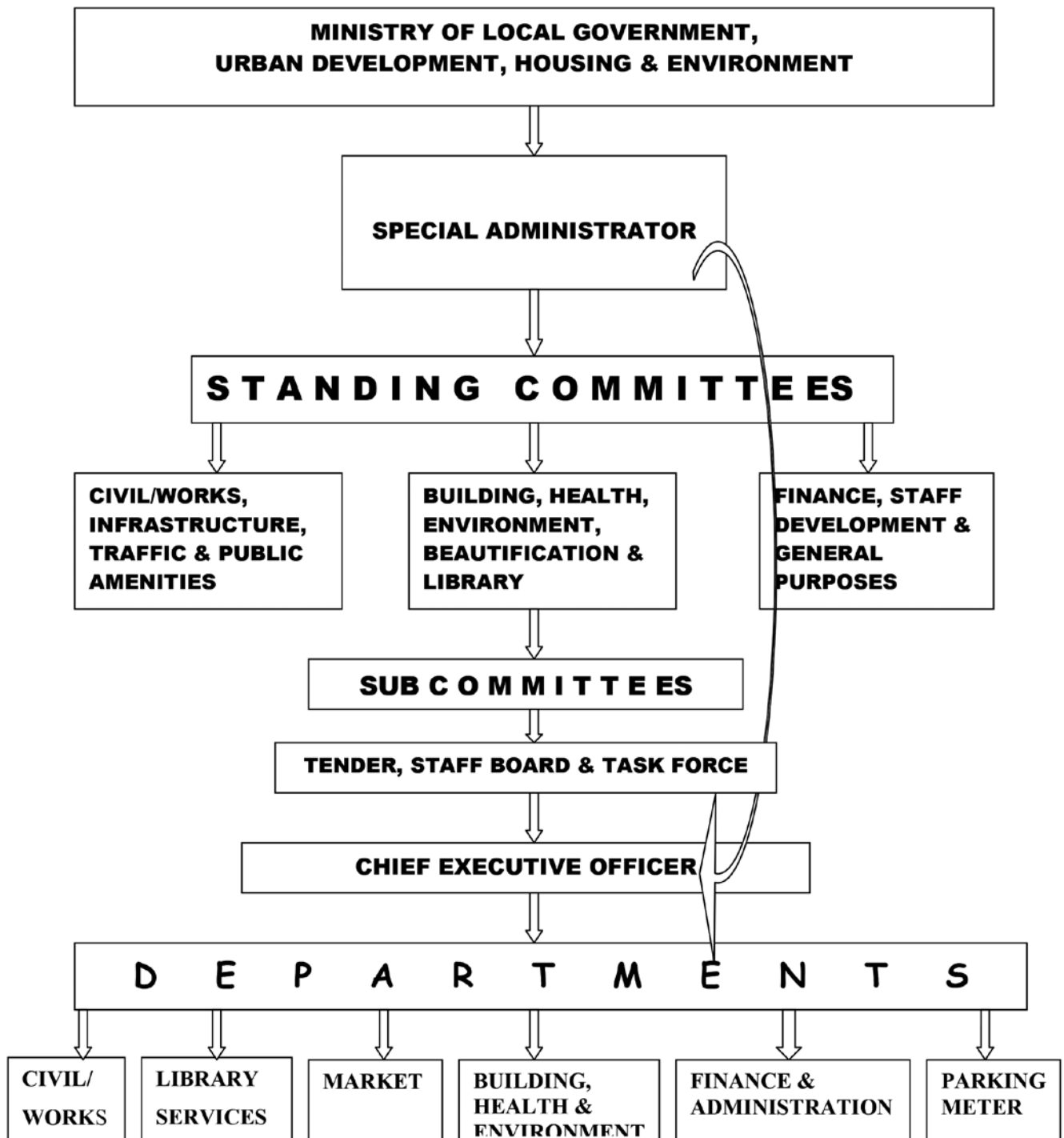
This appointment was as in Section 9A(1) of the Local Government (Amendment) Promulgation 2008 (Promulgation no. 29 of 2008).

The Special Administrator under subsection 1 shall be deemed to the duly constituted council of the assigned municipality and shall subject to any general or specific directions issued by the Minister, have the power to perform and discharge all rights, privileges, powers, duties and functions vested in or conferred or imposed on the council, and any officer of the council by the Act or ant other written Law.

SENIOR OFFICERS OF THE COUNCIL

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
Works Supervisor	-	Mr Ram Datt Khewal
Parking Meter Supervisor	-	Mr Ashok Kumar
Town Ranger/Litter Officer	-	Mr. Roneel Lal

ORGANISATION STRUCTURE



POPULATION

Estimated population for 2010 (census 2007):

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 2010 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
=====

ACTIONS AGAINST DEFAULTING RATEPAYERS

The Council is taking the following actions against defaulting ratepayers to enhance rate collection, especially arrears of rates:

- House to house rate collections (most effective)
- Payment of rates by instalments (most effective)
- Reminder notices served to defaulters
- Summons through Small Claims Tribunal
- Lodging of Fiji Charge on property owing huge rates
- Forward to Solicitors for High Court action
- Deductions at source
- Data Bureau registration

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.

CUSTOMER SERVICES AND OUTREACH PROGRAMS

- Crime Free Labasa Town was declared on the 17/06/10 for safety and security in town area
- Working with Friendly North Festival Committee in organising a week long Northern Festival
- Commenced Ratepayers consultation ward by ward - Naiyaca Subdivision
- Supported Yellow Ribbon Campaign - provided inmates wives spaces to sell food parcels
- Helped Ministry of Health in providing access to Council dumpsite to cater for peri urban household garbage
- Supported all other Government Depts, Statutory Organisations & NGO's in various campaigns & programs such as PSC Week, Fiji Red Cross Society Appeal, National Fire Authority Open & Family Day, Save the Children's Fund program, Ministry of Health programs, etc



UPGRADING OF FOOTPATH ALONG MAIN STREET

Footpath Maintenance: 2.0km- resurfacing \$70,000 **50% Challenge Fund**
Contracted out to Pyare Industries



COUNCIL OPEN DAY

Council Open day was held and ratepayers & stakeholders were invited. Council in partnership with Festival Committee and HOPE Volunteers has drawn and placed a map of Vanua Levu and a town map at strategic locations depicting all areas for public information.



ROAD WORKS

Resealing of Major roads were done earlier during the year



FINANCIAL OVERVIEW

- New valuation in effect from Jan 2010
- \$300,000 loan taken in 1996, paid off in June
- Financial accounts 2009 - audited, to publish
- Public Accounts Committee Interview - 16th Nov : 2004 audit qualifications
- Separate parking meter fund account maintained
- Refund of car park fund \$27,500
- Recruitment of Accountant - appl. closed, shortlist
- Valuation of Property, plant & equipment for accrual accounting - EOI called
- Switching to Accrual Accounting - 01/01/11
- Newsletter - Babasiga Beat released at end of June & next by Dec end
- Community news board outside Council premises: highlights major news, events & activities
- Monthly minutes & reports to Ministry

FESTIVAL OF THE FRIENDLY NORTH

The festival of the friendly North Committee made yet more contributions to the Town of Labasa.

A new fitness centre



Refurbished Squash Court



The Council therefore, thanks and appreciates the work done by the festival committee.

REINSTATING THE TOWN AFTER CYCLONE THOMAS



MAJOR PROJECTS COMPLETED

Fencing of portion of Labasa market \$18,000 Japanese aid



Installation of Water Tanks - at market \$5,500 **Japanese aid**



Main Market Roof:- replaced asbestos roof \$15,000



Subrail Park enclosure maintenance \$18,500



New market stalls (85) \$8,500



PROPOSED PROJECTS

- Civic Centre Building interior painting & renovation \$40,000
- Re-layout of interior lights of market 1& 2 \$12,400 **IN PROGRESS**
- New parking meters \$35,000
- Installation of Welcome Boards to Labasa Town \$5,000
- Valuation of Council Assets for accrual accounting \$40,000
- Litter Bins:- installation of rubbish bins \$10,000
- Ground No. 2 & Naodamu Ground Toilet:- renovation \$5,750
- Traffic & Street signs refurbishment \$6,500 **IN PROGRESS**
- Drainage Maintenance:- removing silt from underground culverts
\$15,000 **IN PROGRESS**
- Drainage Chamber:- construction \$20,000
- Drainage Rock lining \$20,000 **IN PROGRESS**

APPRECIATION

The Council acknowledges and appreciates Hope Volunteer group in assisting the erection of Vanualevu Map situated at the Civic Center and in Town.



The council also 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.

Mr. Vijay Chand JP
SPECIAL ADMINISTRATOR



REPUBLIC OF THE FIJI ISLANDS
OFFICE OF THE AUDITOR GENERAL

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

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



Excellence in Public Sector Auditing

File 735/1

16 January 2012

Mr. Vijay Chand
The Special Administrator
Labasa Town Council
P O Box 92
LABASA

Dear Mr. Chand

LABASA TOWN COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Audited financial statements for the Labasa Town Council for the year ended 31 December 2010 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have already been forwarded to the Council for necessary action.

Yours sincerely

Tevita Bolanavanua
AUDITOR GENERAL

Encl.

Cc: Minister for Local Government, Urban Development, Housing & Environment
Chief Executive Officer, Labasa Town Council

**LABASA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**LABASA TOWN COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the Labasa Town Council for the year ended 31 December 2010 in accordance with the provision of the Local Government Act and Section 13 of the Audit Act. The financial statements consist of the Statement of Financial Position, Statement of Revenue and Expenditure, Statement of Cash flows and accompanying notes. The Council is responsible for the preparation and presentation of the financial statements and the information contained therein. My responsibility is to express an opinion on these financial statements.

My audit has been conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material 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 the Fiji Accounting Standards and statutory requirements, so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and its cash flows.

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

Audit Opinion

In my opinion, the financial statements present fairly in accordance with the Fiji Accounting Standards and statutory provisions, the financial position of the Council as at 31 December 2010 and the results of its operations and cash flows for the year then ended.

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

- The Council did not provide a provision for doubtful debts for its rates and parking meter receivables totaling \$1,806,700. If a provision for doubtful debts was provided in the accounts, the net surplus would decrease and consequently, the accumulated fund will decrease by the same amount.

Tevita Bolanavanua
AUDITOR GENERAL

Suva, Fiji
16 January 2012



**LABASA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
Current Assets			
Cash at bank	2(a)	113,369	77,769
Receivables	3	1,636,578	-
Advances	4	311,367	306,782
Prepayments		14,404	-
VAT Receivable		-	17,355
Total Current Assets		2,075,718	401,906
Non-Current Assets			
Fixed assets financed from loan fund		-	94,190
Property, Plant & Equipment	5 (a)	18,185,826	-
Total Assets		20,261,544	496,096
Current Liabilities			
Accounts payable and accruals		68,668	-
Miscellaneous deposits	6	144,224	123,447
Rates received in advance		3,509	7,571
Other accruals & payables		7,950	-
VAT payable		4,828	-
Total Current Liabilities		229,179	131,018
Non-Current Liabilities			
Loan funds less repayment	7	45,373	139,583
Total Liabilities		274,552	270,601
Net Assets		19,986,992	225,495
Municipal Funds			
Accumulated Funds	8(a)	1,889,123	225,495
Asset Revaluation Reserves	10	18,097,869	-
Total Municipal Funds		19,986,992	225,495


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 19.

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 2010 and of the state of affairs and cash flows as at that date.


.....
Vijay Chand
Special Administrator

Date: 21/12/11


.....
Jitendra Prasad
Town Clerk/CEO

Date: 21/12/11

**LABASA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
Revenue			
Administration fees		9,173	17,607
Bank interest		26	388
Building fees		9,092	7,597
Bus station, car park and taxi base fees		63,649	56,939
Business, trading, professional & licenses fee		144,961	115,282
Contribution for management expenses	13	4,037	4,037
Garbage fees arrears	12	2,040	2,011
Gate fees - sports ground/squash courts		23,522	12,377
General rates		434,188	342,825
General rates on state land		22,984	21,179
Interest on overdue account		3,444	2,945
Interest on overdue rates		130,816	28,240
Market fees		211,032	196,703
Miscellaneous		50,041	79,565
Playing field hire charge		31,425	26,280
Government grant		-	31,111
Rent from council properties		170,233	156,702
Sale of Garbage Truck		-	3,556
Transfer from Parking Meter Fund Account		-	3,612
Total Revenue		1,310,663	1,108,956
Expenditure			
Acquisition of land application fees		-	550
Advertising		3,409	3,959
Anti mosquito campaign litter awareness		1,861	2,527
Audit fees		23,434	14,444
Charity Queen		3,000	-
Civic reception & entertainment		5,769	4,584
Computer software		3,535	5,644
Cyclone Ami rehabilitation		8,735	4,430
Financial loss allowance		-	175
FNPF contribution		45,966	42,125
Garbage services		88,464	74,691
Incidental		11,619	12,873
Insurance		11,665	17,571
Laborers wages		301,674	-
Land rent		22,235	36,311
Legal expenses		6,458	13,841
Maintenance of plants & equipment		49,171	58,115
Maintenance - market, pavillion & public convenience		110,811	165,831
Maintenance - roads, footpath, drains and parks		68,769	128,714
Maintenance services on contract		1,037	35,172
Mayoral allowance		-	500
Medical consultation fees		833	1,237
Personal emoluments		220,350	212,436
Printing, stationery and equipment		16,133	11,827
Staff training development		4,191	407

**LABASA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
Subscription		1,232	300
Tea expenses		1,818	1,442
Telephone/water and electrical charges		66,993	51,034
Town Planning Fees		10,144	-
TPAF Levy		4,670	9,088
Access & Reclamation of Garbage Dump		4,724	10,378
Travelling & subsistence		14,765	14,904
Uniform & protective clothing expenses		10,137	7,936
Valuation fees		15,556	15,556
Total Operating Expenditure		1,139,158	958,602
Capital Expenditure			
Construction of temporary toilet		-	8,503
Construction of market 3 & 4 enclosure		-	11,773
Construction of toilets		-	76,765
Purchase of vehicle		-	28,000
Upgrading of footpath		-	27,103
Purchase of computer		-	3,622
Purchase of tools and equipment		-	12,697
Traffic and street signs		-	792
Upgrading of roads		-	17,778
Construction of food shelter		-	2,298
Total Capital Expenditure		-	189,331
Total Expenditure		1,139,158	1,147,933
Net Surplus/(Deficit)	8(a)	171,505	(38,977)

The Statement of Revenue and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.

LABASA TOWN COUNCIL
 LIGHTING FUND ACCOUNT
 STATEMENT OF REVENUE AND EXPENDITURE
 FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Revenue			
Lighting rate		73,641	60,891
Lighting rate on state land		3,898	3,592
Total Revenue		<u>77,539</u>	<u>64,483</u>
Expenditure			
Administrative charges to general fund	13	1,011	1,011
Installation of street lights		2,533	309
Maintenance & installation of festoon lights		6,207	-
Maintenance of street lights		57,085	43,806
Total Expenditure		<u>66,836</u>	<u>45,126</u>
Surplus for the year	8(a)	<u>10,703</u>	<u>19,357</u>

The Statement of Revenue and Expenditure for lighting fund is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.

LABASA TOWN COUNCIL
 FIRE SERVICE FUND ACCOUNT
 STATEMENT OF REVENUE AND EXPENDITURE
 FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
Revenue		
Fire service rate - arrears	-	-
Total revenue	<u>-</u>	<u>-</u>
Expenditure		
Total Expenditure	<u>-</u>	<u>-</u>
Surplus for the year	-	-
Accumulated funds at the beginning of the year	19,429	19,429
Accumulated funds at the end of the financial year	<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
 FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Revenue			
Loan rate		117,826	103,788
Loan rate on state land		6,237	5,747
Total Revenue		<u>124,063</u>	<u>109,535</u>
Expenditure			
Interest charges		7,455	20,212
Principal repayment		94,190	98,517
Total Expenditure		<u>101,645</u>	<u>118,729</u>
Surplus for the year	8(a)	<u>22,418</u>	<u>(9,194)</u>

The Statement of Revenue and Expenditure for loan repayment fund is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.

LABASA TOWN COUNCIL
CAR PARK FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Total Revenue		<u>-</u>	<u>-</u>
Total Expenditure		<u>-</u>	<u>-</u>
Accumulated Funds at the beginning of the year		114,878	114,878
Transfer to Miscellaneous Deposit	8(a)	(12,500)	-
Accumulated Funds at the end of the year		<u><u>102,378</u></u>	<u><u>114,878</u></u>

The Statement of Revenue and Expenditure for car park fund is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.

**LABASA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts from operations		1,092,563	1,129,349
Interest		134,260	31,185
Payments to Suppliers and employees		(1,125,684)	(1,011,611)
Net Cash provided by Operating Activities	14 (b)	<u>101,139</u>	<u>148,923</u>
Cash Flows from Investing Activities			
Advance to Parking Meter		-	11,828
Acquisition of property, plant and equipment		(87,957)	(189,331)
Net Cash (used in) Investing Activities		<u>(87,957)</u>	<u>(177,503)</u>
Cash Flows from Financing Activities			
Loan Rate		124,063	109,534
Interest		(7,455)	(20,212)
Loan Repayment		(94,190)	(98,517)
Net Cash provided by/(used in) Financing activities		<u>22,418</u>	<u>(9,195)</u>
Net increase/(decrease) in Cash held		35,600	(37,775)
Balance at the beginning of the year		77,769	115,544
Net cash at the end of the year	14(a)	<u><u>113,369</u></u>	<u><u>77,769</u></u>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.

LABASA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Current Assets			
Cash at bank	2 (b)	7,332	5,803
Receivables		251,226	-
Total Current Assets		<u>258,558</u>	<u>5,803</u>
Non-Current Assets			
Property, Plant & Equipment	5 (b)	986	-
Total Non - Current Assets		<u>986</u>	<u>-</u>
Total Assets		<u>259,544</u>	<u>5,803</u>
Current Liabilities			
Creditors & Accrual		352	-
VAT Payable		282	-
Total Current Liabilities		<u>634</u>	<u>-</u>
Non Current Liabilities			
Advance from General Fund		288,640	289,072
Total Liabilities		<u>289,274</u>	<u>289,072</u>
Net Asset		<u>(29,730)</u>	<u>(283,269)</u>
Municipal Funds			
Accumulated Funds	8(b)	(30,716)	(283,269)
Asset Revaluation Reserves	10	986	-
Total Municipal Funds		<u>(29,730)</u>	<u>(283,269)</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 19.

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 2010 and of the state of affairs and cash flows as at that date.


.....
Vijay Chand
Special Administrator

Date: 21/12/11


.....
Jitendra Prasad
Town Clerk/CEO

Date: 21/12/11

**LABASA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
Revenue			
Meter tolls		46,363	20,754
Infringement fine		27,354	7,875
Total revenue		<u>73,717</u>	<u>28,629</u>
Expenditure			
Administrative charges to general fund		3,026	3,026
Fiji National Provident Fund contribution		1,476	1,879
TPAF levy		214	295
Maintenance of parking meters including parking bays		1,448	3,710
Miscellaneous		5,373	300
Office rent		-	1,200
Printing & stationery		1,445	812
Purchase of office uniform		299	1,137
Wages and related payments		18,501	18,382
Insurance		-	300
Advance to General Fund Account		-	3,612
Total expenditure		<u>31,782</u>	<u>34,653</u>
Net Surplus/(Deficit)	8(b)	<u>41,935</u>	<u>(6,024)</u>

The Statement of Revenue and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.

LABASA TOWN COUNCIL
PARKING METER ACCOUNT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts from operation		32,959	40,456
Payments to suppliers and employees		(31,430)	(34,653)
Net Cash provided by Operating Activities	15 (b)	<u>1,529</u>	<u>5,803</u>
Net increase in Cash held		1,529	5,803
Balance at the beginning of the year		<u>5,803</u>	<u>-</u>
Net cash at the end of the year	15 (a)	<u><u>7,332</u></u>	<u><u>5,803</u></u>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 19.

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010. The Council has adopted accrual basis of accounting for all financial transactions since 2010 to comply with provisions of the Local Government Act and Fiji Accounting Standard.

a) Statement of Compliance

The financial statement have been prepared in accordance with the provisions of the Local Government Act and Fiji Accounting Standards.

b) Basis of Preparation

The financial statements have been prepared on the basis of historical costs and except where stated, do not take into account changing money value or current valuation of non-current assets. These accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous year.

c) Property, Plant and Equipment

Property, Plant and Equipment are disclosed at fair value. The revaluation was carried out by Landworths PRC on 31 December 2010.

Items of property, plant and equipment are depreciated over their estimated useful life. The straight-line method of depreciation is used. The principal rates employed by the Council are as follows:

Buildings	2.50%
Furniture and Equipment	10%
Plant, Machine and Tools	10%
Motor Vehicles	10%
Road, Footpath and Drains	10%
Street Lights	10%

Profit and losses on disposal of property, plant and equipment are recognized in the Statement of Revenue and Expenditure.

d) Revenue Recognition

Revenue is recognised in the Statement of Income and Expenditure when charged to the ratepayers by the Council. The major sources of revenue are collections in the form of General rates, Loan rates and fees and charges.

e) Trade and Other Receivables

Receivables are stated at expected realisable value as certified by the Council when they are identified.

f) Trade and Other Payables

Trade and other payables are stated at cost.

g) Income Tax

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

h) Comparatives

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year. The comparative figures are stated on cash basis of accounting.

i) Reporting Currency

The financial statements are presented in Fiji dollars, rounded to the nearest dollar.

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
2 CASH AT BANK		
a) GENERAL FUND ACCOUNT		
Current account	112,609	77,451
Imprest account	760	318
	<u>113,369</u>	<u>77,769</u>
b) PARKING METER ACCOUNT		
Cash at Bank	7,332	5,803
	<u>7,332</u>	<u>5,803</u>
3 RECEIVABLES		
Rates debtors	476,089	-
Interest	1,079,385	-
Business licenses	65,184	-
Carrier Stand Fees	180	-
Taxi Stand Fees	1,290	-
Bus Station Fees	4,009	-
Rent	10,441	-
	<u>1,636,578</u>	<u>-</u>
4 ADVANCES		
Parking Meter Fund	288,640	283,269
Dishonoured cheques	2,977	3,763
Unspent balance of loan	19,750	19,750
	<u>311,367</u>	<u>306,782</u>
5 PROPERTY, PLANT & EQUIPMENT		
a) GENERAL FUND		
<u>Land & Buildings</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	7,136,100	-
Balance as at 31 December 2010	<u>7,136,100</u>	<u>-</u>
<u>Drains</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	1,247,859	-
Balance as at 31 December 2010	<u>1,247,859</u>	<u>-</u>
<u>Office Equipment</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	141,594	-
Balance as at 31 December 2010	<u>141,594</u>	<u>-</u>
<u>Plants, Machinery & Tools</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	260,023	-
Balance as at 31 December 2010	<u>260,023</u>	<u>-</u>
<u>Roads</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	8,418,720	-
Balance as at 31 December 2010	<u>8,418,720</u>	<u>-</u>

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
5 PROPERTY, PLANT & EQUIPMENT (Cont'd)		
a) GENERAL FUND (Cont'd)		
<u>Footpath</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	589,500	-
Balance as at 31 December 2010	<u>589,500</u>	<u>-</u>
<u>Kerbs</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	120,480	-
Balance as at 31 December 2010	<u>120,480</u>	<u>-</u>
<u>Channel</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	271,550	-
Balance as at 31 December 2010	<u>271,550</u>	<u>-</u>
Written Down Value of Property, Plant & Equipment	<u>18,185,826</u>	<u>-</u>
b) PARKING METER FUND		
<u>Office Equipment</u>		
Carrying amount at the beginning	-	-
Add: Revaluation	986	-
Balance as at 31 December 2010	<u>986</u>	<u>-</u>
Written Down Value of Property, Plant & Equipment	<u>986</u>	<u>-</u>
6 MISCELLANEOUS DEPOSITS		
Rent securities	21,809	18,353
Subrail Park security	12,647	9,547
Tender deposits	2,600	2,600
Installation of internet	35	35
Drains, streets, roads, footpaths	55,179	55,879
Library books	13,250	12,790
Hire of auditorium	7,090	6,929
Hire of chairs and tables	3,512	3,112
Naodamu Park security	200	200
Installation of banner	1,200	1,050
Cleaning of market and public toilets	4,250	3,000
Garbage service security	4,952	4,952
Telecom upgrading project	5,000	5,000
Car Park Contribution	12,500	-
	<u>144,224</u>	<u>123,447</u>

LABASA TOWN COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2010**

7 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	2010	2009
	\$	\$
Balance at 1 January	139,583	235,777
Add: Loan raised	-	-
	<u>139,583</u>	<u>235,777</u>
Less: Repayment	101,665	98,517
Add: Interest Charged	7,455	2,323
Balance as at 31 December	<u><u>45,373</u></u>	<u><u>139,583</u></u>

8 ACCUMULATED FUND

a) GENERAL FUND ACCOUNT

Balance as at 1 January	225,495	254,309
Prior year adjustment	1,471,502	-
	<u>1,696,997</u>	<u>254,309</u>
Surplus/(Deficit) - General Fund account	171,505	(38,977)
Surplus - Lighting Fund account	10,703	19,357
Surplus/(Deficit) - Loan Repayment Fund account	22,418	(9,194)
Transfer to Miscellaneous Deposit - Car Park Fund account	(12,500)	-
Balance as at 31 December	<u><u>1,889,123</u></u>	<u><u>225,495</u></u>

b) PARKING METER ACCOUNT

Balance as at 1 January	(283,269)	(277,245)
Prior year adjustment	210,618	-
	<u>(72,651)</u>	<u>(277,245)</u>
Surplus/(Deficit) from operations	41,935	(6,024)
Balance as at 31 December	<u><u>(30,716)</u></u>	<u><u>(283,269)</u></u>

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
9 DISCOUNTS ON RATES		
The Council resolved to grant discounts on rates as follows:		
Rates paid in full by 31st January 2011, received a 10% discount;		
Rates paid in full by 28th February 2011, received a 7.5% discount;		
Rates paid in full by 31st March 2011, received a 5% discount.		
Account:		
General Fund account	10,039	13,915
Lighting Fund account	1,703	2,360
Loan Repayment account	2,724	3,776
	<u>14,466</u>	<u>20,051</u>
10 RESERVES		
<u>Asset Revaluation Reserve - General Fund</u>		
Opening balance	-	-
Valuation during the year	18,097,869	-
Asset Revaluation Reserve	<u>18,097,869</u>	<u>-</u>
<u>Asset Revaluation Reserve - Parking Meter Fund</u>		
Opening balance	-	-
Valuation during the year	986	-
Asset Revaluation Reserve	<u>986</u>	<u>-</u>
11 PRIOR PERIOD ADJUSTMENT		
Since the Council has changed its accounting policy from cash to accrual basis of accounting in 2010, prior period adjustments has been made to account for assets and liabilities relating to prior period.		
12 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 2010 was \$2,040 (2009: \$2,011).		
13 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>

LABASA TOWN COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2010**

14 NOTES TO STATEMENT OF CASH FLOWS - GENERAL FUND ACCOUNT

a) Reconciliation of cash:

For the purpose of statement of cash flows, cash includes cash at bank and on hand. 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:

	2010 \$	2009 \$
Cash on Hand and at Bank	<u>113,369</u>	<u>77,769</u>

b) Reconciliation of operating profit to cash provided by operating activities:

Net Surplus / (Loss) for the year	169,708	(33,215)
Prior year adjustment	1,471,502	-
Transfer of Funds	-	6,724
Payments to Parking Meter	-	(11,828)
Principal Repayment	-	123,130
Capital Expenditure	-	189,331
Loan Rate	-	(109,535)
	<u>1,641,210</u>	<u>164,607</u>

Changes in assets and liabilities during the financial period:

(Increase) in Receivables	(1,636,578)	-
(Increase) in Prepayments	(14,404)	-
Increase in Payables	68,668	-
Increase in other payables	7,950	-
(Increase) / Decrease in Sundry Advance	(4,082)	947
(Increase) in advances	(4,585)	(3,932)
Decrease in Miscellaneous Deposits	20,777	5,602
Increase / (Decrease) in Vat payable	22,183	(18,302)
	<u>(1,540,071)</u>	<u>(15,685)</u>
Net cash provided by Operating activities	<u>101,139</u>	<u>148,922</u>

LABASA TOWN COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2010****15 NOTES TO STATEMENT OF CASH FLOWS - PARKING METER ACCOUNT****a) Reconciliation of cash:**

For the purpose of statement of cash flows, cash includes cash at bank and on hand. 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:

	2010 \$	2009 \$
Cash on Hand and at Bank	<u>7,332</u>	<u>5,803</u>

b) Reconciliation of operating profit to cash provided by operating activities:

Net Surplus / (Loss) for the year	41,935	(6,024)
Prior year adjustment	210,618	-
Transfer of Funds	-	3,612
	<u>252,553</u>	<u>-2,412</u>

Changes in assets and liabilities during the financial period:

(Increase) in Receivables	(251,226)	-
Increase in other payables	352	-
(Increase) / Decrease in Sundry Advance	(432)	8,215
Increase in Vat payable	282	-
	<u>(251,024)</u>	<u>8,215</u>

Net cash provided by Operating activities

<u>1,529</u>	<u>5,803</u>
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16 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.

17 CONTINGENT LIABILITY

The Council is not aware of any contingent liability as at 31 December 2010 (2009: Nil).

18 CAPITAL COMMITMENTS

The Council is not aware of any capital commitment as at 31 December 2010 (2009: Nil).

19 SUBSEQUENT EVENTS

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

