



LABASA TOWN COUNCIL



ANNUAL REPORT 2012



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 211 OF 2020



LABASA TOWN COUNCIL

Annual Report for the Year 2012



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 2012.

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

The Annual Report 2012 has been prepared in the accordance with the provisions of section 19 (1) (a), (b) and (c) of the Local Government Act Cap.125

Yours Faithfully

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

Mr. Sumeet Prasad

For Chief Executive Officer

Labasa Town Council

FORWARD

Labasa Town Council is delighted to present the 2012 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 2012, 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, 2012 to December 31, 2012 (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
Accountant	-	Mr Anit K Solanki
Properties Manager	-	Mr Chandrika Prasad
Health Inspector/Building Surveyor	-	Mr Mohammed Faiz Ali
Librarian	-	Mrs Subhag L Nadan
Market Manager	-	Mr Satya Nand
Works Supervisor/ Town Ranger	-	Mr Roneil Lal
Parking Meter Supervisor	-	Mr Ashok Kumar

**MINISTRY OF LOCAL GOVERNMENT,
URBAN DEVELOPMENT, HOUSING & ENVIRONMENT**

**MINISTRY OF LOCAL GOVERNMENT,
URBAN DEVELOPMENT, HOUSING & ENVIRONMENT**

SPECIAL ADMINISTRATOR

STANDING COMMITTEES

**CIVIL/WORKS,
INFRASTRUCTURE,
TRAFFIC & PUBLIC
AMENITIES**

**BUILDING, HEALTH,
ENVIRONMENT,
BEAUTIFICATION &
LIBRARY**

**FINANCE, STAFF
DEVELOPMENT &
GENERAL
PURPOSES**

SUB COMMITTEES

TENDER, OTHER ADHOC COMMITTEES

CHIEF EXECUTIVE OFFICER

D E P A R T M E N T S

**CIVIL/
WORKS**

LIBRARY SERVICES

MARKET

**BUILDING,
HEALTH &
ENVIRONMENT**

**FINANCE &
ADMINISTRATION**

**PARKING
METER**

POPULATION

Estimated population for 2012 (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	-	0.937 cents in the \$ on UV
Lighting Rate	-	0.125 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
- Deductions at source
- Data Bureau registration
- Exercising the provisions in the Local Government Act

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

- Training given to Food Handlers under Food Safety Act.
- Minimum Pollution reported for Qawa River this cane crushing season - strict monitoring undertaken with MRLA
- Enter & abate of overgrowth grass.
- Health Inspectors undertook routine Public Health inspections as required.
- Enforcement of the Tobacco Act by Enforcement Officers. Several offenders were spot fined.
- Cleanup campaigns organized - Youth Groups and Yellow Ribbon Program
- Maintaining air & noise pollution within approved levels.
- Picking up of Garbage From Bulileka Settlement which is 2km outside the Town Boundary.
- Dengue spraying programme confined not only to town but surrounding settlements and villages.
- NFA participation with town and neighboring community on fire safety awareness .

UPGRADING OF FOOTPATH AND DRAINAGE

Drainage upgrading of rock lined drains and V drains at Covata and

Delailabasa Residential Areas.

LIVE BOLLYWOOD SHOWS



HOLI CELEBRATION



BUS STAND ADVERTISING



TOURIST VISITATIONS



DUMPSITE UPGRADE PROPOSAL



ROAD UPGRADE



DUMPSITE ACCESS ROAD UPGRADE



MARKET PAVEMENT UPGRADE



ILLEGAL FISH STALLS



SUBRAIL PARK MAINTENANCE



UN WOMEN IMPROVING MARKETS PROJECT



ENTER & ABATEMENT OF OVERGROWTH



STRAY DOGS & CATS



POULTRY NUISANCE



DUMPSITE SECURITY



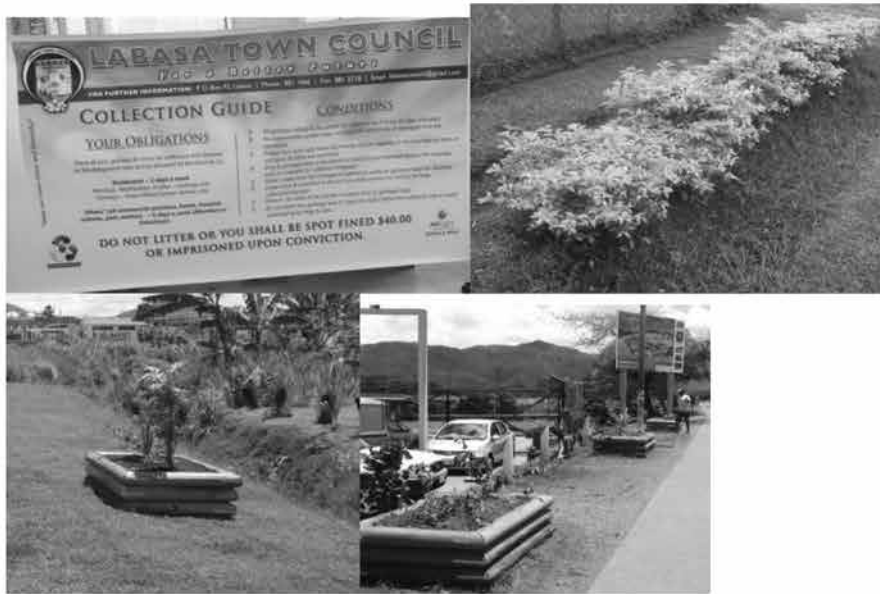
CRIME PREVENTION CARNIVAL



LITTERING



BEAUTIFICATION & AWARENESS



DRAINAGE CLEARING



MILO EXERCISE STATION



SCCOND HAND COUNCIL VEHICLE



COUNCIL QUEEN CONTESTANT



BIGGEST MORNING TEA FOR CANCER



LJCI hands over \$500 for Lahassa's Biggest Morning Tea. Photo: LJITA BUKALIDI

BOG TOURNAMENT



CLEAN UP CAMPAIGNS



MEETING WITH SCAVENGERS



COUNCIL NURSERY



FESTIVAL OF THE FRIENDLY NORTH DONATES RUBBISH BINS



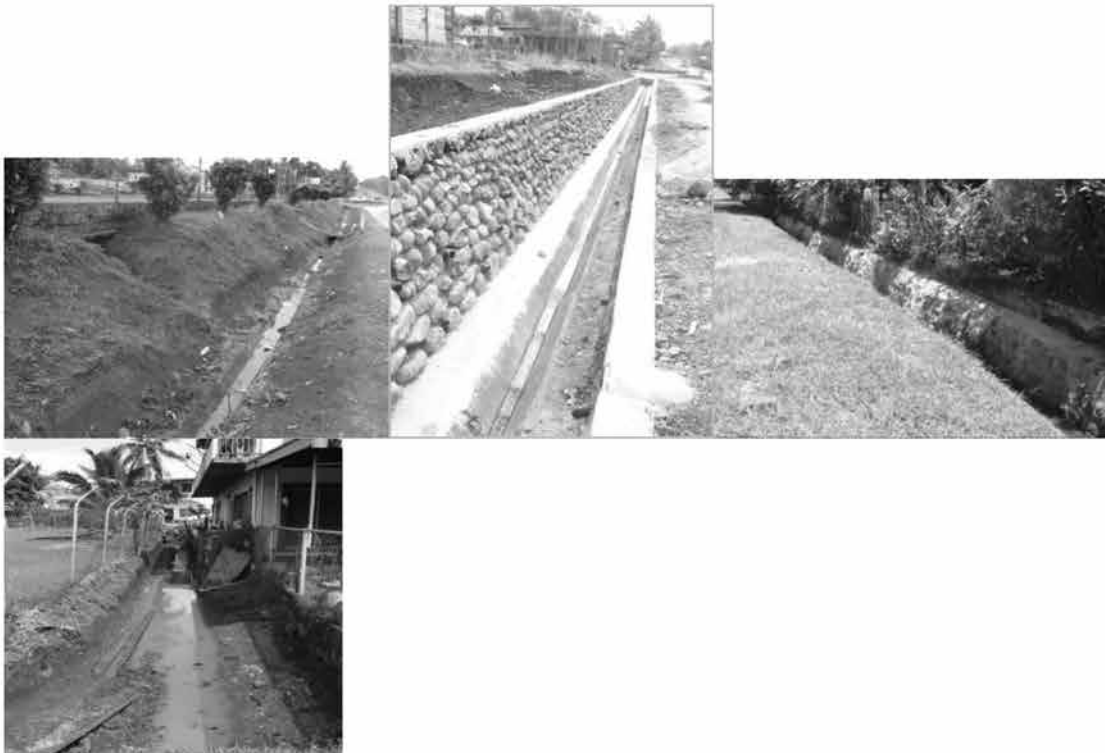
BACKHOE HANDOVER



BACKHOE SHED



DRAINAGE UPGRADE



PAINTING INSIDE LABASA MARKET



UPGRADE OF GROUND NO. 2 TOILET



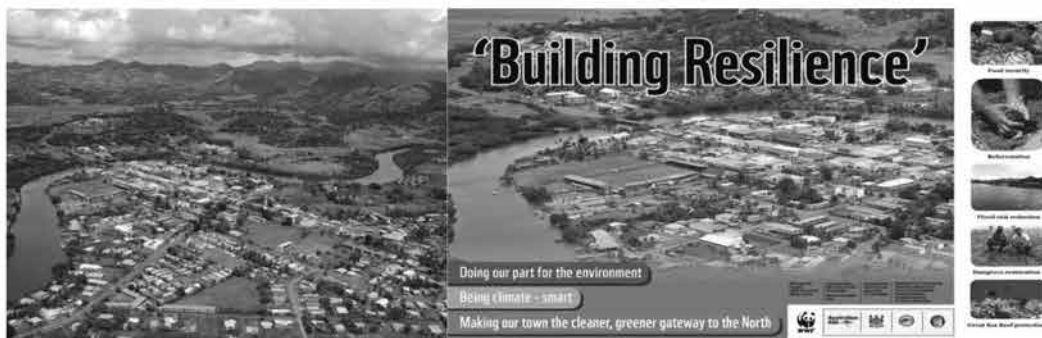
LABASA TOWN COUNCIL WEBSITE



BABASIGA BEAT



BUILDING RESILIENCE TO CLIMATE CHANGE



SQUATTER RESETTLEMENT PROJECT



UNDP TRAINING TO MARKET VENDORS



OLD CITIZENS MEET WITH COUNCIL



CHRISTMAS TREE



CYCLONE



NEW INVESTMENTS



CLIMATE CHANGE SUMMIT



SITTING FACILITIES



WHEELCHAIR FRIENDLY INITIATIVE

Labasa to be a wheelchair friendly town



TENNIS COURT UPGRADE PROPOSAL



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

Mr. Vijay Chand JP
SPECIAL ADMINISTRATOR



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

REPUBLIC OF FIJI
OFFICE OF THE AUDITOR GENERAL

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Excellence in Public Sector Auditing

File 735/1

15 January 2014

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

Dear Mr. Chand

LABASA TOWN COUNCIL
AUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

Audited financial statements for the Labasa Town Council for the year ended 31 December 2012 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 management of the Council for their necessary action.

Yours sincerely

Tevita Bolanavanua
AUDITOR GENERAL

Encl.

LABASA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

**LABASA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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REPUBLIC OF FIJI

OFFICE OF THE AUDITOR GENERAL



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LABASA TOWN COUNCIL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012 INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of Labasa Town Council for the year ending 31 December 2012 in accordance with section 51 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 the accompanying notes. The Council is responsible for the preparation and presentation of the financial statements and the information contained therein.

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

My audit was conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. 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 the 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 provisions so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and 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 the statutory provisions, the financial position of the Labasa Town Council as at 31 December 2012 and the results of its operations and cash flows for the year then ended.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Tevita Bolanavanua
AUDITOR GENERAL



Suva, Fiji
15 January 2013


LABASA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION - GENERAL FUND
AS AT 31 DECEMBER 2012


	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash at bank	2(a)	384,153	177,126
Receivables	3(a)	1,161,100	1,185,656
Advances	4	299,390	311,948
Prepayments		324	324
Work in Progress - Komatsu Backhoe Loader	5	-	220,759
VAT receivable		6,574	-
Total current assets		1,851,541	1,895,813
NON CURRENT ASSETS			
Property, plant and equipment	6	9,156,236	17,307,367
Total non current assets		9,156,236	17,307,367
TOTAL ASSETS		11,007,777	19,203,180
CURRENT LIABILITIES			
Accounts Payable & Accruals		95,317	36,027
Provision for Leave Entitlement		12,077	10,852
Miscellaneous Deposits	8	213,919	175,936
Rates received in advance		11,153	4,576
Vat Payable		-	8,874
Total current liabilities		332,466	236,265
NON CURRENT LIABILITIES			
Loan Funds	9	-	-
Deffered income	7	182,366	191,964
Total non current liabilities		182,366	191,964
TOTAL LIABILITIES		514,832	428,229
NET ASSETS		10,492,945	18,774,951
MUNICIPAL FUNDS			
Accumulated funds		1,012,942	1,244,502
Asset revaluation reserves	11	9,480,003	17,530,449
TOTAL MUNICIPAL FUNDS		10,492,945	18,774,951

(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 16 to 27)

Council's Statement

In our opinion, the General Fund 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 2012 and its state of affairs and cashflows as at that date.

.....

Jitendra Prasad
Town Clerk/CEO
Date:

.....

Vijay Chand
Special Administrator
Date: 27/12/12

LABASA TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUND - GENERAL FUND
AS AT 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
Balance as at the beginning of the year		1,244,502	1,889,123
Surplus/ (Deficit) General Fund account		(287,364)	(753,551)
Surplus - Lighting Fund account		42,882	15,687
Surplus/ (Deficit) - Loan Repayment Fund account		-	125,172
Surplus/ (Deficit) - Fire Service Fund account		-	(19,429)
Transfer to Miscellaneous Deposits - Car Park Fund account		(12,500)	(12,500)
Decrement of Fixed Assets		25,422	-
Balance as at the end of the year		1,012,942	1,244,502

(The Statement of Changes in Accumulated Fund is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)

LABASA TOWN COUNCIL
STATEMENT OF REVENUE AND EXPENDITURE - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
REVENUE			
Administration Cost		10,667	7,983
Amortisation of Deffered Income	7	9,598	-
Bank Interest		-	24
Building fees		11,796	6,689
Bus station, car park and taxi base fees		94,242	60,863
Business, trading and other licenses		188,094	134,834
Contribution for management expenses	13	4,037	4,037
Garbage fess	12	117,652	609
Gate fees - sports ground/squash courts		49,384	49,027
General rates		585,448	465,010
Interest on overdue account		1,663	2,592
Interest on overdue rates		104,089	83,167
Market fees		356,804	215,940
Miscellaneous		95,610	51,162
Playing field hire charge		26,074	21,604
Rent from council properties		161,065	159,803
Total Revenue		1,816,223	1,263,344

EXPENDITURE

Acquisition of land application fees	15,913	-
Advertising	4,181	3,344
Anti mosquito campaign litter awareness	5,221	2,808
Audit and accounting fees	19,836	-
Business license written off	-	30,370
Charity Queen	-	195
Civic reception & Entertainment	6,342	5,099
Computer Software	4,744	3,132
Depreciation	373,502	357,006
Doubtful Debts	76,755	384,052
FNPF contribution	50,930	45,037
Garbage services	105,788	86,342
Incidental	14,536	24,316
Insurance	13,211	11,715
Interest written off	-	55,371
Labourers Wages	408,927	338,536
Land rent	18,059	23,874
Legal expenses	32,790	3,207
Loss on disposal of fixed assets	20,922	-
Maintenance and operation of expense of plants & equipment	59,860	48,234
Maintenance expenses - market, pavilion & public convenience	137,744	118,471
Maintenance of roads, footpath, drains and parks	180,307	28,170
Medical consultation fees	1,075	2,209
Personal emoluments	257,308	241,158
Printing, stationery and equipment	21,595	17,185
Rent written off	2,940	-
Staff training development	261	1,338

LABASA TOWN COUNCIL
STATEMENT OF REVENUE AND EXPENDITURE - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
EXPENDITURE CONT'D			
Subscription		495	324
Tea expenses		295	1,874
Telephone/water and electrical charges		198,403	104,645
Town planning Fees		280	131
TPAF		6,598	5,355
Access & Reclamation of Garbage Dump		4,965	-
Travelling & subsistence		23,861	26,624
Uniform & protective clothing expenses		15,474	10,580
Valuation fees		471	13,063
Discount Allowed	10	19,998	23,130
Total Expenditure		2,103,587	2,016,895
Net Deficit		(287,364)	(753,551)

(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 16 to 27)

LABASA TOWN COUNCIL
STATEMENT OF REVENUE AND EXPENDITURE - LIGHTING FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
The Revenue for the year was derived from			
Lighting rate		78,101	78,886
Lighting rate on state land		-	-
Total Revenue		<u>78,101</u>	<u>78,886</u>
The expenditure for the year was incurred on			
Administration charges to general fund	13	1,011	1,011
Installation of street Lights		317	7,348
Maintenance & installation of festoon light		1,278	2,782
Maintenance of street light		32,613	52,058
Total Expenditure		<u>35,219</u>	<u>63,199</u>
Net Surplus		<u><u>42,882</u></u>	<u><u>15,687</u></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 16 to 27)

LABASA TOWN COUNCIL
STATEMENT OF REVENUE AND EXPENDITURE - FIRE SERVICE FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
The Revenue for the year was derived from			
Fire service rate - arrears		-	-
Total revenue		<u>-</u>	<u>-</u>
The expenditure for the year was incurred on			
		-	19,429
Total Expenditure		<u>-</u>	<u>19,429</u>
Net Deficit for the year		-	(19,429)
Add Surplus balance as at 1st January		<u>-</u>	<u>19,429</u>
Surplus balance as at 31 December 2012		<u><u>-</u></u>	<u><u>-</u></u>

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

LABASA TOWN COUNCIL
STATEMENT OF REVENUE AND EXPENDITURE - LOAN REPAYMENT FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
The Revenue for the year was derived from			
Loan rate		-	126,176
Loan rate on state land		-	-
Total revenue		<u>-</u>	<u>126,176</u>
The expenditure for the year was incurred on			
Interest charges		-	1,004
Principal repayment		-	-
Total Expenditure		<u>-</u>	<u>1,004</u>
Net Surplus/(Deficit)		<u>-</u>	<u>125,172</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 16 to 27)

LABASA TOWN COUNCIL
STATEMENT OF REVENUE AND EXPENDITURE - CAR PARK FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
The Revenue for the year was derived from			
Total revenue		-	-
Total Expenditure		-	-
Accumulated Funds at the Beginning of the year		89,878	102,378
Transfer to Miscellaneous Deposit		(12,500)	(12,500)
Accumulated Funds at the end of the year		<u>77,378</u>	<u>89,878</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 16 to 27)

LABASA TOWN COUNCIL
STATEMENT OF CASH FLOWS - GENERAL FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$ Inflows/ (Outflows)	2011 \$ Inflows/ (Outflows)
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from operations		1,894,324	2,111,292
Interest Paid		-	(1,004)
Payments to Suppliers and employees		(1,414,480)	(1,955,191)
Net Cash provided by Operating Activities	14(b)	<u>479,844</u>	<u>155,097</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(272,817)	(45,967)
Net cash (used in) Investing Activities		<u>(272,817)</u>	<u>(45,967)</u>
Cash Flows from Financing Activities			
Loan Rate		-	-
Interest		-	-
Loan Repayment		-	(45,373)
		<u>-</u>	<u>(45,373)</u>
Net increase/(decrease) in Cash held		207,027	63,757
Balance at the beginning of the year		177,126	113,369
Cash and cash equivalent at the end of the year	14(a)	<u><u>384,153</u></u>	<u><u>177,126</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 16 to 27).


LABASA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION - PARKING METER FUND ACCOUNT
AS AT 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash at Bank	2(b)	3,184	5,498
Receivables	3(b)	18,800	20,930
VAT Receivable		547	-
Total current assets		<u>22,531</u>	<u>26,428</u>
NON CURRENT ASSETS			
Property, plant and equipment	6	<u>745</u>	<u>887</u>
TOTAL NON CURRENT ASSETS		<u>745</u>	<u>887</u>
TOTAL ASSETS		<u>23,276</u>	<u>27,315</u>
CURRENT LIABILITIES			
Creditors and Accrual		466	466
VAT Payable		-	167
Total current liabilities		<u>466</u>	<u>633</u>
NON CURRENT LIABILITIES			
Advance from General Funds		<u>293,192</u>	<u>291,666</u>
TOTAL NON CURRENT LIABILITIES		<u>293,192</u>	<u>291,666</u>
TOTAL LIABILITIES		<u>293,658</u>	<u>292,299</u>
NET ASSETS		<u>(270,382)</u>	<u>(264,984)</u>
MUNICIPAL FUNDS			
Accumulated Funds		(271,368)	(265,970)
Reserves	11	<u>986</u>	<u>986</u>
TOTAL MUNICIPAL FUNDS		<u>(270,382)</u>	<u>(264,984)</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 16 to 27)

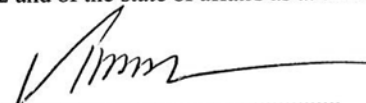
Council's Statement

In our opinion, the Parking Meter 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 2012 and of the state of affairs as at that date.



 Jitendra Prasad
 Town Clerk/CEO

Date:



 Vijay Chand
 Special Administrator

Date: 27/12/12

LABASA TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUND - PARKING METER FUND
AS AT 31 DECEMBER 2012

	Notes	2012	2011
		\$	\$
Balance as at the beginning of the year		(265,970)	(30,716)
Deficit from operations		(5,398)	(235,254)
Balance as at the end of the year		(271,368)	(265,970)

(The Statement of Changes in Accumulated Fund is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)

LABASA TOWN COUNCIL
STATEMENT OF REVENUE AND EXPENDITURE - PARKING METER FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
The Revenue for the year was derived from			
Meter tolls		11,982	19,707
Infringement fine		24,137	26,192
Total revenue		36,119	45,899
The Expenditure for the Year was Incurred on			
Administrative charges to general fund		3,026	3,026
Depreciation		99	99
Doubtful Debts		20,930	251,226
Fiji National Provident Fund contribution		-	1,506
TPAF levy		-	187
Loss on Disposal of Fixed Assets	6	43	-
Maintenance of parking meters including parking bays		2,400	3,961
Miscellaneous		932	1,062
Printing & stationery		981	781
Purchase of office uniform		-	393
Wages and related payments		13,106	18,912
Total expenditure		41,517	281,153
Net (Deficit)/Surplus		(5,398)	(235,254)

(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 16 to 27)

LABASA TOWN COUNCIL
STATEMENT OF CASH FLOWS - PARKING METER ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
Cash Flows from Operating Activities			
Receipts from operation		38,250	276,195
Payments to suppliers and employees		(40,606)	(278,029)
Net Cash (used in) Operating Activities	15(b)	<u>(2,356)</u>	<u>(1,834)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		42	
Net Cash (used in) Investing Activities		<u>42</u>	<u>-</u>
Net increase in Cash held		(2,314)	(1,834)
Balance at the beginning of the year		5,498	7,332
Net cash at the end of the year	15(a)	<u><u>3,184</u></u>	<u><u>5,498</u></u>

(The Statement of Cash Flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the financial statements for the year ended 31 December 2012. Unless otherwise stated similar policies were followed in the previous year. All amounts are stated in Fijian currency.

(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 Accounting

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 Councils' fixed assets are depreciated over their estimated useful lives using the straight line method. The principle rates employed by the Council are as follows:

	<u>Rate</u>
Buildings	2.5%
Furniture and Equipment	10.0%
Plant, Machine and tools	10.0%
Motor vehicles	18.0%
Road, footpath and drains	10.0%
Street Lights	10.0%

(d) Provision for Doubtful Debts

The Council has created a provision for doubtful debts on the following basis:

(i) General Fund Account - 25 percent of the closing balance of rates including interest receivable as at 31 December 2012.

(ii) Parking Meter Fund Account - Closing balance of infringement fines receivables as at 31 December 2012.

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Revenue Recognition

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

(f) Trade and Other Receivables

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

(g) Trade and Other Payables

Trade and other payables are stated at cost.

(h) Income Tax

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

(i) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(j) Reporting Currency

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

NOTE 2 CASH AT BANK

(a) GENERAL FUND ACCOUNT

Current account

Imprest account

2012	2011
\$	\$
384,200	177,073
(47)	53
384,153	177,126

(b) PARKING METER ACCOUNT

Cash at Bank

3,184	5,498
3,184	5,498

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012	2011
		\$	\$
NOTE 3	RECEIVABLES		
(a)	GENERAL FUND ACCOUNT		
(i)	<u>Rates debtors</u>		
	Rates debtors	284,592	422,217
	Less: Provision for Doubtful Debts - Rates	(96,384)	(107,470)
		<u>188,208</u>	<u>314,747</u>
(ii)	<u>Interest</u>		
	Interest	941,429	1,086,601
	Less: Provision for Doubtful Debts - Interest	(61,636)	(276,581)
		<u>879,793</u>	<u>810,020</u>
(iii)	Business license	53,179	47,319
	Carrier Stand Fees	226	123
	Taxi Stand Fees	447	990
	Bus Station Fees	5,593	4,712
	Rent	4,473	7,745
	Garbage Fees	29,181	-
		<u>93,099</u>	<u>60,889</u>
		<u>1,161,100</u>	<u>1,185,656</u>
(b)	PARKING METER FUND ACCOUNT		
	<u>Infringement Fines</u>		
	Receivables - Infringement Fines	290,956	272,156
	Less: Provision for Doubtful Debts - Infringement Fines	(272,156)	(251,226)
		<u>18,800</u>	<u>20,930</u>
NOTE 4	ADVANCES		
	Parking Meter Fund	293,192	291,666
	Dishonoured cheques	4,830	932
	Unspent balance of loan	-	19,350
	FEA Deposit	1,368	-
		<u>299,390</u>	<u>311,948</u>
NOTE 5	WORK IN PROGRESS		

The grant amount represents the cost of a Komatsu Backhoe Loader totalling \$220,759 (VIP) ordered through the local distributor as at 31/12/11 and as agreed between the Government of Japan and the Council on 02/12/2011. The machine has been received in 2012 and is now classified under Property, Plant and Equipment.

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 6 PROPERTY, PLANT & EQUIPMENT		
(a) <u>GENERAL FUND</u>		
Land & Building - at cost	7,164,302	7,146,103
Less: Accumulated Depreciation	(164,540)	(82,257)
	<u>6,999,762</u>	<u>7,063,846</u>
Drains - at cost	1,247,859	1,247,859
Less: Accumulated Depreciation	(247,917)	(123,959)
	<u>999,942</u>	<u>1,123,900</u>
Office Equipment - at cost	155,155	158,098
Less: Accumulated Depreciation	(31,563)	(15,272)
	<u>123,592</u>	<u>142,826</u>
Plant Machinery & Tools - at cost	492,474	260,336
Less: Accumulated Depreciation	(86,351)	(35,450)
	<u>406,123</u>	<u>224,886</u>
Roads - at cost	130,100	7,851,300
Less: Accumulated Depreciation	-	-
	<u>130,100</u>	<u>7,851,300</u>
Footpath - at cost	608,647	608,647
Less: Accumulated Depreciation	(121,730)	(60,865)
	<u>486,917</u>	<u>547,782</u>
Kerbs - at cost	27,296	120,480
Less: Accumulated Depreciation	(24,096)	(12,048)
	<u>3,200</u>	<u>108,432</u>
Channel - at cost	60,910	271,550
Less: Accumulated Depreciation	(54,310)	(27,155)
	<u>6,600</u>	<u>244,395</u>
Net Written Down Value	<u>9,156,236</u>	<u>17,307,367</u>
PARKING METER FUND		
Office Equipment - at cost	943	986
Less: Accumulated Depreciation	(198)	(99)
Net Written Down Value	<u>745</u>	<u>887</u>

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 6 PROPERTY, PLANT & EQUIPMENT (cont'd)		
(b) Movements in carrying amount:		
Movement in carrying amounts for each class of property, plant and equipment are as follows:		
GENERAL FUND		
<u>Land & Buildings</u>		
Carrying Amount at the beginning of the year	7,063,846	7,136,100
Add: Additions	18,199	10,003
Add: Revaluation	-	-
Less: Depreciation Expense	(82,283)	(82,257)
Less: Disposals	-	-
Balance at the end of the year	<u>6,999,762</u>	<u>7,063,846</u>
<u>Drains</u>		
Carrying Amount at the beginning of the year	1,123,900	1,247,859
Add: Additions	-	-
Add: Revaluation	-	-
Less: Depreciation Expense	(123,958)	(123,959)
Less: Disposals	-	-
Balance at the end of the year	<u>999,942</u>	<u>1,123,900</u>
<u>Office Equipment</u>		
Carrying Amount at the beginning of the year	142,826	141,594
Add: Additions	9,104	16,504
Add: Revaluation	-	-
Less: Depreciation Expense	(16,292)	(15,272)
Less: Disposals	(12,046)	-
Balance at the end of the year	<u>123,592</u>	<u>142,826</u>
<u>Plants, Machinery & Tools</u>		
Carrying Amount at the beginning of the year	224,886	260,023
Add: Additions	245,514	313
Add: Revaluation	-	-
Less: Depreciation Expense	(50,901)	(35,450)
Less: Disposals	(13,376)	-
Balance at the end of the year	<u>406,123</u>	<u>224,886</u>

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 6		
PROPERTY, PLANT & EQUIPMENT (cont'd)		
(b) Movements in carrying amount (cont'd):		
<u>Roads</u>		
Carrying Amount at the beginning of the year	7,851,300	8,418,720
Add: Additions	-	-
Add: Revaluation	-	(567,420)
Less: Depreciation Expense	-	-
Less: Disposals	(7,721,200)	-
Balance at the end of the year	130,100	7,851,300
<u>Footpath</u>		
Carrying Amount at the beginning of the year	547,782	589,500
Add: Additions	-	19,147
Add: Revaluation	-	-
Less: Depreciation Expense	(60,865)	(60,865)
Less: Disposals	-	-
Balance at the end of the year	486,917	547,782
<u>Kerbs</u>		
Carrying Amount at the beginning of the year	108,432	120,480
Add: Additions	-	-
Add: Revaluation	-	-
Less: Accumulated Depreciation	(12,048)	(12,048)
Less: Disposals	(93,184)	-
Balance at the end of the year	3,200	108,432
<u>Channel</u>		
Carrying Amount at the beginning of the year	244,395	271,550
Add: Additions	-	-
Add: Revaluation	-	-
Less: Accumulated Depreciation	(27,155)	(27,155)
Less: Disposals	(210,640)	-
Balance at the end of the year	6,600	244,395
Written Down Value	9,156,236	17,307,367
PARKING METER FUND		
<u>Office Equipment</u>		
Carrying Amount at the beginning of the year	887	986
Add: Revaluation	-	-
Less: Accumulated Depreciation	(99)	(99)
Less: Disposals	(43)	-
Balance at the end of the year	745	887
Written Down Value	745	887

LABASA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 7 DEFERRED INCOME		
The amount represents a Bankhoe Loader donated by the Japanese Embassy on December 2011, which is treated as Deffered Income. This Component of benefit realized over the total value of the asset \$191,964 to be amortised over 10 years. The benefits are derived as follows:		
Balance at the beginning of the year	191,964	191,964
Add: Deffered Income for the year	-	-
Less: Benefits realized from fixed assets	(9,598) ^{1/2}	-
Written Down Value at 31 December	<u>182,366</u>	<u>191,964</u>
NOTE 8 MISCELLANEOUS DEPOSITS		
Rent securities	23,886	23,886
Subrail Park security	13,127	12,205
Tender deposits	6,000	3,000
Installation of internet	35	35
Drains, streets, roads, footpaths	63,629	57,629
Library books	14,270	13,860
Hire of auditorium	8,995	7,957
Hire of chairs and tables	4,562	4,512
Naodamu Park security	400	200
Installation of banner	1,237	1,200
Cleaning of market and public toilets	4,250	4,250
Garbage service security	13,000	4,952
Telecom upgrading project	5,000	5,000
Car Park Contribution	37,500	25,000
Central Board of Health	8,850	7,250
MH Demolition	5,000	5,000
Business License Deposits	4,178	-
	<u>213,919</u>	<u>175,936</u>

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 9 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:

	2012	2011
	\$	\$
GENERAL FUND		
Balance as 1 January	-	45,373
Add: Loan raised	-	-
	-	45,373
Less: Repayments	-	46,378
Add: Interest/Penalty Charges	-	1,004
Balance as at 31 December	-	-

NOTE 10 DISCOUNT ON RATES

The Council resolved to grant discounts on rates as follows:

Rates paid in full by 28 February 2012, received at 7% discount in January 2012 and 5% in February 2012.

Account:

General Fund account	17,644	13,958
Lighting Fund account	2,354	2,367
Loan Repayment account	-	3,788
	<u>19,998</u>	<u>20,113</u>

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 11 RESERVES		
<u>Asset Revaluation Reserve - General Fund</u>		
Opening balance	17,530,449	18,097,869
Disposal during the year	(8,050,446)	-
Overvaluation from 2010	-	(567,420)
Asset revaluation reserve	<u>9,480,003</u>	<u>17,530,449</u>
<u>Asset Revaluation Reserve - Parking Meter Fund</u>		
Opening balance	986	986
Valuation during the year	-	-
Asset revaluation reserve	<u>986</u>	<u>986</u>

NOTE 12 GARBAGE FEES

Garbage fees has been levied in 2012 as gazette under the Business Licensing Act (CAP. 204) By-Laws, 26th August, 2011.

NOTE 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 2012

	2012	2011
	\$	\$
NOTE 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:		
Cash on Hand and at Bank	<u>384,153</u>	<u>177,126</u>
(b) Reconciliation of operating profit to cash provided by operating activities:		
Net Surplus/ (Loss) for the year	(256,982)	(644,621)
Decrement of Fixed Assets	25,422	-
Prior year adjustment	-	-
Depreciation	<u>373,502</u>	<u>357,006</u>
	<u>141,942</u>	<u>(287,615)</u>
Changes in assets and liabilities during the financial period:		
(Increase)/Decrease in Receivables	24,556	450,922
(Increase)/ Decrease in Prepayments	233,317	(207,260)
Increase/ (Decrease) in Payables	59,290	(32,641)
Increase/ (Decrease) in other payables	<u>20,739</u>	<u>220,839</u>
	<u>337,902</u>	<u>431,860</u>
Net cash provided by Operating activities	<u>479,844</u>	<u>144,245</u>

LABASA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	\$	\$
NOTE 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:		
Cash on Hand and at Bank	3,184	5,498
(b) Reconciliation of operating profit to cash provided by operating activities:		
Net Surplus/ (Loss) for the year	(5,398)	(235,254)
Prior year adjustment	-	-
Depreciation	99	99
	(5,299)	(235,155)
Changes in assets and liabilities during the financial period:		
(Increase)/ Decrease in Receivables	2,130	230,296
(Increase)/Decrease in Property Plant and Equipment		-
Increase in other Payables	(713)	(1)
Increase/ (Decrease) in Sundry Advance	1,526	3,026
Increase/ (Decrease) in Vat Payable		-
	2,943	233,321
Net cash provided by Operating activities	(2,356)	(1,834)

LABASA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 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.

NOTE 17 CONTINGENT LIABILITY

The Council is not aware of any contingent liability as at 31 December 2012 (2011: Nil)

NOTE 18 CAPITAL COMMITMENTS

The Council is not aware of any capital commitment as at 31 December 2012 (2011: Nil)

NOTE 19 SIGNIFICANT EVENTS

- (a) The Council has created provision for doubtful debts in the accounts of 2012 causing significant increase in expenditure and deficit for the year. Doubtful debts has been assessed on the average collection percentile in a year as follows:

General Fund Account

25 percent of the closing balance of rates receivable for the year including interest receivable as at 31 December 2012.

Parking Meter Fund Account

Total closing balance of Infringement fines receivables for the year as at 31 December 2012.

(b) **Unspent Loan Balance - \$19,350**

Subrail park pavilion upgrade in 2012 utilised the unspent balance of loan carried forward in the accounts of the Council from previous years.

(c) **Council vs Viti Vanua Holdings Ltd**

\$154,100 settlement has been reached in May 2012 to be paid in \$2,500 instalments. This was an on going litigation between the Council and a road maintenance contractor (Viti Vanua Holdings Ltd) appointed on 4th March 2008.

(d) **Transfer of Council's roads to Fiji Roads Authority**

As per Fiji Roads Authority (Amendment) Decree 2012, all assets, interests, rights, privileges, liabilities and obligations of the Council's roads were transferred to Fiji Roads Authority with effect from 14th May 2012. Decrement of Assets Revaluation Reserve (Roads - \$7,721,200, Kerbs - \$93,184, Channels - \$210,640)

