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## LAMI TOWN COUNCIL

### Annual Report for the Year 2005

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# **LAMI TOWN COUNCIL**



## **ANNUAL REPORT**

(Section 19 – Local Government Act, Cap 125)

**FOR THE YEAR ENDED  
31 DECEMBER, 2005**





25<sup>th</sup> September, 2020

The Honorable Minister  
for Local Government, Housing & Environment  
FFA House  
Gladstone Road  
**SUVA**

Dear Madam,

In accordance with the requirements of Section 19 of the Local Government Act 1972, I have pleasure in presenting, on behalf of the Lami Town Council, the Annual Report and Statement of Accounts for the year ended 31<sup>st</sup> December, 2005.

Yours faithfully,

A handwritten signature in blue ink, appearing to be "Azam Khan", is written over a faint blue circular stamp.

Azam Khan  
**Chief Executive Officer (Acting)**



# **LAMI TOWN COUNCIL**

## **ANNUAL REPORT 2005**

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# **ADMINISTRATION**

## **MEMBERS OF THE COUNCIL**

The Municipal Election took place on 22<sup>nd</sup> December 2005.

The elected members of the Council were:

### **EASTERN WARD**

Cr Tevita Veledroka Vuatalevu (His Worship the Mayor from 22/10/05)  
Cr Kesaia Vulimeke Makita  
Cr Sitiveni Namerua  
Cr Emosi Tawake  
Cr Tevita Karawale Qaranivalu  
Cr Rupeti Pelfao Mua

The Council before the closing of the year 2005 had 6 of its members from the Eastern Ward.

### **WESTERN WARD**

Cr Jimi Savu (Deputy Mayor from 22/10/05)  
Cr Susana Evening  
Cr Maciu Vasu  
Cr Josaia Moce  
Cr Koro Salote Taumolau (Died on 10/12/05)  
Cr Inosi Biusavu Veikauyaki

### **CO-OPTED MEMBERS**

The Council under the provisions of Section 27(2) appointed the following Co-opted Members into various Committees as follows:

#### **MARKET, PARKS & TOWN BEAUTIFICATION COMMITTEE**

Mr. Paula Navunisaravi

#### **TRAFFIC, SPORTS & COMMUNITY PROJECTS COMMITTEE**

Inspector Nacanieli Veremalua

## **TOWN OF LAMI**

### Statistics in Brief

Declared.....	Town on 1 March, 1977
Population .....	18,928 including peri-urban (2007 census)
Area .....	680 Hectares
Length of Public Roads .....	31.59Km
UCV of Rateable Land .....	\$41,658,370
Number of Assessments .....	1,143

## **MAYORAL ELECTION**

At the Annual General Meeting held on 25th October 2005, Councillor Tevita Veledroka Vuatalevu was elected Mayor and Councillor Alipate Jimi Savu was elected Deputy Mayor.

## **COUNCIL MEETING**

Meeting of the Council and Standing Committees were held during the year as follows:

Ordinary	12
Annual	1
Special	<u>1</u>
<b>Total</b>	<b><u>14</u></b>

## **STANDING COMMITTEES**

TOWN PLANNING BUILDING & DEVELOPMENT .....	8
HEALTH AND ENVIRONMENT & MARKET .....	8
WORKS, PROPERTIES & TENDER .....	9
PARKS, GARDENS & TOWN BEAUTIFICATION .....	8
TRAFFIC, SPORTS AND COMMUNITY PROJECTS .....	8



### **OFFICERS OF THE COUNCIL**

The Principal Officer of the Council as at the end of 2005 was:

Town Clerk/CEO	Mr Chandra Shekhar	from 14 <sup>th</sup> February 2005
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Other Support Staff were as follows:

Building Inspector	Sandeep Narayan	Resigned on 7 <sup>th</sup> April 2005
Building Inspector	Ashwant Prasad	from 14 <sup>th</sup> June 2005
Health Inspector	John Ratnesh Narayan	Resigned on 3 <sup>rd</sup> October 2005
Health Inspector	Rajeshwar Raj	from 17 <sup>th</sup> October 2005
Works Supervisor	Afzal Mohammed	
Personal Assistant/Secretary	Ashveen P Devi	
IT/Accounts Officer	Preeya Ieli	
Revenue Officer	Laisani Raikoti	
Enforcement Officer	Jonetani Suguturaga	
Town Ranger	Petaia Vuli	
Administrative Assistant	Saiyad Kutty	
Assistant Works Supervisor	Tajim Khan	
Computer Operator	Naleem Raj	
Accounts Officer	Yadhna Sharma	
Cleaner/Tea Lady	Jowana Tora	

With 18 other unestablished employees engaged in field works

### **SOLICITORS FOR THE COUNCIL**

Messrs Muaror & Co and M A Khan were appointed as the Councils Solicitors for the year.

## **AUDITOR FOR THE YEAR**

Auditor-General of Fiji by virtue of Section 51 of the Local Government Act.

## **FINANCE**

### **FUND BALANCES**

A summary of the results of each fund for the year were as follows:

<b>FUND</b>	<b>2005 REVENUE</b>	<b>2005 EXPENDITURE</b>	<b>SURPLUS/ (DEFICIT)</b>	<b>ACCUMULATED SURPLUS/(DEFICIT)</b>
			<b>2005</b>	<b>AS AT 31 DECEMBER</b>
GENERAL	1,097,987	914,671	183,316	2,716,729
FIRE	-	-	-	18,089
LOAN	138,929	46,948	91,981	975,887
	1,236,916	961,619	275,297	3,710,705

## **RATES**

The rates for the year were struck on a total Unimproved Capital Valuation of \$41,658,370 of which land exempted from General Rates amounted to \$4,982,100.

Vat inclusive rate levy was:

General rates	-	0.75689 cents in the \$ on the UCV
Special Loan rates	-	0.40756 cents in the \$ on the UCV

## **DISCOUNT ON RATES**

In 2005 a discount of 10% on the rates struck for the year was allowed in respect of rates paid on or before 28<sup>th</sup> February 2005. Total discount shown as a note in the accounts amounted to \$51,644. During the year the combined general and loan services rates were budgeted to earn \$594,482 out of which the Council was able to collect 89% of its current rates, which amounted to \$529,051 out of the total revenue of \$1,236,916 collected during the year.

## **ARREARS OF REVENUE**

The Council's arrears of rates inclusive of interest charges at the end of 2005 was \$4,192,405. Out of the total sum of \$2,743,031 was on unalienated native land. The Council had looked at all the avenues of rate collection currently in place and had opted for various methods in the Court, deduction at source, recovery from mortgage sale, attornment of leases, arrangement to pay on installments and offering discount.

## **LOAN FUND**

During the year loan repayments inclusive of interest charges totaling \$107,213 were made reducing the principal balance at the end of 2005 to \$663,197. The opening balance at the beginning of the year was \$770,410.

## **CASH FLOW**

The Council had a deficit balance of (\$46,831) at the close of the year and has been funding its capital projects from its re-current revenue.

## **ROLE OF COUNCIL**

The Council continued to carry out its role and responsibilities as required under the Local Government Act (1972). The Council discharged its duties and responsibilities delegated through several other legislations such as Public Health Act (Cap III), Town Planning Act (Cap 139), Business Licensing Act (Cap 204), Fair Rents Act (Cap 269), Advertisements Regulations Cinematography Films Act (Cap 195), Petroleum Act (Cap 157), Pound Act (Cap 165), Pure Food Act (Cap 116), Shop (regulation of hours and employment) Act (Cap 100), Subdivision of Lands Act (Cap 140), Land Transport Act and Litter Decree/Amendment Act.

## **LAMI LIGHT CARNIVAL**

Lami Light Carnival was held from 21<sup>st</sup> September to 24<sup>th</sup> September 2005 at Tikaram Park. The Chief Guest for the opening ceremony was Minister for Local Government, Housing, Squatter Settlement and Environment Hon. Col. Pio Wong.

## **CAPITAL PROJECTS**

Capital Expenditure totaling \$69,978 was used for the following works:

1. \$21,572 was for road upgrading works;
2. \$3,753 was for Streetlights;
3. \$4,217 was for construction of Mini Market;
4. \$9,112 was for Municipal Market & public toilet;
5. \$7,582 was for Bus Shelter;
6. \$8,189 was for upgrading Parks;
7. \$9,692 was for Council's Computer Program and Office Equipment; and
8. \$5,861 was for council's new brush cutters.

## **WORKS SERVICES**

### **ROADS & DRAINS**

The Council continued with routine maintenance of Roads repairs and maintenance works within its Budget. Normal routine services and maintenance such as garbage/refuse collection, grass cutting desilting and cleaning of public road/drain, clean-up campaigns, mowing of road verges, parks and upkeep of gardens were carried out throughout the year.

### **PARKS/GARDENS/OPEN SPACES**

Routine maintenance work were carried out during the year to keep the parks and reserves in a good environmental condition. Planting of trees and flowers was also undertaken in residential, commercial and industrial areas as part of an ongoing beautification of the town and to keep up with the image of Lami being a “Garden Town”.

## **PUBLIC HEALTH/ENVIRONMENT, BUILDING AND SUBDIVISION**

### **INTRODUCTION**

In this area, the Council performed its responsibilities under the guidance of the following legislation:

- a) Public health Act and its Regulations
- b) Pure Food Act and its Regulations
- c) Anti-Litter Decree/Amendment Act
- d) Town Planning Act
- e) Local Government Act and its Regulation
- f) Lami Town By-Laws
- g) Lami Town Planning Scheme and its General Provision
- h) Subdivision of Land Act
- i) Business Licensing Act
- j) Liquor Act

The Council was able to maintain the public health and development standard at a reasonably level.

## **SERVICES**

In addition to the duties required under the Public Health Act the Council provided the residents of Lami with the following sanitary services:

### 1. Public Health/Environment Services

Refuse Collection: demand for frequent refuse (Green waste) collection. People tend to start heaping them on the roadside. This becomes potential breeding grounds for vermin and eyesore.

### 2. Anti-Mosquito

House to house inspection and issuing notice to remove/abate breeding grounds is the only solution.

### 3. Litter Decree

The Council had employed an Enforcement Officer who went around issuing notices etc. in order to curb the nuisance.

## **SQUATTERS**

Squatter settlement details at Lami showed:

Area	No. of Houses	No of Occupants
Delainavesi	10	33
Marine Drive (Opposite Kalekena	13	65
Uduya Point	7	35
Wailekutu	12	65
Marine Drive	10	43
Qoya	<u>30</u>	<u>192</u>
<b>Total</b>	<b><u>82</u></b>	<b><u>433</u></b>

## **COMMUNICABLE DISEASE**

Lami Town Council has not received any report during this year of the incidence of Communicable Disease in Lami Town.

### a) **Summary of Inspection**

Types of Inspections	Inspection	Re-inspection	Total
House to House inspection	459	350	809
Investigations of Complaints	100	80	180
New Building site			

Before approval	58	50	108
New Building work in progress	60	51	111
Hotels	50	43	93
Restaurants/Ref/Bar	80	50	130
Schools	8	5	13
Bake house	49	40	89
Butcher Shops	35	30	65
Drainage	80	78	158
Illegal disposal of Refuse	95	38	133
Overgrowth abatement	40	30	70
Barber Shop	7	7	14
Food Shop	<u>70</u>	<u>60</u>	<u>130</u>
<b>Total</b>	<b><u>1191</u></b>	<b><u>912</u></b>	<b><u>2103</u></b>

**b) Summary of Sanitary Improvements**

<b>Items</b>	<b>Ordered</b>	<b>Completed</b>
Repairs/Cleaning of Kitchen	50	25
Repairs/Cleaning of existing drains	70	45
Removing of accumulated Refuse	110	55
Cleaning of overgrowth of grass	60	30
Provision of garbage bin	40	25
Cleaning of food premises	90	60
Repairing of sewer pipes	<u>45</u>	<u>30</u>
<b>Total</b>	<b><u>465</u></b>	<b><u>270</u></b>

## **BUILDING**

### **a) Summary of Building Applications**

Building applications dealt with during the year:

<b>Type of Application</b>	<b>Number</b>	<b>Value(\$)</b>
Commercial	4	22,675
New Dwelling	6	312,653
Additional/Alterations/Repairs to Residential Buildings	23	1,109,758
<u>Miscellaneous</u> Retaining Wall/Fence Sewer Connection/Underground Cabling	10	151,178
Industrial Building/School	<u>11</u>	<u>4,456,628</u>
<b>Total</b>	<b><u>54</u></b>	<b><u>6,052,892</u></b>

### **b) Registration of Food Premises**

Refreshment Bar	4
Bake House	7
Hotels	1
Kava Pounding	2
Restaurants without Liquor	5
Restaurants with Liquor	3
Food Processing Factories	9
Butcher Shops	1
Meat Canning	2
Supermarket	4

Exporting of Fish	2
Food Shop	22
Food Exporter	3
Hawkers	10
Ice Factory	1
Takeaways	<u>3</u>
<b>Total</b>	<b><u>79</u></b>

## **INDUSTRIAL RELATIONS**

The Council maintained good relationship with its management, employees and no disputes were registered with the Trade Unions.

## **PUBLIC RELATIONS AND PARTICIPANTS**

Public relations with ratepayers and the general public were of paramount importance to the Council and as such it dealt with matters of general concern and interest as expeditiously as possible.

## **ACKNOWLEDGEMENT**

Council's would like to thank the Management, Staff and General Workers for their outstanding work.





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



8<sup>th</sup> 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](mailto:info@auditorgeneral.gov.fj)  
Website: <http://www.oag.gov.fj>



ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 1295

20 January 2010

Ms. Marica Hallacy  
The Special Administrator  
Lami Town Council  
P. O. Box 3160  
**Lami.**

Dear Ms. Hallacy

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**AUDIT OF THE ACCOUNTS OF THE LAMI TOWN COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2005**

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Two copies of the audited financial statements of the Lami Town Council for the year ended 31 December 2005 together with an audit report on them are enclosed.

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

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

Yours sincerely

Tevita Bolanavanua  
**ACTING AUDITOR-GENERAL**

cc: Minister for Local Government, Urban Development, Housing and Environment  
Mrs. Preeya Leli, Chief Executive Officer for Lami Town Council

Encl.



# **FINANCIAL STATEMENT**

## **LAMI TOWN COUNCIL**

**31 DECEMBER 2005**



**OFFICE OF THE AUDITOR GENERAL**

Enhancing good governance and accountability in the public sector

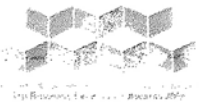
**LAMI TOWN COUNCIL**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

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**REPUBLIC OF THE FIJI ISLANDS**  
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Telephone: (679) 330 9032  
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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

**LAMI TOWN COUNCIL**

**ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005**

**INDEPENDENT AUDIT REPORT**

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**Scope**

I have audited the financial statements of the Lami Town Council for the year ended 31 December 2005 in accordance with Section 57 (2) of the Local Government Act and Section 13 of the Audit Act. The Lami Town Council is responsible for the preparation and presentation of the financial statements and the information they contain.

I have conducted an independent audit of these 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 accounting policies. 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 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.

**Qualifications**

The Council has not provided a provision for doubtful debts for its Rates Debtors totalling \$4,192,405 as at 31 December 2005.

**Qualified Audit Opinion**

In my opinion, because of the effect of the matter discussed in the qualification paragraph, the financial statements do not present fairly the financial position of the Lami Town Council as at 31 December 2005 and the result of its operations 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 my audit.

Tevita Bolanavanua  
**ACTING AUDITOR GENERAL**

20 January 2010



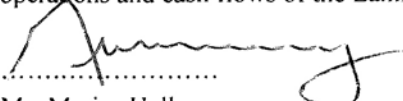
**LAMI TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2005**

	Note	31 December 2005 \$	31 December 2004 \$
<b><u>Current Assets</u></b>			
Cash on Hand	11	100	---
Cash at Bank		---	12,732
Receivables	2	4,315,560	4,006,886
VAT Receivable		13,980	7,347
Sundry Advance		3,024	731
<b>Total Current Assets</b>		<b>4,332,664</b>	<b>4,027,696</b>
<b><u>Non Current Assets</u></b>			
Property, Plant and Equipment	6	16,542,828	16,706,141
Work in Progress		---	---
<b>Total Non Current Assets</b>		<b>16,542,828</b>	<b>16,706,141</b>
<b>TOTAL ASSETS</b>		<b>20,875,492</b>	<b>20,733,837</b>
<b><u>Current Liabilities</u></b>			
Bank Overdraft	11	46,931	75,938
Creditors	3	97,116	96,818
Provision for Employee Entitlement	3	1,293	640
Sundry Deposits	4	28,465	26,052
Rates & Business Licenses received in advance	5	5,006	5,792
Loan funds less repayments (current year)	7	107,213	107,213
<b>Total Current Liabilities</b>		<b>286,024</b>	<b>312,453</b>
<b><u>Non Current Liabilities</u></b>			
Loan funds less repayments		555,984	663,197
<b>TOTAL LIABILITIES</b>		<b>842,008</b>	<b>975,650</b>
<b>NET ASSETS</b>		<b>20,033,484</b>	<b>19,758,187</b>
<b>Represented By :</b>			
<b>Reserves and Equity</b>			
Asset Revaluation Reserve		16,322,779	16,322,779
Accumulated Funds	8	3,710,705	3,435,408
<b>TOTAL RESERVES AND EQUITY</b>		<b>20,033,484</b>	<b>19,758,187</b>

(The accompanying notes are to be read in conjunction with the Financial Statements)

**Councils Statement**

In our opinion, the financial statements have been drawn up as to give a true and a fair view of the state of affairs, operations and cash flows of the Lami Town Council for the year ended 31 December 2005.



Ms. Marica Hallacy  
Special Administrator

Date: 19/11/10



Mrs. Preeya Leli  
Chief Executive Officer

Date: 19/11/10

**LAMI TOWN COUNCIL  
GENERAL FUND ACCOUNT**

**STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	31 December 2005 \$	31 December 2004 \$
<b><u>Revenue Derived From:</u></b>			
General Rates		390,122	362,377
Rates in Arrears		304,707	503,771
Interest on Overdue rates		115,365	88,902
License and Permit Fees		63,941	62,199
Market Fees		15,975	15,875
Hire& Rental of Council Properties		43,220	37,152
Contractual Receipts	10	130,374	52,260
Miscellaneous		9,652	6,784
Garbage Fees		4,970	1,588
Advertising		4,178	---
Lami Light Carnival		15,483	---
Govt Grant		---	5,000
<b>Total Revenue</b>		<b>1,097,987</b>	<b>1,135,908</b>
<b><u>Expenditure Incurred On:</u></b>			
<b><u>Recurrent Expenditure</u></b>			
Depreciation		233,290	228,937
Council Expenses		41,369	44,304
General Administration		240,356	157,641
Parks,Gardens and Recreation Areas		11,382	8,306
Health Services		113,567	94,742
Public Works and Services		274,707	228,618
Loss on Sale of Assets		---	5,842
<b>Total Expenditure</b>		<b>914,671</b>	<b>768,390</b>
<b>Net Surplus for the year</b>		<b>183,316</b>	<b>367,518</b>
<b>Add: Surplus Balance as at 1 January</b>		<b>2,533,413</b>	<b>2,165,895</b>
<b>Leaving a Surplus Balance at 31 December of</b>		<b>2,716,729</b>	<b>2,533,413</b>



LAMI TOWN COUNCIL  
FIRE SERVICE ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	31 December 2005 \$	31 December 2004 \$
<b><u>Revenue Derived From:</u></b>			
Fire Service Rate		---	---
<b>Total Revenue</b>		---	---
<b><u>Expenditure Incurred On:</u></b>			
Contribution to National Fire Authority		---	---
<b>Total Expenditure</b>		---	---
<b>Net Surplus for the year</b>		---	---
<i>Add: Surplus Balance as at 1 January</i>		18,089	18,089
<b>Surplus balance at 31 December of</b>		<b>18,089</b>	<b>18,089</b>

LAMI TOWN COUNCIL  
SPECIAL LOAN SERVICE ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	31 December 2005 \$	31 December 2004 \$
<b><u>Revenue Derived From:</u></b>			
Special Loan Rates		138,929	137,288
<b>Total Revenue</b>		<b>138,929</b>	<b>137,288</b>
<b><u>Expenditure Incurred On:</u></b>			
Interest On Loan		46,948	61,191
<b>Total Expenditure</b>		<b>46,948</b>	<b>61,191</b>
<b>Net Surplus for the year</b>		<b>91,981</b>	<b>76,097</b>
<i>Add: Surplus Balance as at 1 January</i>		<i>883,906</i>	<i>807,809</i>
<b>Surplus balance at 31 December of</b>		<b>975,887</b>	<b>883,906</b>

**LAMI TOWN COUNCIL**  
**STATEMENT OF CASH FLOWS - GENERAL FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	<b>Note</b>	<b>31 December 2005 \$</b>	<b>31 December 2004 \$</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		913,298	832,183
Payments to suppliers and employees		(678,123)	(469,711)
Insurance proceeds received		---	---
Deposits received		---	---
Rates received in advance		(786)	(2,260)
Net Vat paid		(40,824)	(39,344)
Sundry Deposits		---	---
Employee Entitlement		---	---
<b>Net cash provided by Operating Activities</b>	11 (a) (i)	<u><b>193,565</b></u>	<u><b>320,868</b></u>
<b>Cash flows from Investing Activities</b>			
Acquisition of property, plant & equipment		(69,978)	(520,815)
Payment for capital works (roads, footpaths and drains)		---	---
Proceeds from sale of property, plant and equipment		---	1,000
<b>Net cash used in Investing Activities</b>		<u><b>(69,978)</b></u>	<u><b>(519,815)</b></u>
<b>Cash flows from Financing Activities</b>			
Payments for lease finance		---	---
Repayment of borrowings		(107,212)	(63,755)
Loan repayments		---	---
<b>Net cash provided by Financing Activities</b>		<u><b>(107,212)</b></u>	<u><b>(63,755)</b></u>
<b>Net Decrease in Cash &amp; Cash Equivalents</b>		16,375	(262,702)
Cash and Cash Equivalent at the Beginning of the Year		(63,206)	199,496
<b>Cash and Cash Equivalent at the End of the Year</b>	11 (a) (ii)	<u><u><b>(46,831)</b></u></u>	<u><u><b>(63,206)</b></u></u>

**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

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**Note 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 2005. Unless otherwise stated, similar policies were adopted in the previous year.

**(a) Basis of Accounting**

The accounts have been prepared using the accrual basis of accounting since 2003. Prior to the year 2003, the cash basis of accounting was used by the Council.

**(b) Fixed Assets and Depreciation**

*Acquisition*

Items of property, plant and equipment are stated at cost less accumulated depreciation as at balance date. The cost of self constructed assets includes the cost of materials, direct labour and an appropriate proportion of overheads.

*Depreciation*

Depreciation has been provided using straight line method to write off the assets over their useful lives.

The principal rates adopted are:

Office Equipment	10% per annum
Furniture & Fittings	10% per annum
Plant and Machinery	8% per annum
Motor Vehicle	8% per annum
Buildings, Roads & Bridges	1.25% per annum

**(c) Revenue**

Revenue is recognized in the Statement of Income and Expenditure when charged to the ratepayers by the Council. The major sources of revenues are collections from General rates, loan rates, and rental income from the Council properties.

**(d) Income Tax**

The Council is exempted from income tax in accordance with the provisions of section 17(4) of the Income Tax Act (Cap 201).

**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005 (continued.....)**

		<b>31 December 2005 \$</b>	<b>31 December 2004 \$</b>
<b>Note 2</b>	<b>Debtors</b>		
	Rates Debtors	4,192,405	3,887,698
	Other Debtors	123,155	119,188
		<u><b>4,315,560</b></u>	<u><b>4,006,886</b></u>
	Of the total Rates arrears, the sum of \$2,743,031.12 or 64% inclusive of interest, is due on unalienated native land.		
<b>Note 3</b>	<b>Creditors and Accruals</b>		
	Sundry Creditors	97,116	96,818
	Provision for Employee Entitlement	1,293	640
		<u><b>98,409</b></u>	<u><b>97,458</b></u>
<b>Note 4</b>	<b>Sundry Deposits</b>		
	Sundry Deposits	---	330
	Security Deposits	28,465	25,722
		<u><b>28,465</b></u>	<u><b>26,052</b></u>
<b>Note 5</b>	<b>Rates, Business Licence, and Taxi Base fees received in advance</b>		
	Rates Received in Advance	4,753	4,654
	Business License Prepayments	140	911
	Taxi Base Fees Received in Advance	113	228
		<u><b>5,006</b></u>	<u><b>5,793</b></u>

**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005 (continued.....)**

	31 December 2005 \$	31 December 2004 \$
<b>Note 6      Property, Plant and Equipment</b>		
Land	962,931	962,931
Less : provision for depreciation	---	---
	<u>962,931</u>	<u>962,931</u>
Office Equipment	41,553	31,861
Less : provision for depreciation	(12,314)	(8,159)
	<u>29,239</u>	<u>23,702</u>
Furnitures & Fittings	7,196	7,196
Less : provision for depreciation	(2,744)	(2,024)
	<u>4,452</u>	<u>5,172</u>
Motor Vehicles	212,359	212,359
Less : provision for depreciation	(147,028)	(130,038)
	<u>65,331</u>	<u>82,321</u>
Building & Properties	525,708	496,609
Less : provision for depreciation	(24,357)	(17,786)
	<u>501,351</u>	<u>478,823</u>
Roads & Streetlights	15,603,545	15,578,219
Less : provision for depreciation	(669,036)	(473,992)
	<u>14,934,509</u>	<u>15,104,227</u>
Plant & Equipment	122,636	116,775
Less : provision for depreciation	(77,621)	(67,810)
	<u>45,015</u>	<u>48,965</u>
<b>Net Written Down Value</b>	<u><b>16,542,828</b></u>	<u><b>16,706,141</b></u>

**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005 (continued.....)**

	31 December 2005 \$	31 December 2004 \$
<b>Note 6 (i) Movement in Carrying Amounts</b>		
Movements in carrying amount for each class of property, plant and equipment		
<b><u>Office Equipment</u></b>		
Carrying amount at beginning	23,702	19,380
Additions	9,692	7,508
Depreciation Expense	(4,155)	(3,186)
Balance as at 31 December	<u>29,239</u>	<u>23,702</u>
<b><u>Furnitures &amp; Fittings</u></b>		
Carrying amount at beginning	5,171	5,891
Depreciation Expense	(720)	(719)
Balance as at 31 December	<u>4,451</u>	<u>5,172</u>
<b><u>Motor Vehicles</u></b>		
Carrying amount at beginning	82,321	87,072
Additions	---	19,080
Disposal	---	(6,842)
Depreciation Expense	(16,989)	(16,989)
Balance as at 31 December	<u>65,332</u>	<u>82,321</u>
<b><u>Buildings &amp; Properties</u></b>		
Carrying amount at beginning	478,823	475,747
Additions	29,099	9,284
Depreciation Expense	(6,571)	(6,208)
Balance as at 31 December	<u>501,351</u>	<u>478,823</u>
<b><u>Roads and Streetlights</u></b>		
Carrying amount at beginning	15,104,227	14,816,175
Additions	25,326	480,545
Depreciation Expense	(195,044)	(192,493)
Balance as at 31 December	<u>14,934,509</u>	<u>15,104,227</u>
<b><u>Plant &amp; Equipment</u></b>		
Carrying amount at beginning	48,965	53,909
Additions	5,861	4,398
Depreciation Expense	(9,811)	(9,342)
Balance as at 31 December	<u>45,015</u>	<u>48,965</u>
<b><u>Land</u></b>		
Carrying amount at beginning	962,931	962,931
<b>Net Written Down Value</b>	<u><b>16,542,828</b></u>	<u><b>16,706,141</b></u>

**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005 (continued.....)**

	31 December 2005 \$	31 December 2004 \$
<b>Note 7      Loan Funds Less Repayments</b>		
Loans raised by the Council bear interest ranging from 8.5% to 11.75% per annum and are repayable over a period of 10 years. All loans are raised under the provisions of the Local Government Act, and are secured by debentures covering the present and future assets of the Council.		
Balance as at 1 January	770,410	834,165
Adjustment to Opening Balance	---	(4,190)
Add: Bank Charges Capitalised	---	355
Add: Additional Loan (Merchant Finance)	---	19,080
Less: Interest Refund	---	(5,352)
Less: Loans Repaid	(107,213)	(73,648)
<b>Balance as at 31 December</b>	<b><u>663,197</u></b>	<b><u>770,410</u></b>
<b>Analysed as:</b>		
Current	107,213	107,213
Non Current	555,984	663,197
	<b><u>663,197</u></b>	<b><u>770,410</u></b>
<b>Note 8      Accumulated Funds</b>		
General Fund	2,716,729	2,533,413
Fire Service	18,089	18,089
Loan Service	975,887	883,906
<b>Balance as at 31 December</b>	<b><u>3,710,705</u></b>	<b><u>3,435,408</u></b>
<b>Note 9      Discount on Rates</b>		
In accordance with Council resolution of 11 December, 2002 discount of 7% was allowed on current rates paid in full up to 28 February, 2004. Discount allowed during the year were as follows:		
General Fund	34,039	11,809
Loan Service Fund	17,605	6,358
<b>Total</b>	<b><u>51,644</u></b>	<b><u>18,167</u></b>



**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005 (continued.....)**

	31 December 2005 \$	31 December 2004 \$
<b>Note 10 Contractual Receipts</b>		
The amount represents recoveries from Public Works Department for expenditure contractually incurred by the Council on the maintenance of Marine Drive and Nasevou Street.		
<b>Note 11 Notes to the Statement of Cash Flows</b>		
<b>(a) General Fund</b>		
<b>(i) Reconciliation of Net Cash Provided by Operating Activities of Net Surplus</b>		
Net (deficit)/surplus for the year	275,297	443,615
Depreciation	233,290	228,937
(Gain)/loss on disposal	---	5,842
<b>Net cash provided by operating activities before changes in Assets and Liabilities</b>	<b>508,587</b>	<b>678,394</b>
<b>Change in assets and liabilities:</b>		
Decrease in receivables	(310,967)	(429,210)
Increase in creditors and borrowings	951	73,314
(Increase)/Decrease in sundry deposits	2,413	(17,778)
(Increase)/Decrease in Value Added Tax	(6,633)	18,408
Decrease in rates received in advance	(786)	(2,260)
<b>Net cash Inflows from Operating Activities</b>	<b>193,565</b>	<b>320,868</b>
<b>(ii) Cash &amp; Cash Equivalents</b>		
For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on Hand	100	---
Cash at Bank	---	12,732
Bank Overdraft	(46,931)	(75,938)
	<b>(46,831)</b>	<b>(63,206)</b>

**Note 12      Principle Activities**

The Lami Town Council was established under the Local Government Act (Cap 125 Rev 1985) and Section 5 of the Subsidiary Legislation. The Council was established after being declared a town in 1977. Currently it has a total of over 1,150 ratepayers and rateable properties in the town and from which the ratepayers elect a total of twelve councilors from two awards.

The Council is responsible for the provision and maintenance of a wide range of services for the benefit of the ratepayers within the defined town boundaries. Such services are financed through rates, fees and service charges. All capital projects are financed via external loans, which are repaid by the Council using a special loan rate levied to the ratepayers.

Apart from these services and others as required by the Local Government Act, the Council also provides other services such as collection of garbage refuse, free clean up services, advice on matters relating to health, environment and landscaping, provision for small projects (bus shelters and mini markets), and liaising with relevant ministries and departments or non government organisation to assist ratepayers concerns in terms of town beautification, small projects or even information gathering.

**Note 13      Council Details****(i)      *Registered Office and Principle Place of Operation***

The registered office and principal place of operation of the Council is located at:

59 Marine Drive  
GPO Box 3160  
Lami.

**(ii)      *Staff Establishment***

As at balance date, total of 39 employees were employed by the Council.

