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## LAMI TOWN COUNCIL

### Annual Report for the Year 2006

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# **LAMI TOWN COUNCIL**



## **ANNUAL REPORT**

(Section 19 – Local Government Act, Cap 125)

**FOR THE YEAR ENDED  
31 DECEMBER, 2006**





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, 2006.

Yours faithfully,

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



# **LAMI TOWN COUNCIL**

## **ANNUAL REPORT 2006**

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# **ADMINISTRATION**

## **MEMBERS OF THE COUNCIL**

The members of the Council for the year were:

### **EASTERN WARD**

Cr Tevita Veleadroka Vuatalevu (His Worship the Mayor)  
Cr Maciu Vasu  
Cr Sitiveni Namerua  
Cr Emosi Tawake  
Cr Tevita Karawale Qaranivalu  
Cr Rupeti Pelfao Mua

The Council before the closing of the year 2006 had 6 of its members from the Eastern Ward.

### **WESTERN WARD**

Cr Jimi Savu (Deputy Mayor)  
Cr Susana Evening  
Cr Jasper Singh (from 04/02/06)  
Cr Josaia Moce  
Cr Kesaia Vulimeke Makita  
Cr Inosi Biusavu Veikauyaki

The Council before the closing of the year 2006 had 6 of its members from the Western Ward.

## **CO-OPTED MEMBERS**

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

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

Station Officer, Lami Police Station

## **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 3rd November 2006, Councillor Tevita Veledroka Vuatalevu was elected as the Mayor and Councillor Alipate Jimi Savu as the Deputy Mayor for the ensuring year 2006/2007.

## **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
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FINANCE, STAFF AND GENERAL PURPOSES .....	12
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## **OFFICERS OF THE COUNCIL**

The Principal Officer of the Council as at the end of 2006 was:

Town Clerk/CEO	Mr Chandra Shekhar	resigned on 17 <sup>th</sup> July 2006
Acting Town Clerk/CEO	Ms Preeya Ieli	from 17 <sup>th</sup> July 2006

Other Support Staff were as follows:

Building Inspector	Ashwant Prasad	
Health Inspector	Rajeshwar Raj	resigned on 29 <sup>th</sup> Nov 2006
Works Supervisor	Afzal Mohammed	resigned on 22 <sup>nd</sup> June 2006
Personal Assistant/Secretary	Ashveen P Devi	resigned on 14 <sup>th</sup> July 2006
Personal Assistant/Secretary	Nerolyn L Nofaga	from 17 <sup>th</sup> July 2006
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	resigned on 21 <sup>st</sup> February 2006
Tea Lady/Office Assistant	Atelini Lewasau	from 1 <sup>st</sup> May 2006

With 18 other unestablished employees engaged in field works

## **SOLICITORS FOR THE COUNCIL**

Messrs Muaror & Co and M A.Khan, Mua Law and Komai Law 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>2006</b>	<b>2006</b>	<b>SURPLUS/</b>	<b>ACCUMULATED</b>
	<b>REVENUE</b>	<b>EXPENDITURE</b>	<b>(DEFICIT)</b>	<b>SURPLUS/(DEFICIT)</b>
			<b>2006</b>	<b>AS AT 31 DECEMBER</b>
GENERAL	1,021,133	1,004,061	17,072	2,733,801
FIRE	-	-	-	18,089
LOAN	131,692	51,131	80,561	1,056,448
	1,152,825	1,055,192	97,633	3,808,338

## **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 2006 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 2006. Total discount shown as a note in the accounts amounted to \$36,668. 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 65.67% of its current rates, which amounted to \$390,388 out of the total revenue of \$1,152,825 collected during the year.

## **ARREARS OF REVENUE**

The Council's arrears of rates inclusive of interest charges at the end of 2006 was \$4,590,851. 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 etc.

## **LOAN FUND**

During the year loan repayments inclusive of interest charges totaling \$105,527 were made reducing the principal balance at the end of 2006 to \$605,833. The opening balance at the beginning of the year was \$663,197.

## **CASH FLOW**

The Council had a deficit balance of (\$113,198) at the close of the year and has been funding its capital projects from its re-current revenue.

## **ROLE OF COUNCIL**

The Council continue to do all such things as it lawfully arose and where it considered expedient to promote the health, welfare and convenience of the inhabitants of the municipality. Other than powers vested to the Council under the Local Government Act, it effectively discharged its duties and responsibilities under 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.

## **CAPITAL PROJECTS**

Capital Expenditure totaling \$79,472 was used for the following works:

1. \$7,040 was for Buildings & Property;
2. \$4,595 was for Office Equipment, \$1,703 was for Furniture & Fittings;
3. \$1,807 was for Roads & Streetlights;
4. \$61,127 was for purchase of new vehicle registration no. EY878; and
5. \$3,200 was to purchase chassis to replace councils garbage truck DD755.

## **WORKS SERVICES**

### **ROADS & DRAINS**

The Council continued with routine maintenance of Roads repairs and maintenance works in within its budget. Normal routine services and maintenance such as garbage/refuse collection, grass cutting desilting and cleaning of public road/drains, 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 it’s 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 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 answer.

### 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>

Not all squatters have services such as electricity, water and access available and live without proper sanitation.

## **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	Inspections	Re-inspection	Total
House to House inspection	550	350	900
Investigations of Complaints	110	80	190
New Building site			
Before approval	58	50	108
New Building work in progress	60	51	111
Hotels	60	50	110
Restaurants/Ref/Bar	70	40	110
Schools	8	7	15

Bake house	50	45	95
Butcher Shops	30	25	55
Drainage	85	75	160
Illegal disposal of Refuse	90	50	140
Overgrowth abatement	45	35	80
Barber Shop	6	6	12
Food Shop	<u>80</u>	<u>70</u>	<u>150</u>
<b>Total</b>	<b><u>1,302</u></b>	<b><u>934</u></b>	<b><u>2,236</u></b>

**b) Summary of Sanitary Improvements**

<b>Items</b>	<b>Ordered</b>	<b>Completed</b>
Repairs/Cleaning of Kitchen	40	30
Repairs/Cleaning of existing drains	80	50
Removing of accumulated Refuse	100	65
Cleaning of overgrowth of grass	70	40
Provision of garbage bin	50	30
Cleaning of food premises	100	70
Repairing of sewer pipes	<u>40</u>	<u>30</u>
<b>Total</b>	<b><u>480</u></b>	<b><u>315</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	25,000
New Dwelling	6	413,643
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>6,156,207</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 they have carried out.

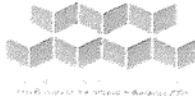




**REPUBLIC OF THE FIJI ISLANDS**  
**OFFICE OF THE AUDITOR GENERAL**



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 1295

13 April 2010

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

Dear Mrs. Hallacy

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**AUDIT OF THE ACCOUNTS OF THE LAMI TOWN COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2006**

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Two copies of the audited financial statements of the Lami Town Council for the year ended 31 December 2006 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 and Environment  
Mrs. Preeya Ieli, Chief Executive Officer for Lami Town Council

Encl.

**LAMI TOWN COUNCIL**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

**LAMI TOWN COUNCIL**

**ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006**

**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of the Lami Town Council for the year ended 31 December 2006 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 Standard 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 International 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**

1. The Council has not provided a provision for doubtful debts for its Rates debtors totaling \$4,590.851 as at 31 December 2006.
2. The Council did not provide a Fixed Assets Register for audit, therefore the depreciation expense totaling \$239,177 for 2006 could not be substantiated.

**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 2006 and the result of its operation for the year then ended.

  
Tevita Bolanavanua  
**ACTING AUDITOR GENERAL**

13 April 2010



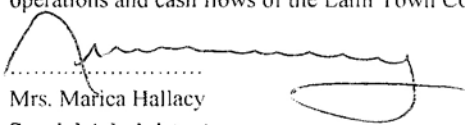
LAMI TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2006

	Note	31 December 2006 \$	31 December 2005 \$
<b><u>Current Assets</u></b>			
Cash on Hand		100	100
Receivables	2	4,722,810	4,315,560
VAT Receivable		10,656	13,980
Sundry Advance		2,874	3,024
<b>Total Current Assets</b>		<b>4,736,440</b>	<b>4,332,664</b>
<b><u>Non Current Assets</u></b>			
Property, Plant and Equipment	6	16,383,123	16,542,828
<b>Total Non Current Assets</b>		<b>16,383,123</b>	<b>16,542,828</b>
<b>TOTAL ASSETS</b>		<b>21,119,563</b>	<b>20,875,492</b>
<b><u>Current Liabilities</u></b>			
Bank Overdraft	13	113,298	46,931
Creditors	3	164,376	97,116
Provision for Employee Entitlement	3	14,628	1,293
Sundry Deposits	4	29,995	28,465
Rates & Business Licenses received in advance	5	5,954	5,006
Loan funds less repayments (current year)	7	105,527	107,213
Finance lease less repayments	8	54,362	0
<b>Total Current Liabilities</b>		<b>488,140</b>	<b>286,024</b>
<b><u>Non Current Liabilities</u></b>			
Loan funds less repayments		500,306	555,984
<b>TOTAL LIABILITIES</b>		<b>988,446</b>	<b>842,008</b>
<b>NET ASSETS</b>		<b>20,131,117</b>	<b>20,033,484</b>
<b>Represented By :</b>			
<b>Reserves and Equity</b>			
Asset Revaluation Reserve		16,322,779	16,322,779
Accumulated Funds	9	3,808,338	3,710,705
<b>TOTAL RESERVES AND EQUITY</b>		<b>20,131,117</b>	<b>20,033,484</b>

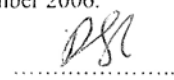
(The accompanying notes are to be read in conjunction with the Financial Statements)

**Councils Statement**

In our opinion, the financial statements have been drawn up so 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 2006.

  
Mrs. Marica Hallacy  
Special Administrator

Date: 09/04/10

  
Mrs. Preeya Ieli  
Chief Executive Officer

Date: 9/4/10

**LAMI TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	31 December 2006 \$	31 December 2005 \$
<b><u>Revenue Derived From:</u></b>			
General Rates	10	258,696	390,122
Rates in Arrears		510,248	304,707
Interest on Overdue rates		76,302	115,365
License and Permit Fees		48,049	63,941
Market Fees		17,052	15,975
Hire& Rental of Council Properties		50,248	43,220
Contractual Receipts	11	24,761	130,374
Miscellaneous		11,205	9,652
Garbage Fees		2,067	4,970
Stand Fees		13,653	0
Photocopy		408	0
Advertising		8,444	4,178
Lami Light Carnival		0	15,483
<b>Total Revenue</b>		<b>1,021,133</b>	<b>1,097,987</b>
<b><u>Expenditure Incurred On:</u></b>			
<b><u>Recurrent Expenditure</u></b>			
Depreciation		239,177	233,290
Council Expenses		52,438	41,369
General Administration		268,986	240,356
Parks.Gardens and Recreation Areas		8,084	11,382
Health Services		164,697	113,567
Public Works and Services		270,679	274,707
<b>Total Expenditure</b>		<b>1,004,061</b>	<b>914,671</b>
<b>Net Surplus for the year</b>		<b>17,072</b>	<b>183,316</b>
<b>Add: Surplus Balance as at 1 January</b>		<b>2,716,729</b>	<b>2,533,413</b>
		<b>2,733,801</b>	<b>2,716,729</b>
<b>Add: Surplus from Fire Service Fund</b>	12	<b>18,089</b>	<b>-</b>
<b>Leaving a Surplus Balance at 31 December of</b>		<b>2,751,890</b>	<b>2,716,729</b>

LAMI TOWN COUNCIL  
SPECIAL LOAN SERVICE ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	31 December 2006 \$	31 December 2005 \$
<b><u>Revenue Derived From:</u></b>			
Special Loan Rates	10	131,692	138,929
<b>Total Revenue</b>		<b>131,692</b>	<b>138,929</b>
<b><u>Expenditure Incurred On:</u></b>			
Interest On Loan		51,131	46,948
<b>Total Expenditure</b>		<b>51,131</b>	<b>46,948</b>
<b>Net Surplus for the year</b>		<b>80,561</b>	<b>91,981</b>
<i>Add: Surplus Balance as at 1 January</i>		<i>975,887</i>	<i>883,906</i>
<b>Surplus balance at 31 December of</b>		<b>1,056,448</b>	<b>975,887</b>

**LAMI TOWN COUNCIL**  
**STATEMENT OF CASH FLOWS - GENERAL FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	31 December 2006 \$	31 December 2005 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		739,844	913,298
Payments to suppliers and employees		(691,714)	(678,123)
Insurance proceeds received		-	-
Deposits received		-	-
Rates received in advance		948	(786)
Net Vat paid		(32,971)	(40,824)
Sundry Deposits		-	-
Employee Entitlement		-	-
<b>Net cash provided by Operating Activities</b>	13 (a) (i)	<u>16,107</u>	<u>193,565</u>
<b>Cash flows from Investing Activities</b>			
Acquisition of property, plant & equipment		(79,472)	(69,978)
Payment for capital works (roads, footpaths and drains)		-	-
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash used in Investing Activities</b>		<u>(79,472)</u>	<u>(69,978)</u>
<b>Cash flows from Financing Activities</b>			
Payments for lease finance		-	-
Repayment of borrowings		-	(107,212)
Loan repayments		(3,002)	-
<b>Net cash provided by Financing Activities</b>		<u>(3,002)</u>	<u>(107,212)</u>
<b>Net Decrease in Cash &amp; Cash Equivalents</b>		(66,367)	16,375
Cash and Cash Equivalent at the Beginning of the Year		(46,831)	(63,206)
<b>Cash and Cash Equivalent at the End of the Year</b>	13 (a) (ii)	<u><u>(113,198)</u></u>	<u><u>(46,831)</u></u>



**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

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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 2006. 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 recognised 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 2006 (continued.....)**

		<b>31 December 2006 \$</b>	<b>31 December 2005 \$</b>
<b>Note 2</b>	<b>Debtors</b>		
	Rates Debtors	4,590,851	4,192,405
	Other Debtors	131,959	123,155
		<u><b>4,722,810</b></u>	<u><b>4,315,560</b></u>
	Of the total Rates arrears, the sum of \$3,379,860 or 75% inclusive of interest, is due on unalienated native land.		
<b>Note 3</b>	<b>Creditors and Accruals</b>		
	Sundry Creditors	164,376	97,116
	Provision for Employee Entitlement	14,628	1,293
		<u><b>179,004</b></u>	<u><b>98,409</b></u>
<b>Note 4</b>	<b>Sundry Deposits</b>		
	Sundry Deposits	-	-
	Security Deposits	29,995	28,465
		<u><b>29,995</b></u>	<u><b>28,465</b></u>
<b>Note 5</b>	<b>Rates, Business Licence, and Taxi Base fees received in advance</b>		
	Rates Received in Advance	5,110	4,753
	Business License Prepayments	293	140
	Taxi Base Fees Received in Advance	551	113
		<u><b>5,954</b></u>	<u><b>5,006</b></u>

LAMI TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006 (continued.....)

	31 December 2006 \$	31 December 2005 \$
<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	46,148	41,553
Less : provision for depreciation	(16,929)	(12,314)
	<u>29,219</u>	<u>29,239</u>
Furnitures & Fittings	8,899	7,196
Less : provision for depreciation	(3,634)	(2,744)
	<u>5,265</u>	<u>4,452</u>
Motor Vehicles	276,686	212,359
Less : provision for depreciation	(169,163)	(147,028)
	<u>107,523</u>	<u>65,331</u>
Building & Properties	532,748	525,708
Less : provision for depreciation	(31,016)	(24,357)
	<u>501,732</u>	<u>501,351</u>
Roads & Streetlights	15,605,352	15,603,545
Less : provision for depreciation	(864,103)	(669,036)
	<u>14,741,249</u>	<u>14,934,509</u>
Plant & Equipment	122,636	122,636
Less : provision for depreciation	(87,432)	(77,621)
	<u>35,204</u>	<u>45,015</u>
<b>Net Written Down Value</b>	<u><u>16,383,123</u></u>	<u><u>16,542,828</u></u>

**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006 (continued.....)**

	31 December 2006 \$	31 December 2005 \$
<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	29,239	23,702
Additions	4,595	9,692
Depreciation Expense	(4,615)	(4,155)
Balance as at 31 December	<u>29,219</u>	<u>29,239</u>
<b><u>Furnitures &amp; Fittings</u></b>		
Carrying amount at beginning	4,451	5,171
Additions	1,703	-
Depreciation Expense	(890)	(720)
Balance as at 31 December	<u>5,264</u>	<u>4,451</u>
<b><u>Motor Vehicles</u></b>		
Carrying amount at beginning	65,332	82,321
Additions	64,327	-
Depreciation Expense	(22,135)	(16,989)
Balance as at 31 December	<u>107,524</u>	<u>65,332</u>
<b><u>Buildings &amp; Properties</u></b>		
Carrying amount at beginning	501,351	478,823
Additions	7,040	29,099
Depreciation Expense	(6,659)	(6,571)
Balance as at 31 December	<u>501,732</u>	<u>501,351</u>
<b><u>Roads and Streetlights</u></b>		
Carrying amount at beginning	14,934,509	15,104,227
Additions	1,807	25,326
Depreciation Expense	(195,067)	(195,044)
Balance as at 31 December	<u>14,741,249</u>	<u>14,934,509</u>
<b><u>Plant &amp; Equipment</u></b>		
Carrying amount at beginning	45,015	48,965
Additions	-	5,861
Depreciation Expense	(9,811)	(9,811)
Balance as at 31 December	<u>35,204</u>	<u>45,015</u>
<b><u>Land</u></b>		
Carrying amount at beginning	962,931	962,931
<b>Net Written Down Value</b>	<u><u>16,383,123</u></u>	<u><u>16,542,828</u></u>

LAMI TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006 (continued.....)

	31 December 2006 \$	31 December 2005 \$
<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	663,197	770,410
Adjustment to Opening Balance	5,209	-
Less: Adjustment of Opening Balance	(8,176)	-
Add: Additional Loan (Merchant Finance)	-	-
Less: Interest Refund	-	-
Less: Loans Repaid	(54,397)	(107,213)
<b>Balance as at 31 December</b>	<b><u>605,833</u></b>	<b><u>663,197</u></b>
<b>Analysed as:</b>		
Current	105,527	107,213
Non Current	500,306	555,984
	<b><u>605,833</u></b>	<b><u>663,197</u></b>
<b>Note 8      Finance Lease Less Repayments</b>		
Opening Balance	8,176	-
Add: New Finance Lease	61,127	-
Add: PDI Charges Capitalised	10	-
	69,313	-
Less: Repayments	(14,951)	-
	<b><u>54,362</u></b>	<b><u>-</u></b>
<b>Note 9      Accumulated Funds</b>		
General Fund	2,751,890	2,716,729
Fire Service	-	18,089
Loan Service	1,056,448	975,887
<b>Balance as at 31 December</b>	<b><u>3,808,338</u></b>	<b><u>3,710,705</u></b>
<b>Note 10      Discount on Rates</b>		
In accordance with Council resolution of 11 December, 2006, discount of 10% was allowed on current rates paid in full up to 28 February, 2006. Discount allowed during the year were as follows:		
General Fund	26,939	34,039
Loan Service Fund	9,729	17,605
<b>Total</b>	<b><u>36,668</u></b>	<b><u>51,644</u></b>

**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006 (continued.....)**

		31 December 2006 \$	31 December 2005 \$
<b>Note 11</b>	<b>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 12</b>	<b>Fire Service Account</b>		
	The surplus funds held in the Fire Service Account over the years has been transferred to General Fund Account as per the Minister's approval.		
<b>Note 13</b>	<b>Notes to the Statement of Cash Flows</b>		
(a)	<b><u>General Fund</u></b>		
(i)	<b>Reconciliation of Net Cash Provided by Operating Activities of Net Surplus</b>		
	Net (deficit)/surplus for the year	97,633	275,297
	Depreciation	239,177	233,290
	(Gain)/loss on disposal	-	-
	<b>Net cash provided by operating activities before changes in Assets and Liabilities</b>	<b>336,810</b>	<b>508,587</b>
	<b>Change in assets and liabilities:</b>		
	Increase in receivables	(407,100)	(310,967)
	Increase in creditors and borrowings	80,595	951
	(Increase)/Decrease in sundry deposits	1,530	2,413
	(Increase)/Decrease in Value Added Tax	3,324	(6,633)
	Decrease in rates received in advance	948	(786)
	<b>Net cash Inflows from Operating Activities</b>	<b>16,107</b>	<b>193,565</b>
(ii)	<b>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	100
	Bank Overdraft	(113,298)	(46,931)
		<b>(113,198)</b>	<b>(46,831)</b>

**Note 14      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 and 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 15      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.