



LAMI TOWN COUNCIL

Annual Report for the Year 2008



LAMI TOWN COUNCIL



ANNUAL REPORT

(Section 19 – Local Government Act, Cap 125)

**FOR THE YEAR ENDED
31 DECEMBER, 2008**



25th 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 31st December, 2008.

Yours faithfully,

Azam Khan
Chief Executive Officer (Acting)

LAMI TOWN COUNCIL

ANNUAL REPORT 2008

CONTENTS	PAGES
ADMINISTRATION	3 - 5
FINANCE	6 - 7
ROLE OF COUNCIL	7 - 8
PUBLIC WORKS AND SERVICES	8 - 9
PARKS, GARDENS AND SPORTS	9
PUBLIC HEALTH/ENVIRONMENT	9 - 12
BUILDING	12 - 13
INDUSTRIAL RELATIONS	14
PUBLIC RELATIONS AND PARTICIPANTS	14
ACKNOWLEDGEMENT	14
APPENDICES	
STATEMENT OF FINANCIAL POSITION	
STATEMENT OF REVENUE AND EXPENDITURE	
i) General Fund Account	
ii) Special Fire Service Account	
iii) Special Loan Service Account	
STATEMENT OF CASHFLOW	
NOTES TO AND FORMING PART OF ACCOUNTS	

ADMINISTRATION

MEMBERS OF THE COUNCIL

At the close of the year the members of the Council were:

EASTERN WARD

Cr Tevita Veledroka 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 2008 had 6 of its members from the Eastern Ward.

WESTERN WARD

Cr Jimi Savu (Deputy Mayor)
Cr Susana Evening
Cr Jasper Singh
Cr Josaia Moce
Cr Kesaia Vulimeke Makita
Cr Inosi Biusavu Veikauyaki

The Council before the closing of the year 2008 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	20,223 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 7th November 2008, Councillor Tevita Veleadroka Vuatalevu was re-elected as the Mayor and Councillor Alipate Jimi Savu as the Deputy Mayor for the ensuring year 2008/2009.

COUNCIL MEETING

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

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

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

FINANCE, STAFF AND GENERAL PURPOSES	12
STAFFING AND CONFIDENTIAL	12

OFFICERS OF THE COUNCIL

The Principal Officer of the Council as at the end of 2007 was:

Town Clerk/CEO	Ms Preeya Ieli
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Other Support Staff were as follows:

Building Inspector	Ashwant Prasad	
Health Inspector	Eseta Leawere	
Personal Assistant/Secretary	Nerolyn L Nofaga	
Senior Accounts/Revenue Officer	Laisani Raikoti	
Enforcement Officer	Jonetani Suguturaga	
Town Ranger/Market Master	Petaia Vuli	
Administrative Assistant	Saiyad Kutty	
Works Supervisor	John S Pickering	from 19 th May 2008
Assistant Works Supervisor	Tajim Khan	resigned on 27 th November 2008
I T Officer	Naleem Raj	
Accounts Officer	Yadhna Sharma	
Tea Lady/Office Assistant	Atelini Lewasau	

With 18 other unestablished employees engaged in field works

SOLICITORS FOR THE COUNCIL

Messrs Muaror & Co and M A Khan ESQ, Mua Law, Komai Law, Nawaikula ESQ and Valenitabua S R ESQ 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:

FUND	2008 REVENUE	2008 EXPENDITURE	SURPLUS/ (DEFICIT) 2008	ACCUMULATED SURPLUS/(DEFICIT) AS AT 31 DECEMBER 2008
GENERAL	1,257,276	1,057,261	200,015	3,166,103
LOAN	117,148	46,528	70,620	1,190,754
	1,374,424	1,103,789	270,635	4,356,857

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 2008 a discount of 10% in January, February 7% and March 5% on the rates struck for the year was granted in the event of full payment inclusive of arrears made from January 2008 to 31st March, 2008. Total discount shown as a note in the accounts amounted to \$25,915. 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 62.32% of its current rates, which amounted to \$370,454 out of the total revenue of \$1,374,424 collected during the year.

ARREARS OF REVENUE

The Council's arrears of rates inclusive of interest charges at the end of 2008 was \$5,418,595. 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 \$42,368 were made reducing the principal balance at the end of 2008 to \$510,092. The opening balance at the beginning of the year was \$551,260.

FINANCE LEASE REPAYMENTS

The loan repayment for council's admin vehicle inclusive of interest charges totaling \$12,225 were made reducing the principal balance at the end of 2008 to \$27,507. The opening balance at the beginning of the year was \$39,732.

NEW GARBAGE COMPACTOR TRUCK

The Council proposed for provision of a garbage collection compactor truck to the Government of Japan. They donated a new Garbage Compactor Truck, worth (approx. F\$132,794) under its Grant Assistance for Grassroots Human Security Projects (GGP) Programme to the Council.

The Council is using the new Garbage Compactor Truck for the sanitary and safe cartage of household refuse from Lami area to the new Naboro Landfill site.

CASH FLOW

The Council recorded a surplus balance of \$17,329 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.

CAPITAL PROJECTS

Capital Expenditure totaling \$14,004 was used for the following works:

1. \$9,307 for Buildings & Property;
2. \$2,667 was for Office Equipment;
3. \$1,089 was for Roads & Streetlights; and
4. \$942.00 was for Furniture & Fittings

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	15	40
Marine Drive (Opposite Kalekana)	15	70
Uduya Point	10	40
Wailekutu	15	67
Marine Drive	12	49
Qoya	<u>33</u>	<u>230</u>
Total	<u>100</u>	<u>496</u>

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	570	405	975
Investigations of Complaints	130	120	250
New Building site			
Before approval	70	60	130
New Building work in progress	75	65	140
Hotels	40	40	80
Restaurants/Ref/Bar	70	40	110
Schools	15	10	25
Bake house	45	40	85
Butcher Shops	25	20	45
Drainage	100	80	180
Illegal disposal of Refuse	100	70	170
Overgrowth abatement	55	35	90
Barber Shop	9	8	17
Food Shop	<u>90</u>	<u>80</u>	<u>170</u>
Total	<u>1,394</u>	<u>1,073</u>	<u>2,467</u>

b) Summary of Sanitary Improvements

Items	Ordered	Completed
Repairs/Cleaning of Kitchen	40	35
Repairs/Cleaning of existing drains	88	75
Removing of accumulated Refuse	120	80
Cleaning of overgrowth of grass	85	60
Provision of garbage bin	50	40
Cleaning of food premises	120	70
Repairing of sewer pipes	<u>50</u>	<u>30</u>
Total	<u>553</u>	<u>390</u>

BUILDING

a) Summary of Building Applications

Building applications dealt with during the year:

Type of Application	Number	Value(\$)
Commercial	6	32,675
New Dwelling	8	392,653
Additional/Alterations/Repairs to Residential Buildings	25	1,159,758
<u>Miscellaneous</u> Retaining Wall/Fence Sewer Connection/Underground Cabling	15	171,178
Industrial Building/School	<u>12</u>	<u>4,556,628</u>
Total	<u>66</u>	<u>6,312,892</u>

b) Registration of Food Premises

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

Exporting of Fish	2
Food Shop	20
Food Exporter	3
Hawkers	15
Ice Factory	1
Total	<u>71</u>

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.



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



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



REPUBLIC OF THE FIJI ISLANDS
OFFICE OF THE AUDITOR GENERAL

ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 1295

31 May 2010

Mr. Chandra Kant Umariya
The Administrator
Lami Town Council
Lami

Dear Mr. Umariya

**AUDIT OF THE ACCOUNTS OF THE LAMI TOWN COUNCIL FOR THE YEAR ENDED 31 DECEMBER
2008**

Two copies of the audited financial statements of the Lami Town Council for the year ended 31 December 2008 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 & Environment
Mrs. Preeya Ieli, Chief Executive Officer for Lami Town Council

Encl.



ACCOUNTABILITY IN THE PUBLIC SECTOR
THROUGH QUALITY AUDIT SERVICES

LAMI TOWN COUNCIL

2008 AUDITED ACCOUNTS



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



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

LAMI TOWN COUNCIL

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the Lami Town Council for the year ended 31 December 2008 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 the Fiji Accounting Standards and the statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the result 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 \$5,418,595 as at 31 December 2008. If a charge of doubtful debt was recorded, it would result in a decrease of net surplus in the Statement of Income and Expenditure of General Fund.
2. The Council did not provide a Fixed Assets Register for audit; therefore Property, Plant and Equipment totaling \$16,052,287 and Depreciation Expense totaling \$251,127 for 2008 could not be substantiated.

In my opinion, because of the effect of the matter discussed in the qualification paragraphs, the financial statements do not present fairly the financial position of the Lami Town Council as at 31 December 2008 and the result of its operations for the year then ended.

Tevita Bolanavanua
ACTING AUDITOR GENERAL



Suva, Fiji

31 May 2010

LAMI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

CONTENTS	PAGE NO.
Independent Audit Report	1
Statement of Financial Position – General Fund	2
Statement of Revenue and Expenditure Account – General Fund	3
Statement of Revenue and Expenditure Account – Special Loan Service Account	4
Statement of Cash Flows	5
Notes to and Forming Part of the Financial Statements	6-12

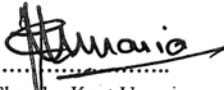
**LAMI TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2008**

	Notes	31 December 2008 \$	31 December 2007 \$
<u>CURRENT ASSETS</u>			
Cash on Hand		100	100
Cash at Bank		17,713	46
Receivables	2	5,454,647	5,011,583
VAT Receivable		2,042	12,735
Sundry Advance		2,874	2,874
Total Current Assets		5,477,376	5,027,338
<u>NON CURRENT ASSETS</u>			
Property, Plant and Equipment	6	16,052,287	16,289,409
Work in Progress		-	-
Total Non Current Assets		16,052,287	16,289,409
TOTAL ASSETS		21,529,663	21,316,747
<u>CURRENT LIABILITIES</u>			
Bank Overdraft	14	484	36,829
Creditors	3	146,976	113,682
Provision for Employee Entitlement	3	12,646	4,192
Sundry Deposits	4	32,633	31,177
Rates & Businesses Licenses received in advance	5	8,983	9,624
Loan funds less repayments	7	42,368	56,398
Finance Lease	8	27,507	39,732
Total Current Liabilities		271,597	291,634
<u>NON CURRENT LIABILITIES</u>			
Loan funds less repayments	7	467,724	494,862
Deferred Income	9	110,706	121,250
Total Non Current Liabilities		578,430	616,112
TOTAL LIABILITIES		850,027	907,746
NET ASSETS		20,679,636	20,409,001
Represented By :			
<u>RESERVES AND EQUITY</u>			
Asset Revaluation Reserve		16,322,779	16,322,779
Accumulated Funds	10	4,356,857	4,086,222
		20,679,636	20,409,001

(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 2008.


.....
Mr. Chandra Kant Umaria
Special Administrator

Date: 27/5/2010


.....
Mrs Preeya Ieli
Chief Executive Officer

Date: 27/5/2010

**LAMI TOWN COUNCIL
GENERAL FUND ACCOUNT**

STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	31 December 2008 \$	31 December 2007 \$
<u>REVENUE DERIVED FROM :</u>			
General Rates	11	253,306	245,851
Rates in Arrears		585,039	501,793
Interest on Overdue rates		96,309	79,612
License and Permit Fees		47,444	45,012
Market Fees		18,443	19,846
Hire& Rental of Council Properties		59,386	62,504
Contractual Receipts	12	30,601	137,182
Miscellaneous		30,451	9,650
Garbage Fees	13	37,005	5,044
Stand Fees		14,903	12,681
Photocopy		226	118
Advertising		4,963	4,889
Challenge Fund E Library		68,656	55,760
Amortisation of Deferred Income	9	10,544	10,544
Total Revenue		1,257,276	1,190,486
<u>EXPENDITURE INCURRED ON :</u>			
<u>Recurrent Expenditure</u>			
Depreciation		251,127	250,637
Council Expenses		42,030	50,871
General Administration		256,012	219,888
Parks,Gardens and Recreation areas		13,253	11,921
Health Services		159,029	129,752
Public Works and Services		335,810	313,219
Total Expenditure		1,057,261	976,288
Net Surplus for the year		200,015	214,198
Add (Surplus/Deficit) Balance as at 1 January		2,966,088	2,751,890
Leaving a Surplus Balance at 31 December		3,166,103	2,966,088

LAMI TOWN COUNCIL
SPECIAL LOAN SERVICE ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	31 December 2008 \$	31 December 2007 \$
Revenue Derived From:			
Special Loan Rates		117,148	128,110
Total Revenue		117,148	128,110
Expenditure Incurred On:			
Interest On Loan		46,528	64,424
Total Expenditure		46,528	64,424
Net Surplus for the year		70,620	63,686
<i>Add:</i> Surplus Balance as at 1 January		1,120,134	1,056,448
Surplus balance at 31 December of		1,190,754	1,120,134

LAMI TOWN COUNCIL
STATEMENT OF CASH FLOWS - GENERAL FUND FOR
THE YEAR ENDING 31 DECEMBER 2008

	Notes	31 December 2008 \$	31 December 2007 \$
Cash Flows from Operating Activities			
Receipts from customers		932,098	986,940
Payments to suppliers and employees		(767,568)	(778,807)
Rates received in advance		(641)	3,670
Net VAT paid		(42,479)	(40,957)
Net cash provided by Operating Activities	14(a)(i)	<u>121,410</u>	<u>170,846</u>
Cash flows from Investing Activities			
Acquisition of property, plant & equipment		(14,005)	(25,129)
Net cash used in Investing Activities		<u>(14,005)</u>	<u>(25,129)</u>
Cash flows from Financing Activities			
Repayment of borrowings		(53,393)	(69,202)
Net cash provided by Financing Activities		<u>(53,393)</u>	<u>(69,202)</u>
Net Decrease in Cash & Cash Equivalents		54,012	76,515
Cash and Cash Equivalent at the Beginning of the Year		(36,683)	(113,198)
Cash and Cash Equivalent at the End of the Year	14(a)(ii)	<u><u>17,329</u></u>	<u><u>(36,683)</u></u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDING 31 DECEMBER 2008

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 2008. 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.

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 ENDING 31 DECEMBER 2008 (Continued...)

	31 December 2008 \$	31 December 2007 \$
Note 2 <u>Debtors</u>		
Rates Debtors	5,418,595	4,989,658
Garbage Fee Debtors	28,914	-
Other Debtors	7,138	21,925
	<u>5,454,647</u>	<u>5,011,583</u>
Of the total Rates arrears the sum of \$4,208,823 or 78% inclusive of interest, is due on unalienated native land.		
Note 3 <u>Creditors and Accruals</u>		
Sundry Creditors	146,976	131,682
Provision for Employee Entitlement	12,646	4,192
	<u>159,622</u>	<u>135,874</u>
Note 4 <u>Sundry Deposits</u>		
Sundry Deposits	32,633	31,177
	<u>32,633</u>	<u>31,177</u>
Note 5 <u>Rates, Business Licence, and Taxi Base fees received in advance</u>		
Rates Received in Advance	8,140	9,174
Business Licence Prepayments	382	45
Taxi Base Fees Received in Advance	461	405
	<u>8,983</u>	<u>9,624</u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDING 31 DECEMBER 2008 (Continued...)

	31 December 2008 \$	31 December 2007 \$
Note 6 <u>Property, Plant & Equipment</u>		
Land	962,931	962,931
Less: provision for depreciation	-	-
	<u>962,931</u>	<u>962,931</u>
Office Equipment	55,704	53,037
Less: provision for depreciation	(27,803)	(22,233)
	<u>27,901</u>	<u>30,804</u>
Furniture & Fittings	9,841	8,899
Less: provision for Depreciation	(5,508)	(4,524)
	<u>4,333</u>	<u>4,375</u>
Motor Vehicles	408,480	408,480
Less: provision for depreciation	(234,519)	(201,841)
	<u>173,961</u>	<u>206,639</u>
Building & Properties	554,195	544,888
Less: provision for depreciation	(44,754)	(37,827)
	<u>509,441</u>	<u>507,061</u>
Roads & Streetlights	15,612,541	15,611,452
Less: provosion for depreciation	(1,254,403)	(1,059,246)
	<u>14,358,138</u>	<u>14,552,206</u>
Plant & Equipment	122,636	122,636
Less: provision for depreciation	(107,054)	(97,243)
	<u>15,582</u>	<u>25,393</u>
Net Written Down Value	<u>16,052,287</u>	<u>16,289,409</u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDING 31 DECEMBER 2008 (Continued...)

	31 December 2008 \$	31 December 2007 \$
Note 6(i) <u>Movement in Carrying Amounts</u>		
Movement in carrying amounts for each class of property, plant and equipment.		
<u>Office Equipment</u>		
Carrying amount at beginning	30,804	29,219
Additions	2,667	6,889
Depreciation Expense	(5,570)	(5,304)
Balance as at 31 December	27,901	30,804
<u>Furniture & Fittings</u>		
Carrying amount at beginning	4,375	5,265
Additions	942	-
Depreciation Expense	(984)	(890)
Balance as at 31 December	4,333	4,375
<u>Motor Vehicles</u>		
Carrying amount at beginning	206,639	107,523
Additions	-	131,794
Depreciation Expense	(32,678)	(32,678)
Balance as at 31 December	173,961	206,639
<u>Buildings & Properties</u>		
Carrying amount at beginning	507,061	501,732
Additions	9,307	12,140
Depreciation Expense	(6,927)	(6,811)
Balance as at 31 December	509,441	507,061
<u>Roads & Streetlights</u>		
Carrying amount at beginning	14,552,206	14,741,249
Additions	1,089	6,100
Depreciation Expense	(195,157)	(195,143)
Balance as at 31 December	14,358,138	14,552,206
<u>Plant & Equipment</u>		
Carrying amount at beginning	25,393	35,204
Additions	-	-
Depreciation Expense	(9,811)	(9,811)
Balance as at 31 December	15,582	25,393
<u>Land</u>		
Carrying amount at beginning	962,931	962,931
Net Written Down Value	16,052,287	16,289,409

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDING 31 DECEMBER 2008 (Continued...)

	31 December 2008 \$	31 December 2007 \$
Note 7 <u>Loan Funds Less Repayments</u>		
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	551,260	605,833
Add: Bank Fee	1,200	1,825
Less: Loans Repaid	(42,368)	(56,398)
Balance as at 31 December	510,092	551,260
Analysed as:		
Current	42,368	56,398
Non Current	467,724	494,862
	510,092	551,260
Note 8 <u>Finance Lease Repayments</u>		
Amount shown below represents balance of repayments due to purchase of motor vehicles under finance lease in 2006 at a repayment term of five years.		
Opening Balance	39,732	54,362
Less: Repayments	(12,225)	(14,630)
	27,507	39,732
Note 9 <u>New Garbage Compactor Truck</u>		
The amount represents a garbage truck donated by the Japanese Embassy in February 2007, which is treated in accordance to FAS 20 as follows:		
Carrying Amount at beginning	121,250	131,794
Less: Depreciation Charge	(10,544)	(10,544)
Written Down Value at 31 December	110,706	121,250
Note 10 <u>Accumulated Funds</u>		
General Fund	3,166,103	2,966,088
Loan Service	1,190,754	1,120,134
Balance as at 31 December	4,356,857	4,086,222

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDING 31 DECEMBER 2008 (Continued...)

	31 December 2008 \$	31 December 2007 \$
Note 11 <u>Discount on Rates</u>		
In accordance with Council resolution of December, 2007 discount of 10% was allowed on current rates paid in full up to 28 February, 2008. Discount allowed during the year were as follows:		
General Fund	25,915	19,377
Loan Service Fund	-	6,249
Total	25,915	25,626

Note 12 Contractual Receipts

The amount represents recoveries from Public Works Department for expenditure contractually incurred by the Council on the maintenance of Marine Drive and Nasevou Street.

Note 13 Garbage Fees

The Council levied Garbage Fees of \$80 per annum with effect from 1 August 2008.

Note 14 Notes to the Statement of Cash Flows

(a) General Fund

(i) Reconciliation of Net Cash Provided by

Operating Activities of Net Surplus

Net (deficit)/surplus for the year	270,635	267,339
Depreciation	251,127	250,637
Net cash provided by operating activities before changes in Assets and Liabilities	521,762	517,976
Change in assets and liabilities:		
Decrease in receivables	(443,064)	(288,773)
Increase in creditors and borrowings	41,748	(61,130)
(Increase)/Decrease in sundry deposits	1,456	1,182
(Increase)/Decrease in Value Added Tax	10,693	(2,079)
Decrease in rates received in advance	(641)	3,670
Net cash Inflows from Operating Activities	131,954	170,846

(ii) Cash & Cash Equivalents

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
Cash at Bank	17,713	46
Bank Overdraft	(484)	(36,829)
	17,329	(36,683)

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDING 31 DECEMBER 2008 (Continued...)

Note 15 Principal 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.

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 16 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.

