



LAMI TOWN COUNCIL

Annual Report for the Year 2010



LAMI TOWN COUNCIL



ANNUAL REPORT

(Section 19 – Local Government Act, Cap 125)

**FOR THE YEAR ENDED
31 DECEMBER, 2010**



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, 2010.

Yours faithfully,

Azam Khan
Chief Executive Officer (Acting)

LAMI TOWN COUNCIL

ANNUAL REPORT 2010

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ADMINISTRATION

ADMINISTRATORS OF THE COUNCIL

The Ministry of Local Government, Urban Development, Housing and Environment appointed “Special Administrators” for each Municipality. The Council had Mrs. Marica Hallacy appointed as the Special Administrator and later had Mr Chandra Kant Umaria. Mr Umaria appointed as the Special Administrator.

CO-OPTED MEMBERS

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

District Officer - Suva

Station Officer, Lami Police Station for Traffic, Sports & Community Projects Committee

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

COUNCIL MEETING

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

Ordinary	12
Special	2
Total	<u>14</u>

STANDING COMMITTEES

TOWN PLANNING BUILDING & DEVELOPMENT	9
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OFFICERS OF THE COUNCIL

The Principal Officer of the Council as at the end of 2010 was:

Chief Executive Officer	Ms Preeya Ieli
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Other Support Staff were as follows:

Building Inspector	Ashwant Prasad	
Health Inspector	Eseta Leawere	resigned on 29 th July 2010
Assistant Health Inspector	Selaima Maitoga	from 3 rd May 2010
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
Assistant Works Supervisor	Raneel Kumar Datt
IT Officer	Naleem Raj
Accounts Officer	Yadhna Sharma
Tea Lady/Office Assistant	Atelini Lewasau

With 19 other unestablished employees engaged in field works.

TRAINING AND EDUCATION

NAME	TRAINING / EDUCATION / WORKSHOPS
Preeya Ieli	MBA - USP Workshop – Office Fraud and Accounting Practices Workshop – Philippines – Creating Climate Change Champions for Stewarts; Training of Trainers OHS Training – TPAF National Disaster Management Officers Emergency Operations Centre Crime Free Symposium Cities responding to Climate change (Korea)
Laisani Raikoti	Law Degree OHS Training – TPAF TPAF Grant/Levy Scheme – TPAF Employee Tax Benefit & TIN Workshop FIRCA – SCC Crime Free Symposium Pest Control Ass of Fiji (PCAF)
Eseta Leawere	OHS Training – TPAF Food Safety – Min of Health Food Unit Litter Promulgation – Dept of Environment
John Pickering	OHS Training – TPAF
Jonetani Suguturaga	OHS Training – TPAF Litter Promulgation – Dept of Environment
Ashwant Prasad	OHS Training – TPAF
Raneel Datt	OHS Training – TPAF
Yadhna Sharma	Workshop – Office Fraud and Accounting Practices OHS Training – TPAF Basic Accounting Procedures – SCC

	TPAF Grant/Levy Scheme - TPAF
Selaima Maitoga	Food Safety – Min of Food Unit Fem’link Pacific – Women’s Rights Save the Children – Community Workshop
Naleem Raj	Basic Accounting Procedures – SCC Employee Tax Benefit & TIN Workshop FIRCA- SCC CLGF – Women in Local Government Networking
Nerolyn Nofaga	CLGF – Women in Local Government Networking
Petaia Vuli	Litter Promulgation

SOLICITORS FOR THE COUNCIL

Messrs Muaror & Co, Nawaikula ESQ, Valenitabua S R ESQ, Shekinah Law, Tevita Fa & Associates and Extreme Debt Collectors 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	2010 REVENUE	2010 EXPENDITURE	SURPLUS/ (DEFICIT) 2010	ACCUMULATED SURPLUS/(DEFICIT) AS AT 31 DECEMBER
GENERAL	825,078	5,922,987	(5,097,909)	(1,513,007)
FIRE	-	-	-	
LOAN	167,264	37,665	129,599	1,407,349
	992,342	5,960,652	(4,968,310)	(105,658)

RATES

Vat inclusive rate levy for the year 2010 was:

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

RATES – Small Claims Tribunal

The Council lodged 40 rates files in arrears below \$5,000.00 to Small Claims Tribunal.

DISCOUNT ON RATES

In 2010 a discount of 7% in January and February on the rates struck for the year was granted in the event of full payment inclusive of arrears made from January 2010 to 28th February 2010. Total discount shown as a note in the accounts amounted to \$15,991. During the year the combined general and loan services rates were budgeted to earn \$648,947 out of which the Council was able to collect 71.18% of its current rates, which amounted to \$461,906 out of the total revenue of \$992,342 collected during the year.

ARREARS OF REVENUE

The Council's arrears of rates inclusive of interest charges at the end of 2010 were \$1,230,642. 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 \$42,723 were made reducing the principal balance at the end of 2010 to \$424,058. The opening balance at the beginning of the year was \$466,781.

FINANCE LEASE REPAYMENTS

The loan repayments for council's admin vehicle inclusive of interest charges totaling \$12,289 were made reducing the principal balance at the end of 2010 to \$3,057. The opening balance at the beginning of the year was \$15,282.

CASH FLOW

The Council had a deficit balance of (\$90,807) in General Fund Account and (4,714) in Parking Meter Fund Account at the close of the year.

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.

CLIMATE CHANGE ISSUES – LAMI

The Lami Town Council together with UN-HABITAT, Scope Pacific and Department of Town and Country Planning conducted a “Vulnerability and Adaptation assessment of Lami. This assessment will determine Lami’s stand on Climate Change”.

The Chief Executive Officer Ms. Preeya Leli of Lami Town Council was chosen to represent Lami in Korea for the workshop that was organized by the UN-HABITAT CCCI Asia Pacific Regional Partners Meeting 2010 on the Cities Responding to Climate Change. The workshop was from 15th September to 17th September 2010 in Changwon, South Korea. Lami won the first prize for the photo competition on the climate change and also gets top recognition for their work from UN-HABITAT.

The objective was to share and improve city-level change response methodologies, tools and policy options which would strengthen local capacities to reduce their climate change vulnerability and GHG emissions. To strengthen the regional collaboration among and between local and national governments was well as the regional support program in order to build and support a greater momentum in making cities in Asia-Pacific climate resilient.

The Council had a stall at 2010 Lami Festival whereby all the information on climate change was displayed and the officials from UN-HABITAT and Scope Pacific were also available for the general public for any query etc.

CAPITAL PROJECTS

FORESHORE RETAINING WALL

The Council has a budget of \$50,000.00 allocated for foreshore retaining wall due to damage by rise in sea level. Council had put up a tender for interested parties to apply. The Council is in the process of selecting a successful tender.

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 up-keep 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 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 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.

TOWN BEAUTIFICATION PROJECT

The Council in association with Consumer Council of Fiji conducted educational health awareness programs in which 5 primary schools within Lami were the target groups of this awareness. There was positive response from the Schools which participated in the programme. The 5 schools took part in Vegetable Growing Competition to see which school grows the healthiest vegetables.

To continue beautification & cleaning of the garden town the Council requested funding through CLGF as it is an ongoing project from year 2007 to achieve Councils strategy of enhancing Civic pride in Lami.

In maintaining the hygiene and cleanliness of the Central Business District (CBD) pesticide control spraying was also done to control vermin's and insects within the facilities especially with eateries.

All business houses were advised to adhere to the requirements for renewal of business license for the year 2010 such as Waste Permit from department of Environment, OHS Certificate, National Fire Authority Certificate and Floor plan only for new business.

TRAFFIC & ENFORCEMENT

The Council continues to book illegal taxis that are operating in Lami through issuing of TINS to the offenders. Seven day notices are being issued for illegal parking or obstruction of footpath by private vehicles owners and companies. The Council managed to get 4 new PSV stands as the demand for taxi has increased in Lami also this will be new added revenue for Council. Council is awaiting Ministry for gazette new fees and charges for Mini Van and Carrier Stands. Together with LTA the Council carries out operation to combat illegal taxi operators in Lami.

The Foods Pacific Ltd had for some time occupied the Toti Park illegally with its Containers and they were also damaging the roads in Wailada. Despite giving several notices and taking legal action to take their containers from Toti Park the Council with the help of Council Lawyer had managed to cart all the containers from the Toti Park and impounded them.

Council monitors the roads, footpaths and drains in case of any damaged by any companies they are liable to repair at their own cost.

PARKING METER

The new Pay & Display Parking Meters was installed by the Council. This helps the Council in combating the illegal parking and traffic congestion in Lami Town area.

TOWN PLANNING – BUILDINGS

Some major on-going projects under building department are as follows:

New Investments & Business Activity at Lami for the year 2010 recorded were:

In Progress

Novotel	505 million refurbishment (Final Phase)
Qeleya Apartments	1.5 million (Final phase in progress)
Williams & Goslings	10 million (2 nd phase in progress)
Matata Subdivision	5 million (2 nd phase in progress)
R B Patel Harbour Point	5 million (2 nd phase In progress)
Applications submitted	
Punjas condominiums	12 million (currently with DTCP)

a) Summary of Building Applications

Building applications dealt with during the year:

Type of Application	Number	Value(\$)
New Commercial & Industrial	7	4,854,225
New Residential Buildings	4	285,683
Additional/Alterations/Repairs to Industrial Buildings	6	337,656

Additional/Alterations/Repairs to Residential Buildings	11	534,122
Miscellaneous Retaining Wall/Fence Sewer Connection/Underground Cabling	6	246,743
School Building etc	0	
Total	<u>34</u>	<u>6,258,429</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.

OBSTACLES FACED BY THE COUNCIL

Foods Pacific Limited is no longer using Toti Parks. The Councils lawyer Shekinah Law is handling the case and it is listed for mentioned.

NLTB owes Council \$3.6 million dollars as rates arrears. Despite Councils numerous attempts and dialogue NLTB has failed to negotiate and therefore pending legal action is now pursued.

The case was forwarded to Nawaikula ESQ. However, the Ministry of Local Government had intervened and there was a cabinet paper on NLTB rates arrears and the Prime Minister was to make the decision on NLTB rates arrears.

However, as per the directive and amendment of the Local Government Act Cap 125 Sec 59 [1C] the Council can no longer charge rates on Native Land Trust Board land that is unlicensed or un-leased. The rates owned by Native Land Trust Board in the sum of \$4,793,635 including interest were written off by the Council.

Major capital projects highlighted by the Council in their strategic plan needs to be revised and other alternatives of funding sourced as much anticipated. Native Land Trust Board dues have been written off.

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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File: 1295

15 September 2011

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
2010

Two copies of the audited financial statements of the Lami Town Council for the year ended 31 December 2010 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
AUDITOR GENERAL

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

Encl.

PIA
filed
copy
17 SEP 2011
PIA

REPUBLIC OF THE FIJI ISLANDS
OFFICE OF THE AUDITOR GENERAL



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LAMI TOWN COUNCIL

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the Lami Town Council for the year ended 31 December 2010 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

The Council has not provided a provision for doubtful debts for its rates debtors totaling \$1,230,642 as at 31 December 2010. 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.

Qualified Audit Opinion

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 2010 and the result of its operations for the year then ended.

Tevita Bolanavanua

Tevita Bolanavanua
AUDITOR GENERAL

Suva, Fiji

15 September, 2011





EXCELLENCE IN PUBLIC SECTOR AUDITING

AUDITED FINANCIAL STATEMENT

LAMI TOWN COUNCIL

31 DECEMBER 2010



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

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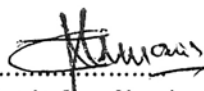
LAMI TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

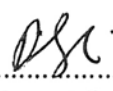
	Note	31 December 2010 \$	31 December 2009 \$
<u>CURRENT ASSETS</u>			
Cash on Hand		100 A	100
Receivables	2	1,317,978 A	6,065,026
VAT Receivable		2,304 A	330
Sundry Advance		2,874 A	2,874
Total Current Assets		1,323,256	6,068,330
<u>NON CURRENT ASSETS</u>			
Property, Plant and Equipment	3	15,724,279 A	15,938,052
Total Non-Current Assets		15,724,279	15,938,052
TOTAL ASSETS		17,047,535	22,006,382
<u>CURRENT LIABILITIES</u>			
Bank Overdraft	11 (ii)	90,907 A	37,882
Creditors	4	171,982 A	147,732
Provision for Employee Entitlement	4	3,027 A	10,737
Sundry Deposits	5	40,373 A	37,233
Rates, Garbage, Stand Fee & Business Licenses received in advance	6	7,392 A	6,107
Finance Lease	7	3,057 A	15,282
Loan funds less repayments (current year)	8	87,696 A	44,976
Total Current Liabilities		404,434	299,949
<u>NON CURRENT LIABILITIES</u>			
Loan funds less repayments	8	336,362 A	420,840
Deferred Income	9	89,618	100,162
Total Non Current Liabilities		425,980	521,002
TOTAL LIABILITIES		830,414	820,951
NET ASSETS		16,217,121	21,185,431
Represented By :			
RESERVES AND EQUITY			
Asset Revaluation Reserve		16,322,779 A	16,322,779
Accumulated Funds	10	(105,658) A	4,862,652
		16,217,121	21,185,431

(The Financial Statements are to be read in conjunction with the accompanying notes on Pages 9 to 16)

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, 2010.


.....
Mr. Chandra Nant Umara
Special Administrator
Date: 13/9/2011


.....
Mrs Preeya Ieli
Chief Executive Officer
Date: 13/9/2011

LAMI TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 December 2010 \$	31 December 2009 \$
Revenue Derived From:			
General Rates		294,642	367,576
Rates in Arrears		117,271	629,614
Interest on Overdue rates		45,418	71,488
License and Permit Fees		62,234	45,374
Market Fees		24,518	19,446
Hire& Rental of Council Properties		72,313	74,050
Contractual Receipts	1 d)	20,051	44,822
Miscellaneous		33,151	12,482
Garbage Fees	1 e)	107,337	93,928
Stand Fees		23,271	15,808
Photocopy		180	224
Advertising		14,148	7,941
Challenge Fund for Tikaram Park		-	35,556
Amortisation of Deferred Income	9	10,544	10,544
Total Revenue		825,078	1,428,853
Expenditure Incurred On:			
Recurrent Expenditure			
Depreciation		236,494	253,186
Council Expenses		8,830	10,108
General Administration		374,572	267,825
Parks, Gardens and Recreation areas		16,667	12,959
Health Services		114,246	154,994
Enforcement Services		109,352	15,788
Public Works and Services		253,200	295,194
Bad Debts	2 (i)	4,793,635	-
Discount on Rates	2(ii)	15,991	-
Total Expenditure		5,922,987	1,010,054
Net (Deficit)/Surplus for the year		(5,097,909)	418,799
Add (Deficit)/Surplus Balance as at 1 January		3,584,902	3,166,103
Leaving a (Deficit)/Surplus Balance at 31 December		(1,513,007)	3,584,902

LAMI TOWN COUNCIL
SPECIAL LOAN SERVICE ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 December 2010 \$	31 December 2009 \$
Revenue Derived From:			
Special Loan Rates		167,264	130,416
Total Revenue		<u>167,264</u>	<u>130,416</u>
Expenditure Incurred On:			
Interest On Loan		37,665	43,420
Total Expenditure		<u>37,665</u>	<u>43,420</u>
Net Surplus for the year		129,599	86,996
Add: Surplus Balance as at 1 January		1,277,750	1,190,754
Surplus Balance at 31 December of		<u>1,407,349</u>	<u>1,277,750</u>

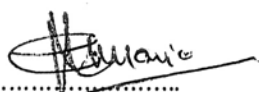
LAMI TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010


	Note	31 December 2010 \$	31 December 2009 \$
<u>CURRENT ASSETS</u>			
Cash at Bank		-	-
<u>NON CURRENT ASSETS</u>			
Property, Plant and Equipment	3	42,087	-
TOTAL ASSETS		42,087	-
<u>CURRENT LIABILITIES</u>			
Bank Overdraft		4,714	-
Creditors	4	21,473	-
VAT Payable		94	-
Provision for Employee Entitlement		353	-
Total Current Liabilities		26,634	
<u>NON CURRENT LIABILITIES</u>			
Deferred Income	2 (f)	14,815	-
Total Non Current Liabilities		14,815	-
TOTAL LIABILITIES		41,449	-
NET ASSETS		638	-
Accumulated Funds		638	-

(The Financial Statements are to be read in conjunction with the accompanying notes on Pages 9 to 16)

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, 2010.


.....
Mr. Chandru Kant Umara
Special Administrator
Date: 13/9/11


.....
Mrs Preeya Ieli
Chief Executive Officer
Date: 13/9/11

LAMI TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 December 2010 \$	31 December 2009 \$
Revenue Derived From:			
Parking Meter Tolls		3,113	-
Infringements Fines		1,817	-
Amortisation of Deferred Income	2 (f)	7,407	-
Total Revenue		12,337	-
Expenditure Incurred On:			
Recurrent Expenditure			
Depreciation		859	-
Printing & Stationery		252	-
Salaries		9,323	-
Parking Meter Maintenance		498	-
Telephone Charges		283	-
Legal Expenses		484	-
Total Expenditure		11,699	-
Net Surplus for the year		638	-
Add Surplus/(Deficit) Balance as at 1 January		-	-
Leaving a Surplus Balance at 31 December		638	-

LAMI TOWN COUNCIL
STATEMENT OF CASH FLOWS - GENERAL FUND FOR
THE YEAR ENDING 31 DECEMBER 2010

	Note	31 December 2010 \$	31 December 2009 \$
Cash Flows from Operating Activities			
Receipts from customers		913,267	977,734
Payments to suppliers and employees		(876,905)	(753,293)
Rates received in advance		1,285	(2,876)
Net Vat paid		(5,313)	(70,680)
Net cash used by Operating Activities	11(a)(i)	32,334	150,885
Cash flows from Investing Activities			
Acquisition of property, plant & equipment		(20,832)	(138,951)
Net cash used by Investing Activities		(20,832)	(138,951)
Cash flows from Financing Activities			
Payment of lease finance liabilities		(12,225)	(12,225)
Repayment of borrowings		(52,302)	(44,276)
Net cash used by Financing Activities		(64,527)	(56,501)
Net Decrease in Cash & Cash Equivalents		(53,025)	(55,111)
Cash and Cash Equivalent at the Beginning of the Year		(37,782)	17,329
Cash and Cash Equivalent at the End of the Year	11(a)(ii)	(90,807)	(37,782)

LAMI TOWN COUNCIL
STATEMENT OF CASH FLOWS - PARKING METER FUND ACCOUNT FOR
THE YEAR ENDING 31 DECEMBER 2010

	Note	31 December 2010 \$	31 December 2009 \$
Cash Flows from Operating Activities			
Receipts from customers		9,003	-
Payments to suppliers and employees		(3,150)	-
Tolls received in advance		13,169	-
Net Vat paid		(2,692)	-
Net cash used in Operating Activities	11(b)(i)	<u>16,330</u>	<u>-</u>
Cash flows from Investing Activities			
Acquisition of property, plant & equipment		(21,044)	-
Net cash used in Investing Activities		<u>(21,044)</u>	<u>-</u>
Cash flows from Financing Activities			
Repayment of borrowings		-	-
Net cash used in Financing Activities		<u>-</u>	<u>-</u>
Net Decrease in Cash & Cash Equivalents		(4,714)	-
Cash and Cash Equivalent at the Beginning of the Year		-	-
Cash and Cash Equivalent at the End of the Year	11(b)(ii)	<u><u>(4,714)</u></u>	<u><u>-</u></u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR
THE YEAR ENDING 31 DECEMBER 2010

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 2010. 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	10-15% 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) **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.

e) **Garbage Fees**

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

f) **Parking Meter Deferred Income**

In January 2010, the Council received \$22,222 (VEP) from Rajendra Prasad Ltd t/a Shop and Save Supermarket as parking meter tolls for a car park for 3 consecutive years.

Balance at beginning	22,222	-
Less: Toll earned for 2010	(7,407)	-
Balance at year end	<u>14,815</u>	<u>-</u>

g) **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).

Note 2

Debtors

Rates Debtors	1,230,642	6,010,140
Garbage Fee Debtors	61,238	35,115
Other Debtors	26,098	19,771
	<u>1,317,978</u>	<u>6,065,026</u>

Of the total Rates arrears the sum of \$4,715,299 or 78% inclusive of interest, is due on unalienated native land.

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR
THE YEAR ENDING 31 DECEMBER 2010 (Continued...)

	31 December 2010 \$	31 December 2009 \$
Note 2 (i) <u>Bad Debts</u>		
The Ministry of Local Government wrote to the Council on 16th September 2010, advising Council of the waiver of the special rates and special rates arrears. Therefore the sum of \$4,793,635 is treated as Bad Debts.		
Note 2 (ii) <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, 2009. Discount allowed during the year were as follows:		
General Fund	15,991	18,286
Loan Service Fund	-	5,208
	<u>15,991</u>	<u>23,494</u>
Note 3 <u>Property, Plant & Equipment - General Fund</u>		
Land	962,931	962,931
Less: provision for depreciation	-	-
	<u>962,931</u>	<u>962,931</u>
Office Equipment	61,354	58,427
Less: provision for depreciation	(39,781)	(33,646)
	<u>21,573</u>	<u>24,781</u>
Furniture & Fittings	9,841	9,841
Less: provision for Depreciation	(7,476)	(6,492)
	<u>2,365</u>	<u>3,349</u>
Motor Vehicles	408,480	408,480
Less: provision for depreciation	(297,815)	(267,197)
	<u>110,665</u>	<u>141,283</u>
Building & Properties	560,578	560,578
Less: provision for depreciation	(58,768)	(51,761)
	<u>501,810</u>	<u>508,817</u>
Roads & Streetlights	15,759,055	15,741,150
Less: provision for depreciation	(1,647,503)	(1,451,167)
	<u>14,111,552</u>	<u>14,289,983</u>
Plant & Equipment	123,872	123,872
Less: provision for depreciation	(110,489)	(116,964)
	<u>13,383</u>	<u>6,908</u>
Net Written Down Value	<u>15,724,279</u>	<u>15,938,052</u>
<u>Property, Plant & Equipment - Parking Meter Fund</u>		
Plant & Equipment	42,946	-
Less: provision for depreciation	(859)	-
	<u>42,087</u>	<u>-</u>
Net Written Down Value	<u>42,087</u>	<u>-</u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR
THE YEAR ENDING 31 DECEMBER 2010 (Continued...)

	31 December 2010 \$	31 December 2009 \$
Note 3(i) <u>Movement in Carrying Amounts</u>		
Movement in carrying amounts for each class of property, plant and equipment are as follows:		
<u>Office Equipment</u>		
Carrying amount at beginning	24,781	27,901
Additions	2,927	2,723
Depreciation Expense	(6,135)	(5,843)
Balance as at 31 December	21,573	24,781
<u>Furniture & Fittings</u>		
Carrying amount at beginning	3,349	4,333
Additions	-	-
Depreciation Expense	(984)	(984)
Balance as at 31 December	2,365	3,349
<u>Motor Vehicles</u>		
Carrying amount at beginning	134,141	173,961
Additions	-	-
Depreciation Expense	(23,476)	(32,678)
Balance as at 31 December	110,665	141,283
<u>Buildings & Properties</u>		
Carrying amount at beginning	508,817	509,441
Additions	-	6,383
Depreciation Expense	(7,007)	(7,007)
Balance as at 31 December	501,810	508,817
<u>Roads & Streetlights</u>		
Carrying amount at beginning	14,289,983	14,358,138
Additions	17,905	128,609
Depreciation Expense	(196,336)	(196,764)
Balance as at 31 December	14,111,552	14,289,983
<u>Plant & Equipment</u>		
Carrying amount at beginning	15,939	15,582
Additions	-	1,236
Depreciation Expense	(2,556)	(9,910)
Balance as at 31 December	13,383	6,908
<u>Land</u>		
Carrying amount at beginning	962,931	962,931
Net Written Down Value	15,724,279	15,938,052

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR
THE YEAR ENDING 31 DECEMBER 2010 (Continued...)

	31 December 2010 \$	31 December 2009 \$
<u>Parking Meter Fund</u>		
<u>Plant & Equipment</u>		
Carrying amount at beginning	-	-
Additions	42,946	-
Depreciation Expense	(859)	-
Balance as at 31 December	42,087	-
Net Written Down Value	42,087	-
Note 4 <u>Creditors and Accruals</u>		
<u>General Fund</u>		
Sundry Creditors	171,982	147,732
Provision for Employee Entitlement	3,027	10,737
	175,009	158,469
<u>Parking Meter</u>		
Sundry Creditors	21,473	-
Vat Payable	94	-
	21,567	-
Note 5 <u>Sundry Deposits</u>		
Sundry Deposits	40,373	37,233
	40,373	37,233
Note 6 <u>Rates, Business Licence, and Taxi Base fees received in advance</u>		
Rates Received in Advance	5,282	5,213
Garbage Rates in Advance	965	-
Business Licence Prepayments	72	264
Taxi Base Fees Received in Advance	1,073	630
	7,392	6,107
Note 7 <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	15,282	27,507
Add: PDI Charges	64	-
Less: Repayments	(12,289)	(12,225)
	3,057	15,282

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR
THE YEAR ENDING 31 DECEMBER 2010 (Continued...)

	31 December 2010 \$	31 December 2009 \$
Note 8		
<u>Loan Funds Less Repayments</u>		
Loans raised by the Council bear interest ranging from 8.5% to 11.75% per annum and are rateable 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	465,816	510,092
Add: Bank Fee	965	700
Less: Loans Repaid	(42,723)	(44,976)
Balance as at 31 December	424,058	465,816
Analysed as:		
Current	87,696	44,976
Non Current	336,362	420,840
	424,058	465,816
Note 9		
<u>New Garbage Compactor Truck</u>		
The amount represents a garbage truck donated by Japanese Embassy in February 2007, which is treated in accordance to FAS 20 as follows:		
Carrying Amount at beginning	100,162	110,706
Less: Depreciation Charge	(10,544)	(10,544)
Written Down Value at 31 December	89,618	100,162
Note 10		
<u>Accumulated Funds</u>		
General Fund	(1,513,007)	3,584,902
Loan Service	1,407,349	1,277,750
Balance as at 31 December	(105,658)	4,862,652

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR
THE YEAR ENDING 31 DECEMBER 2010 (Continued...)

	31 December 2010 \$	31 December 2009 \$
Note 11 <u>Notes to the Statement of Cash Flows</u>		
(a) <u>General Fund</u>		
(i) <u>Reconciliation of Net Cash Provided by</u>		
Operating Activities of Net Surplus		
Net (deficit)/surplus for the year	(4,968,310)	505,795
Depreciation	236,494	253,186
Bad debts	4,793,635	-
Net cash provided by operating activities before	61,819	758,981
changes in Assets and Liabilities		
Change in assets and liabilities:		
Increase in receivables	(46,587)	(610,379)
Decrease in creditors and borrowings	14,651	(1,153)
(Increase)/Decrease in sundry deposits	3,140	4,600
Increase/(Decrease) in Value Added Tax	(1,974)	1,712
Increase in rates received in advance	1,285	(2,876)
Net cash Inflows from Operating Activities	32,334	150,885
(ii) <u>Cash & Cash Equivalents</u>		
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	-	-
Bank Overdraft	(90,907)	(37,882)
	(90,807)	(37,782)

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR
THE YEAR ENDING 31 DECEMBER 2010 (Continued...)

	31 December 2010 \$	31 December 2009 \$
Note 11 <u>Notes to the Statement of Cash Flows</u>		
(b) <u>Parking Meter Fund Account</u>		
(i) <u>Reconciliation of Net Cash Provided by Operating Activities of Net Surplus</u>		
Net (deficit)/surplus for the year	638	-
Depreciation	859	-
Provision for employee entitlement	353	-
Net cash provided by operating activities before changes in Assets and Liabilities		-
Change in assets and liabilities:	27,649	
Increase/decrease in creditors and borrowings	(13,169)	-
Net cash Inflows from Operating Activities	16,330	-
(ii) <u>Cash & Cash Equivalents</u>		
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	-	-
Cash at Bank	-	-
Bank Overdraft	(4,714)	-
	(4,714)	-

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS FOR
THE YEAR ENDING 31 DECEMBER 2010 (Continued...)

Note 12 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 installed 3 parking meters in the town centre in October 2010.

Furthermore 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.

