



LAMI TOWN COUNCIL

Annual Report for the Year 2011



LAMI TOWN COUNCIL



ANNUAL REPORT

(Section 19 – Local Government Act, Cap 125)

**FOR THE YEAR ENDED
31 DECEMBER, 2011**



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, 2011.

Yours faithfully,

Azam Khan
Chief Executive Officer (Acting)

LAMI TOWN COUNCIL

ANNUAL REPORT 2011

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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.

Mr Chandra Kant Umara was the appointed Special Administrator. The Chief Executive Officer, Ms Preeya Leli together with her team strived to provide efficient and effective services to our citizens.

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
UCV of Rateable Land	\$64,675,290.00
Number of Assessments	1,219

COUNCIL MEETING

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

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

STANDING COMMITTEES

TOWN PLANNING BUILDING & DEVELOPMENT	9
HEALTH AND ENVIRONMENT & MARKET	9
WORKS, PROPERTIES & TENDER	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	Selaima Maitoga
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

The Council employed 20 unestablished employees engaged in field works.

SOLICITORS FOR THE COUNCIL

Messrs Muaror & Co, Nawaikula ESQ, Valenitabua S R ESQ, Shekinah Law and Tevita Fa & Associates were appointed as the Councils Solicitors for the year.

AUDITOR FOR THE YEAR

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

FINANCE

DISCOUNT ON RATES

In 2011, 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 between January 2010 to 28th February 2011. Total discount shown as a note in the accounts amounted to \$22,248. During the year the combined general and loan services rates were budgeted to earn \$811,184 out of which the Council was able to collect 69.04% of its current rates, which amounted to \$560,030. The total revenue collected during the year was \$1,220,561.

GARBAGE RATES

The Council levied Garbage Rates of \$80.00 per annum with effect from 1st August 2008. The arrears of Garbage Rates at the end of 2011 were \$105,096.

ARREARS OF REVENUE

The Council's arrears of rates inclusive of interest charges at the end of 2011 were \$1,201,684. The Council had looked at 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 \$53,573 were made reducing the principal balance at the end of 2010 to \$370,485. The opening balance at the beginning of the year was \$424,058.

FINANCE LEASE REPAYMENTS

The loan repayments for council's admin vehicle inclusive of interest charges totaling \$3,057 were made to clear the Finance Lease.

CASH FLOW

The Council recorded a deficit balance of (\$75,637) in General Fund Account and (24,498) in Parking Meter Fund Account 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 EXPENDITURE

Capital Expenditure totaling \$63,778 was used for the following works: - \$684 for Office Equipment, \$11,515 was for Building and Properties, \$15,991 was for Roads & Streetlights and \$2,725 was for plant & Equipment.

ROADS & DRAINS

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

3. Litter Decree

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

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

Clean-Up Campaign

- 1st June, 2011 – 30th June, 2011

Shop Fumigation

Done to retail shops and all eateries within the Central Business District and Wailada Industrial Areas. This exercise is done every 3 months for all the shops within the CBD

School Awareness Program

This was educational health awareness program in which 5 primary schools within Lami were the target groups of this awareness. This was done in association with Consumer Council of Fiji.

Indicated below are the names of the school and the dates that the awareness took place:

Names	Dates
Chauhan Primary School, Veisari	2/6/11
Marist Convent School	26/6/11
Seventh Day Primary School	27/05/11
Lami Primary School	28/5/11
Navesi Primary School, Delainavesi	1/6/11

Permits has been issued to all retailing shops that has applied to the Council for the extension of retailing hours i.e. 6pm-9pm

Environment Management Act Workshop

The objective of this training was to establish environment management units within the Council for the monitoring of the permits that are being issued by Department of Environment.

Litter Promulgation-awaiting response from the Department of Environment for the response on the submission that was submitted to their office on the amendments on the existing Litter Promulgation.

Garbage Fees Collection

Follow up is being done on the payments on garbage fees and arrears from individual residents and payments are coming into the Council.

Daily Inspection and Monitoring is being done with the issuing of Notices on Illegal Activities carried out within Lami.

Dog Trapping Exercise

Lami Town Council in conjunction with SPCA carried out Dog Trapping Campaign on the 27th - 29th of January, 2011 in the Lami area as per advertised.

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

Litter Decree

The Council is awaiting Department of Environment to implement the Litter Infringement Notice for all Councils.

Awareness program on littering have been enforced by Council and spot fines will be issued to anyone who litters or breaches the Litter Promulgation 2008.

Green waste and white goods shall be undertaken by residents subject to the Council schedules.

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 Premises Inspected	Ordered	Completed
Repairs, cleaning of hotel, boarding houses	5	5
Illegal Structures	4	3
Accumulation of refuse referred to contractor for removal	8	6
Cleaning of overgrowth of grass	13	8
Improvements of Drains	8	8
Repairs & Improvements of food processing factory	5	5
Abatement of nuisance for sewer overflow	2	2
Repairs to water mains – referred to PWD	3	2
Removal of provision of garbage pans	3	3
Abatement of Nuisance from animals	7	6
Repairs, cleaning of restaurants / refreshment bars	10	10
Improvements of hairdressers	4	3
Supermarkets, markets, greengrocers	18	12
Improvements of Bake house	14	8
Total	104	81

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
Total	79

TOWN BEAUTIFICATION PROJECT

The Council in association with Consumer Council of Fiji conducted educational health awareness program in which 5 primary schools within Lami were the target groups of this awareness. There were positive response from the Schools which participated in the Program. The 5 schools took part in Vegetable Growing Competition to see which school grows the most healthy 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).

ENFORCEMENT

The Council together with LTA and Lami Police conducted operations within the Lami Town area on a weekly basis to curb the problem of traffic violation.

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

TRAFFIC

The Council continues to book illegal taxis that are operating in Lami though issuing of TINS to the offenders. Seven day notices are been issues 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 gazetting 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.

TOWN PLANNING – BUILDINGS

c) Summary of Building Applications

Building applications dealt with during the year:

Type of Application	Number
Residential	44
Sub Division	
Rezoning	
<u>Miscellaneous</u>	6
Retaining Wall/Fence Sewer Connection/Underground Cabling	
School Building etc	0

The Council has recently upgraded two roads namely Fenton Street and Vetaia Street within the town center.

The Traffic Department is in the process to carry out the road markings and installation of traffic signs for Parking and No Parking Provisions.

A parking meter proposal within the town center is currently in progress and discussions are underway with respective authorities for implementation.

The Council has also identified three locations for new taxi stand. Submissions to LTA have been undertaken for approval subject to high demand of taxi services within the town area and outer suburbs of Lami.

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.

REPUBLIC OF FIJI
OFFICE OF THE AUDITOR GENERAL

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Excellence in Public Sector Auditing

File: 1295

27 March 2013

Mr. Jasper Singh
The Administrator
Lami Town Council
LAMI

Dear Mr. Singh

AUDIT OF THE ACCOUNTS OF THE LAMI TOWN COUNCIL FOR THE YEAR ENDED 31 DECEMBER
2011

Two copies of the audited financial statements of the Lami Town Council for the year ended 31 December 2011 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 Acting Chief Executive Officer for necessary action.

Yours sincerely

Tevita Bolanavanua
AUDITOR GENERAL

cc: Minister for Local Government, Urban Development, Housing & Environment
Ms Elisheva Efrayim, Acting Chief Executive Officer for Lami Town Council

Encl.

REPUBLIC OF FIJI

OFFICE OF THE AUDITOR GENERAL



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Excellence in Public Sector Auditing

LAMI TOWN COUNCIL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of Lami Town Council for the year ended 31 December 2011 in accordance with the provisions of the Local Government Act and section 13 of the Audit Act. The financial statements consist of the Statement of Financial Position, Statement of Revenue and Expenditure, Statement of Cash Flows and accompanying notes. The Lami Town Council is responsible for the preparation and presentation of the financial statements and the information contained therein. My responsibility is to express an opinion on these financial statements based on my audit.

My audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. The 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 and significant accounting estimates. These procedures were undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

The Council has not provided a provision for doubtful debts for its rates debtors totaling \$1,201,683.71 as at 31 December 2011. If a charge of doubtful debts was recorded, it would result in a decrease of net surplus in the Statement of Revenue and Expenditure and a decrease in Net Assets in the Statement of Financial Position of the General Fund.

Qualified Audit Opinion

In my opinion, except for the matter discussed in the qualification paragraph, the financial statements present fairly in accordance with Fiji Accounting Standards and the statutory provisions, the financial position of the Council as at 31 December 2011 and the results of its operations and cash flows for the year then ended.

Emphasis Of Matter

Without further qualifying the financial statements attention is drawn to the following matter:

Included in the Statement of Financial Position of the Parking Meter account is Bank overdraft amounting to \$24,498. The Council does not maintain a bank account for the overdraft balance. The allocation was made from the total bank overdraft of the General Fund to Parking Meter Account.

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



Tevita Bolanavanua
AUDITOR GENERAL

Suva, Fiji

27 March, 2013



**LAMI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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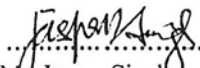
LAMI TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011


	Note	31 December 2011 \$	31 December 2010 \$
<u>CURRENT ASSETS</u>			
Cash on hand		100	100
Receivables	2 (i)	1,350,298	1,317,978
VAT receivable		1,443	2,304
Sundry advance		2,874	2,874
Total Current Assets		1,354,715	1,323,256
<u>NON CURRENT ASSETS</u>			
Property, plant and equipment	3	15,500,861	15,724,279
Total Non-Current Assets		15,500,861	15,724,279
TOTAL ASSETS		16,855,576	17,047,535
<u>CURRENT LIABILITIES</u>			
Bank overdraft	11 a (ii)	75,737	90,907
Creditors	4	142,650	171,982
Provision for employee entitlement		6,575	3,027
Sundry deposits	5	45,591	40,373
Revenue received in advance	6	9,951	7,392
Finance lease	7	-	3,057
Loan funds less repayments (current year)	8	87,696	87,696
Total Current Liabilities		368,200	404,434
<u>NON CURRENT LIABILITIES</u>			
Loan funds less repayments	8	282,789	336,362
Deferred income	9	79,074	89,618
Total Non Current Liabilities		361,863	425,980
TOTAL LIABILITIES		730,063	830,414
NET ASSETS		16,125,513	16,217,121
Represented By :			
RESERVES AND EQUITY			
Asset revaluation reserve		16,322,779	16,322,779
Accumulated losses	10	(197,266)	(105,658)
		16,125,513	16,217,121

The Financial Statements are to be read in conjunction with the accompanying notes on Pages 10 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, 2011.


.....
Mr. Jasper Singh
Special Administrator
Date: 25/03/2013.....


.....
Ms Elisheva Efrayim
Acting Chief Executive Officer
Date: 22/3/2013.....

**LAMI TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	31 December 2011 \$	31 December 2010 \$
Revenue Derived From:			
General Rates		364,078	294,642
Rates in Arrears		170,128	117,271
Interest on Overdue rates		47,795	45,418
License and Permit Fees		60,569	62,234
Market Fees		27,173	24,518
Hire & Rental of Council Properties		80,907	72,313
Contractual Receipts	1 d)	38,665	20,051
Miscellaneous		28,660	33,151
Garbage Fees	1 e)	156,456	107,337
Stand Fees		26,367	23,271
Photocopy		-	180
Advertising		13,267	14,148
Amortisation of Deferred Income	9	10,544	10,544
Total Revenue		1,024,609	825,078
Expenditure Incurred On:			
Recurrent Expenditure			
Depreciation		254,333	236,494
Council Expenses		7,467	8,830
General Administration		443,011	374,572
Parks, Gardens and Recreation areas		15,342	16,667
Health Services		146,372	114,246
Enforcement Services		70,583	109,352
Public Works and Services		243,468	253,200
Bad Debts		76,005	4,793,635
Discount on Rates	2(ii)	22,248	15,991
Total Expenditure		1,278,829	5,922,987
Net (Deficit)/Surplus for the year		(254,220)	(5,097,909)
Add (Deficit)/Surplus Balance as at 1 January		(1,513,007)	3,584,902
Leaving a (Deficit)/Surplus Balance at 31 December		(1,767,227)	(1,513,007)

LAMI TOWN COUNCIL
SPECIAL LOAN SERVICE ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$	31 December 2010 \$
Revenue Derived From:		
Special Loan Rates	195,952	167,264
Total Revenue	<u>195,952</u>	<u>167,264</u>
Expenditure Incurred On:		
Interest On Loan	33,340	37,665
Total Expenditure	<u>33,340</u>	<u>37,665</u>
Net Surplus for the year	<u>162,612</u>	<u>129,599</u>
Add: Surplus Balance as at 1 January	1,407,349	1,277,750
Surplus Balance at 31 December of	<u>1,569,961</u>	<u>1,407,349</u>

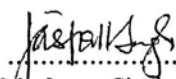
LAMI TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	31 December 2011 \$	31 December 2010 \$
<u>CURRENT ASSETS</u>			
Cash at Bank		-	-
<u>NON CURRENT ASSETS</u>			
Property, Plant and Equipment	3(ii)	38,651	42,087
TOTAL ASSETS		38,651	42,087
<u>CURRENT LIABILITIES</u>			
Bank Overdraft		24,498	4,714
Creditors & accruals		2,833	21,473
Vat Payable		2,557	94
Provision for Employee Entitlement		-	353
Total Current Liabilities		29,888	26,634
<u>NON CURRENT LIABILITIES</u>			
Deferred Income	1 (f)	7,408	14,815
Total Non Current Liabilities		7,408	14,815
TOTAL LIABILITIES		37,296	41,449
NET ASSETS		1,355	638
Accumulated Funds		1,355	638

(The Financial Statements are to be read in conjunction with the accompanying notes on Pages 10 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, 2011.


.....
Mr. Jasper Singh
Special Administrator
Date: 25/03/13


.....
Ms Elisheva Efrayim
Acting Chief Executive Officer
Date: 22/3/2013

LAMI TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	31 December 2011 \$	31 December 2010 \$
Revenue Derived From:			
Parking Meter Tolls		11,172	3,113
Infringements Fines		2,250	1,817
Amortisation of Deferred Income	1 (f)	7,407	7,407
Total Revenue		20,829	12,337
Expenditure Incurred On:			
Recurrent Expenditure			
Depreciation		3,436	859
Printing & Stationery		221	252
Salaries		10,609	9,323
Parking Meter Maintenance		3,511	498
Telephone Charges		288	283
Legal Expenses		-	484
Bank Charges		1,626	-
Vehicle Maintenance & Operation		421	-
Total Expenditure		20,112	11,699
Net Surplus for the year		717	638
Add Surplus/(Deficit) Balance as at 1 January		638	-
Leaving a Surplus Balance at 31 December		1,355	638

**LAMI TOWN COUNCIL
STATEMENT OF CASH FLOWS - GENERAL FUND
FOR THE YEAR ENDING 31 DECEMBER 2011**

	Note	31 December 2011 \$	31 December 2010 \$
Cash Flows from Operating Activities			
Receipts from customers		1,158,492	913,267
Payments to suppliers and employees		(1,042,197)	(876,905)
Rates received in advance		2,559	1,285
Net Vat paid		(5,595)	(5,313)
Net cash used by Operating Activities	11(a)(i)	<u>113,259</u>	<u>32,334</u>
Cash flows from Investing Activities			
Acquisition of property, plant & equipment		(30,915)	(20,832)
Net cash used by Investing Activities		<u>(30,915)</u>	<u>(20,832)</u>
Cash flows from Financing Activities			
Payment of lease finance liabilities		(3,057)	(12,225)
Repayment of borrowings		(64,117)	(52,302)
Net cash used by Financing Activities		<u>(67,174)</u>	<u>(64,527)</u>
Net Decrease in Cash & Cash Equivalents		15,170	(53,025)
Cash and Cash Equivalent at the Beginning of the Year		(90,807)	(37,782)
Cash and Cash Equivalent at the End of the Year	11(a)(ii)	<u><u>(75,637)</u></u>	<u><u>(90,807)</u></u>

LAMI TOWN COUNCIL
STATEMENT OF CASH FLOWS - PARKING METER FUND ACCOUNT
FOR THE YEAR ENDING 31 DECEMBER 2011

	Note	31 December 2011 \$	31 December 2010 \$
Cash Flows from Operating Activities			
Receipts from customers		20,829	9,003
Payments to suppliers and employees		(33,851)	(3,150)
Tolls received in advance		-	13,169
Net Vat paid		645	(2,692)
Net cash used in Operating Activities	11(b)(i)	<u>(12,377)</u>	<u>16,330</u>
Cash flows from Investing Activities			
Acquisition of property, plant & equipment		-	(21,044)
Net cash used in Investing Activities		<u>-</u>	<u>(21,044)</u>
Cash flows from Financing Activities			
Amortisation of deferred income		(7,407)	-
Net cash used in Financing Activities		<u>(7,407)</u>	<u>-</u>
Net Decrease in Cash & Cash Equivalents		(19,784)	(4,714)
Cash and Cash Equivalent at the Beginning of the Year		(4,714)	-
Cash and Cash Equivalent at the End of the Year	11(b)(ii)	<u><u>(24,498)</u></u>	<u><u>(4,714)</u></u>

LAMI TOWN COUNCIL
 NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDING 31 DECEMBER 2011

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 2011. 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.

	31 December 2011	31 December 2010
	\$	\$
Balance at beginning	14,815	22,222
Less: Toll earned during the year	(7,407)	(7,407)
Balance at year end	<u>7,408</u>	<u>14,815</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).

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE ACCOUNTS
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	31 December 2011	31 December 2010
Note 2 (i)		
<u>Debtors</u>	\$	\$
Rates Debtors	1,201,684	1,230,642
Garbage Fee Debtors	105,096	61,238
Other Debtors	43,518	26,098
	<u>1,350,298</u>	<u>1,317,978</u>

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

Note 2 (ii) **Discount on Rates**

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:

	31 December 2011	31 December 2010
	\$	\$
General Fund	22,248	15,991
Loan Service Fund	-	-
	<u>22,248</u>	<u>15,991</u>

Note 3 **Property, Plant & Equipment - General Fund**

Land	962,931	962,931
Less: provision for depreciation	-	-
	<u>962,931</u>	<u>962,931</u>
Office Equipment	61,855	61,354
Less: provision for depreciation	(45,967)	(39,781)
	<u>15,888</u>	<u>21,573</u>
Furniture & Fittings	10,024	9,841
Less: provision for Depreciation	(8,478)	(7,476)
	<u>1,546</u>	<u>2,365</u>
Motor Vehicles	408,480	408,480
Less: provision for depreciation	(330,493)	(297,815)
	<u>77,987</u>	<u>110,665</u>
Building & Properties	572,093	560,578
Less: provision for depreciation	(65,919)	(58,768)
	<u>506,174</u>	<u>501,810</u>
Roads & Streetlights	15,775,046	15,759,055
Less: provision for depreciation	(1,844,691)	(1,647,503)
	<u>13,930,355</u>	<u>14,111,552</u>
Plant & Equipment	126,597	123,872
Less: provision for depreciation	(120,617)	(110,489)
	<u>5,980</u>	<u>13,383</u>
Net Written Down Value	<u>15,500,861</u>	<u>15,724,279</u>

LAMI TOWN COUNCIL
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	31 December 2011	31 December 2010
<u>Property, Plant & Equipment - Parking Meter Fund</u>	\$	\$
Plant & Equipment	42,946	42,946
Less: provision for depreciation	(4,295)	(859)
	<u>38,651</u>	<u>42,087</u>
Net Written Down Value	<u>38,651</u>	<u>42,087</u>

(i) **Movement in Carrying Amounts**

Movement in carrying amounts for each class of property, plant and equipment are as follows:

Office Equipment

Carrying amount at beginning	21,573	24,781
Additions	501	2,927
Depreciation Expense	(6,186)	(6,135)
Balance as at 31 December	<u>15,888</u>	<u>21,573</u>

	31 December 2011	31 December 2010
	\$	\$
<u>Furniture & Fittings</u>		
Carrying amount at beginning	2,365	3,349
Additions	183	-
Depreciation Expense	(1,002)	(984)
Balance as at 31 December	<u>1,546</u>	<u>2,365</u>

Motor Vehicles

Carrying amount at beginning	110,665	134,141
Additions	-	-
Depreciation Expense	(32,678)	(23,476)
Balance as at 31 December	<u>77,987</u>	<u>110,665</u>

Buildings & Properties

Carrying amount at beginning	501,810	508,817
Additions	11,515	-
Depreciation Expense	(7,151)	(7,007)
Balance as at 31 December	<u>506,174</u>	<u>501,810</u>

Roads & Streetlights

Carrying amount at beginning	14,111,552	14,289,983
Additions	15,991	17,905
Depreciation Expense	(197,188)	(196,336)
Balance as at 31 December	<u>13,930,355</u>	<u>14,111,552</u>

Plant & Equipment

Carrying amount at beginning	13,383	15,939
Additions	2,725	-
Depreciation Expense	(10,128)	(2,556)
Balance as at 31 December	<u>5,980</u>	<u>13,383</u>

LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDING 31 DECEMBER 2011

	31 December 2011 \$	31 December 2010 \$
<u>Land</u>		
Carrying amount at beginning	962,931	962,931
Net Written Down Value	15,500,861	15,724,279
(ii) <u>Parking Meter Fund</u>		
<u>Plant & Equipment</u>		
Carrying amount at beginning	42,087	-
Additions	-	42,946
Depreciation Expense	(3,436)	(859)
Balance as at 31 December	38,651	42,087
Net Written Down Value	38,651	42,087
Note 4 <u>Sundry Creditors</u>		
General Fund	142,650	171,982
Parking Meter	2,833	21,473
	145,483	193,455

The Sundry creditors represents the portion of the unpaid supplier invoices at balance date

	31 December 2011 \$	31 December 2010 \$
Note 5		
Sundry Deposits	45,591	40,373
Note 6		
<u>Rates, Business Licence, and Taxi Base fees received in advance</u>		
Rates Received in Advance	7,360	5,282
Garbage Rates in Advance	914	965
Business Licence Prepayments	436	72
Taxi Base Fees Received in Advance	1,241	1,073
	9,951	7,392
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	3,057	15,282
Add: PDI Charges	-	64
Less: Repayments	(3,057)	(12,289)
	-	3,057

LAMI TOWN COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDING 31 DECEMBER 2011

Note 8 Loan Funds Less Repayments

Loans raised by the Council bear interest ranging from 8.5% to 11.75% per annum and are rateable period of 10 years. All loans are raised under the provisions of the Local Government Act, and are secured by:

- Registered Pari Passu Debenture for \$385 over all its assets and undertakings without any preference of priority of existing debenture over another.
- Registered first mortgage No. 510554 by Lami Town Council.
- Registered first mortgage No. 510552 by Lami Town Council.
- Registered Pari Passu Debenture for \$450 over all its assets and undertakings without any preference of priority of existing debenture over another.

	31 December 2011	31 December 2010
	\$	\$
Balance as at 1 January	424,058	465,816
Add: Bank Fee	783	965
Less: Loans Repaid	(54,356)	(42,723)
Balance as at 31 December	370,485	424,058
Analysed as:		
Current	87,696	87,696
Non Current	282,789	336,362
	370,485	424,058

Note 9 New Garbage Compactor Truck

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	89,618	100,162
Less: Depreciation Charge	(10,544)	(10,544)
Written Down Value at 31 December	79,074	89,618

Note 10 Accumulated Funds

General Fund	(1,767,227)	(1,513,007)
Loan Service	1,569,961	1,407,349
Balance as at 31 December	(197,266)	(105,658)

Note 11 Notes to the Statement of Cash Flows

	31 December 2011	31 December 2010
	\$	\$
(a) <u>General Fund</u>		
(i) <u>Reconciliation of Net Cash Provided by Operating Activities of Net Surplus</u>		
Net (deficit)/surplus for the year	(91,608)	(4,968,310)
Depreciation	254,333	236,494
Net cash provided by operating activities before changes in Assets and Liabilities	162,725	(4,731,816)
<u>Change in assets and liabilities:</u>		
(Increase)/Decrease in Receivables	(32,320)	4,747,048
(Increase)/Decrease in Borrowings	(25,784)	14,651
(Increase)/Decrease in sundry deposits	5,218	3,140
Increase/(Decrease) in Value Added Tax	861	(1,974)
Increase/(Decrease) in income in advance	2,559	1,285
Net cash inflows from Operating Activities	113,259	32,334

LAMI TOWN COUNCIL
 NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDING 31 DECEMBER 2011

(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:

	31 December 2011 \$	31 December 2010 \$
Cash on Hand	100	100
Bank Overdraft	(75,737)	(90,907)
	<u>(75,637)</u>	<u>(90,807)</u>

Note 11 **Notes to the Statement of Cash Flows**

(b) **Parking Meter Fund Account**

(i) **Reconciliation of Net Cash Provided by Operating Activities of Net Surplus**

Net (deficit)/surplus for the year	717	638
Depreciation	3,436	859
Provision for employee entitlement	-	353
Net cash provided by operating activities before changes in Assets and Liabilities		
Increase/(decrease) in creditors and accruals	(18,640)	(13,169)
(Increase)/decrease in vat receivable	2,463	27,649
Increase/(decrease) in rates received in advance	(353)	-
Net cash Inflows from Operating Activities	<u>(12,377)</u>	<u>16,330</u>

(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	-	-
Cash at Bank	-	-
Bank Overdraft	(24,498)	(4,714)
	<u>(24,498)</u>	<u>(4,714)</u>

**LAMI TOWN COUNCIL
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDING 31 DECEMBER 2011**

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 **Subsequent Events**

Fiji Road Authority (amendment decree) 2012 dated 14 May 2012 paragraph 7 (b) states that effective from 14 May 2012 all assets, interests, rights, privileges, liabilities and obligation of municipal councils in relation to municipal roads shall be immediately be transferred to and shall vest in the Authority without conveyance, assignment or transfer.

Note 14 **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

During the year 2011, total of 41 employees were employed by the Council.