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## **LEVUKA TOWN COUNCIL**

### **Annual Report for the Year 2008**

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### **Annual Report for the Year 2008**

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# Levuka Town Council

P.O. Box 70

Levuka, Fiji

E-mail: [lrc@connect.com.fj](mailto:lrc@connect.com.fj)



Phone: 3440014

Fax: 3440288

The Honorable Premila Kumar  
Minister for Local Government, Housing & Community Development  
Gladstone Road  
SUVA

Dear Madam

I have much pleasure in submitting the Levuka Town Council Annual Report for 2008.

The report provides the activities of the Council throughout the year.

The Annual Report 2008 has been prepared in accordance with the provisions of Section 19(1) (a),(b) and (c) of the Local Government Act Cap. 125

Yours sincerely


Josese Rakuita  
Chief Executive Officer  
LEVUKA TOWN COUNCIL

## **FOREWARD**

The Levuka Town Council has come through a historical transformation since first proclaimed a township in 1877. Levuka has a long history as one of the best remaining examples of a town or settlement reflective of the European exploitation and colonization in the South Pacific. It remains a unique town in that it has managed to retain a high degree of authenticity and a wealth of old buildings.

The development of Levuka as a township is a formidable challenge because its ratepayers alone cannot justify its viability. Every year we have placed on record one of the many pressing needs of the Council is funding. With only 152 ratepayers, the rates and other business revenue is limited. There is also the limitation in the physical terrain which directly affects the limited options available for the economy to develop, which in turn affect every other event or activity that can be staged in town. However, we are blessed with the community spirit that has allowed the town to move forward with pride. Having said the above Levuka Town is optimistic that with funding assistance from Non Government Organisations and government through grants should be able to meet the peoples demand for infrastructure upgrading and other developments in town.

The Levuka Town Council wishes to place on record its appreciation for our business community and ratepayers as we stand united for another challenging year ahead.

  
Josese Rakuita  
Chief Executive Officer

**LEVUKA TOWN COUNCIL**

# **ANNUAL REPORT FOR THE YEAR 2008**



## **COUNCIL DIRECTORY**

**LOCATION:** Council Office

Bowling Road, Levuka

**POSTAL ADDRESS:** P.O. Box 70, Levuka

**PHONE:** 3440014

**FAX:** 3440288

**E-MAIL:** [lrc@connect.com.fj](mailto:lrc@connect.com.fj)

**BANK:** Westpac Banking Corporation

**AUDITOR:** Auditor General

## **VISION**

Through team work initiative and a dedication to excellence the Levuka Town Council will endeavour to facilitate employment opportunities and to provide a good environment, adequate infrastructure and high levels of customer service ensuring a quality lifestyle for the people of Levuka.

## **MISSION STATEMENT**

The Levuka Town Council will provide effective local government and deliver within available resources quality services which respond to consumer needs of a growing community.

## **GOALS**

- i. Generate sufficient income to meet the towns needs.
- ii. Plan for and manage upgrading restoration and upgrading of heritage buildings and infrastructure to provide a desirable working and living environment.
- iii. Protect and enhance the environment of the town of Levuka.
- iv. Further improve ways of communicating between Council and the community as a whole providing services and encouraging active participation in local affairs and Council activities.
- v. Manage the towns assets, facilities and infrastructure.
- vi. Address community needs to promote a healthy and caring community.

- vii. Manage and develop the towns leisure and cultural facilities consistent with community needs.
- viii. Develop skills and opportunities for staff and councillors to meet the towns needs.

## 1. **COUNCILLORS FOR THE YEAR 2008**

- Cr. George Gibson - Mayor
- Cr. Lela Yee Show - Deputy Mayor
- Cr. Rev. Tomasi Bola
- Cr. Yengtesh Mani
- Cr. Raj Gopal Naidu
- Cr. Barbara Ashley
- Cr. Mela Naidu
- Cr. Eseta Vakatale

Levuka has only 1 ward

### **STAFF**

- i. Mrs. Anne Murgan - Town Clerk/CEO
- ii. Mr. Apenisa Tawake - Accounts Clerk
- iii. Mrs. Senimili Tamani - Cashier
- iv. Mrs. Leba Aloia - Clerk/Typist

### **MEETINGS**

Following are the number of meetings held during the year: -

- Regular Monthly Meetings - 9
- Works, Town Planning, Traffic & Bldg. - Nil
- Finance, Staff, Market - Nil
- Health, Environment, Park & Sports - Nil
- Special - 14

## 2. **HIGHLIGHTS FOR THE YEAR**

- Retirement for Town Clerk
- First time for Council to contract out grass cutting work
- French officials visit Levuka Town Council



### **3. HEALTH SERVICES**

#### **1. Building Applications**

Total Applications Received: 4

Total Applications Approved: 4

| <b>Type of Development</b> | <b>Value</b>       |
|----------------------------|--------------------|
| Residential                | \$44,000.00        |
| Commercial                 | -                  |
| Civic                      | -                  |
| Others                     | \$30,800.00        |
| <b>TOTAL</b>               | <b>\$74,800.00</b> |

#### **2. Land Developments - Nil**

#### **3. Nuisance Notices Issued – 5**

#### **4. Complaints**

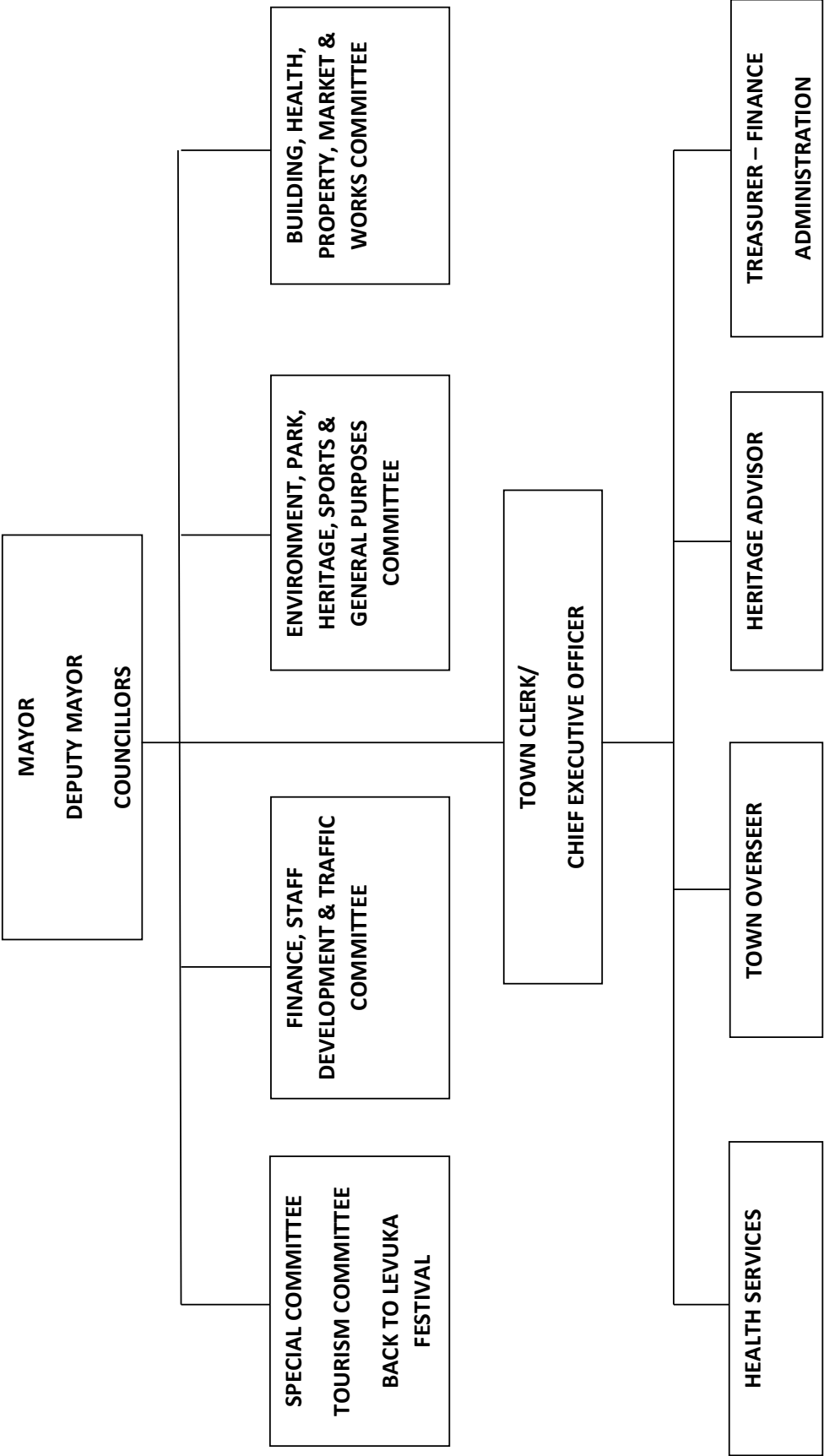
In the year 2008, a total of 15 complaints were registered with the Health Office.

10 Was food related

3 Was on Nuisance

LEVUKA TOWN COUNCIL

ORGANISATION STRUCTURE



# **LEVUKA TOWN COUNCIL**

**2008 ACCOUNTS**

**LEVUKA TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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



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MacArthur Street,  
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Government Buildings,  
Suva, Fiji Islands.



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Website: <http://www.oag.gov.fj>



ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

**LEVUKA TOWN COUNCIL  
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**INDEPENDENT AUDIT REPORT**

**Scope**

I have audited the financial statements of the Levuka 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 Levuka 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 and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and its cash flows.

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


**Qualifications**

- The Statement of Revenue and Expenditure of the Council as at 31 December 2008 has been prepared using the cash basis of accounting and does not take into account revenues not received and expenditures not paid at balance date. Similarly, the Statement of Financial Position does not incorporate debtors, prepayments, creditors and accruals and is therefore a limited statement of financial position. This basis of accounting is not in accordance with Section 57(1) of the Local Government Act.
- The bank reconciliation prepared by the Council for the year was incomplete. The Council only prepared cash summaries and failed to reconcile it with the Bank records.
- Records to substantiate the bank balance for Canteen Account of \$391 were not made available during audit.

- The Vat Receivable amount of \$19,615 could not be substantiated as documents and records pertaining to this amount were not made available during audit.

#### **Qualified Audit Opinion**

In my opinion, because of the effects of the matters discussed in the qualification paragraph, the financial statements do not present fairly the financial position of the Levuka Town Council as at 31 December 2008 and the result of its operations and cash flows for the year then ended.

  
\_\_\_\_\_  
Tevita Bolanavanua  
**ACTING AUDITOR GENERAL**

Suva, Fiji

22 April 2010



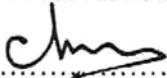
**LEVUKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITIONS AS AT 31 DECEMBER 2008**

|                                | NOTES | 2008<br>\$    | 2007<br>\$    |
|--------------------------------|-------|---------------|---------------|
| <b>Current assets</b>          |       |               |               |
| Cash at Bank                   | 2     | 9,532         | 41,878        |
| VAT Receivable                 |       | 19,615        | 18,778        |
| <b>Total current asstes</b>    |       | <u>29,147</u> | <u>60,656</u> |
| <b>TOTALASSETS</b>             |       | <u>29,147</u> | <u>60,656</u> |
| <b>Current Liabilities</b>     |       |               |               |
| Vat Payable                    |       | -             | -             |
| <b>Non current liabilities</b> |       |               |               |
| Conservation Committee Loan    | 4     | 5,975         | 5,975         |
|                                |       |               | 20,435        |
| <b>TOTAL LIABILITIES</b>       |       | <u>5,975</u>  | <u>26,410</u> |
| <b>NET ASSETS/(DEFICITS)</b>   |       | 23,172        | 34,246        |
| <b>ACCUMULATED FUNDS</b>       | 5     | <u>23,172</u> | <u>34,246</u> |

*The statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 9 to 11*

**COUNCIL'S STATEMENT**

In our opinion, the financial statements have been drawn up so as to show a true and fair view of the Levuka Town Council's operations for the year ended 31 December 2008 and of the state of affairs and cash flows as at that date

  
.....  
Mr. Napolioni Masirrewa  
Administrator

Date: 20/4/10.....

  
.....  
Mr. Sailosi Qalilawa  
Chief Executive Officer

Date: 20/4/10.....

**LEVUKA TOWN COUNCIL**  
**GENERAL FUND ACCOUNT**  
**STATEMENT OF REVENUE AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

| NOTES  | 2008<br>\$     | 2007<br>\$     |
|--|----------------|----------------|
| <b>Revenue for the year was derived from</b> |                |                |
| General Rates                                | 92,013         | 64,892         |
| Grant  | 10,000         | -              |
| <b>Fees and Charges</b>                      |                |                |
| Building fees                                | 272            | 678            |
| Business and trading licenses                | 25,034         | 22,835         |
| Garbage fees                                 | 20,297         | 21,609         |
| Hall hire                                    | 2,285          | 3,397          |
| Interest                                     | 1,659          | 1,005          |
| Maintenance of road verges                   | 2,667          | 1,173          |
| Market fees                                  | 2,104          | 743            |
| Miscellaneous                                | 676            | 506            |
| Market rentals                               | 1,480          | -              |
| Park and Tennis court fees                   | 3,590          | 7,178          |
| Photocopy and fax charges                    | 338            | 197            |
| Refunds                                      | 3,966          | 4,491          |
| Rent   | 4,118          | 27,598         |
| Taxi & Carrier stand fees                    | 6,295          | 5,444          |
| Town Planning fees                           | 351            | 133            |
| Truck & Machine Hire                         | 2,437          | 1,739          |
| <b>Total Revenue</b>                         | <b>179,582</b> | <b>163,618</b> |
| <b>The Expenditure was incurred on</b>       |                |                |
| <b>Recurrent</b>                             |                |                |
| Audit fees                                   | 4,000          | 1,231          |
| Bank charges                                 | 491            | 394            |
| Contractor                                   | 10,806         | -              |
| Mayoral and Councillors' allowance           | 4,063          | 2,094          |
| Environment                                  | -              | 83             |
| FNPF contributions                           | 3,926          | 4,471          |
| Garbage                                      | 28,293         | 19,411         |
| Incidentals                                  | 2,030          | 3,410          |
| Insurance                                    | 309            | 203            |
| Legal fees                                   | 1,889          | -              |
| Market                                       | 375            | 616            |
| Miscellaneous                                | 3,850          | 1,410          |



**LEVUKA TOWN COUNCIL**  
**GENERAL FUND ACCOUNT**  
**STATEMENT OF REVENUE AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

| <b>NOTES</b>                            | <b>2008</b>      | <b>2007</b>     |
|---|------------------|-----------------|
|   | <b>\$</b>        | <b>\$</b>       |
| Office equipment and stationary         | 8,104            | 2,453           |
| Park Expenses                           | 2,764            | 1,453           |
| Plant and machinery                     | 5,588            | 3,875           |
| Repairs and maintenance of property     | 3,742            | 1,433           |
| Roads and drains                        | 1,022            | 1,465           |
| Salary and Wages                        | 86,435           | 70,728          |
| Refunds                                 | 2,185            | -               |
| Rezoning and Town Planning fees         | 351              | 105             |
| Sunscription to Local Govt. Association | 400              | 300             |
| Telephone                               | 5,726            | 5,097           |
| TPAF levy                               | 344              | 439             |
| Travelling                              | 11,710           | 5,386           |
| Total recurrent expenditure             | <b>188,403</b>   | <b>126,057</b>  |
| <b>Capital Expenditure</b>              |                  |                 |
| Capital Works                           | 9,553            | -               |
| Computer                                | -                | 3,716           |
| To capital expenditure                  | <b>9,553</b>     | <b>3,716</b>    |
| <b>Total Expenditure</b>                | <b>197,956</b>   | <b>129,773</b>  |
| Net (Loss)/Profit for the year was      | (18,374)         | 33,845          |
| Deficit balance at January was          | (94,453)         | (128,298)       |
| Deficit balance at 31 december of       | <b>(112,827)</b> | <b>(94,453)</b> |

**LEVUKA TOWN COUNCIL  
LIGHT SERVICE ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2008**

| <b>NOTES</b>   | <b>2008<br/>\$</b>    | <b>2007<br/>\$</b>    |
|--|-----------------------|-----------------------|
| <b>Revenue for the year was derived from</b>           |                       |                       |
| Lighting service rate                                  | 20,416                | 21,006                |
| <b>Total Revenue</b>                                   | <b><u>20,416</u></b>  | <b><u>21,006</u></b>  |
| <b>Expenditure was incurred on</b>                     |                       |                       |
| Street light - consumption                             | 6,616                 | 7,741                 |
| Street light - Repairs                                 | 6,500                 | 973                   |
| <b>Total Expenditure</b>                               | <b><u>13,116</u></b>  | <b><u>8,714</u></b>   |
| <b>Net Surplus for the year was</b>                    | <b>7,300</b>          | <b>12,292</b>         |
| Surplus Balance at January was                         | <u>104,023</u>        | <u>91,731</u>         |
| <b>Leaving a Surplus balance at<br/>31 December of</b> | <b><u>111,323</u></b> | <b><u>104,023</u></b> |

**LEVUKA TOWN COUNCIL**  
**FIRE SERVICE ACCOUNT**  
**STATEMENT OF REVENUE AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

|   | NOTES       | 2008<br>\$           | 2007<br>\$           |
|---|-------------|----------------------|----------------------|
| The Revenue was derived from                        |             |                      |                      |
| Fire Service Rates                                  |             | -                    | -                    |
| <b>Total Revenue</b>                                |             | <u>-</u>             | <u>-</u>             |
| The Expenditure for the year was incurred on        |             |                      |                      |
| Payment of Principal                                |             | -                    | -                    |
| Interest  |             | -                    | -                    |
| <b>Total Expenditure</b>                            |             | <u>-</u>             | <u>-</u>             |
| <b>Net Surplus for the year was</b>                 |             |                      |                      |
| Surplus Balance at 1 January was                    | 1 (e)       | <u>24,676</u>        | <u>24,676</u>        |
| <b>Leaving sa Surplus Balance at 31 December of</b> | <b>1(e)</b> | <u><b>24,676</b></u> | <u><b>24,676</b></u> |

**LEVUKA TOWN COUNCIL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

|  | 2008                   | 2007           |
|--|------------------------|----------------|
|  | \$                     | \$             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>        |                        |                |
| Cash was provided from                             |                        |                |
| Rates and other revenue                            | 177,067                | 178,592        |
| Interest   | 1,659                  | 1,005          |
| Payments to suppliers and employees                | (211,072)              | (138,771)      |
| <b>Net Cash Inflows from Operating Activities</b>  | <b>7      (32,346)</b> | <b>40,826</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>        |                        |                |
| Capital purchases                                  | -                      | (3,716)        |
| <b>Net Cash Outflows from Investing Activities</b> | <b>-</b>               | <b>(3,716)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>        |                        |                |
| Conservation Committee Loan                        | -                      | 4,000          |
| Repayments of term loan                            | -                      | -              |
| <b>Net Cash Inflows from Operating Activities</b>  | <b>-</b>               | <b>4,000</b>   |
| Net (Decrease)/Increase in Cash Held               | (32,346)               | 41,110         |
| Cash at the beginning of year                      | 41,878                 | 768            |
| Cash at the end of year                            | <b>9,532</b>           | <b>41,878</b>  |

**LEVUKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008**

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies adopted by the Council is set out in this note. The policies adopted are in accordance with accounting principles generally accepted in Fiji, and unless stated otherwise are consistent with those applied in the prior year.

- a) The financial statements have been prepared on a going concern basis, which contemplates the continuity of business activities and the realisation of assets and the payment of liabilities in the normal course of business. At 31 December 2008 the council's overall excess of assets over liabilities (surplus) was \$9,299 (2008: (\$26,616)).
- b) The financial statements have been prepared on cash basis.
- c) The Council has adopted the policy of charging to income the full cost of the assets at the time of acquisition, except projects financed from Loan Funds which are capitalised as expenditure is incurred and are written down in value by the actual amount of principal repaid annually over the period of the loans.
- d) **Arrears of Revenue**  
 As the accounts are kept on a cash basis, the arrears of rates and interest, garbage fees and the other revenue at the end of the year, not reflected in the financial statements were:

|                                       | 2008          | 2007          |
|---------------------------------------|---------------|---------------|
|                                       | \$            | \$            |
| Rates, Garbage fees and Other Revenue | <u>82,618</u> | <u>64,861</u> |

- e)  
 The surplus of \$24,676 in the Fire Service Account represents fire levies collected by the council between 1995 to 1996. These levies are yet to be transferred to the National Fire Authority.

**NOTE 2: CASH AT BANK**

|                        | 2008           | 2007          |
|------------------------|----------------|---------------|
|                        | \$             | \$            |
| Current Account        | 10,699         | 41,869        |
| Sanitation Account     | -              | 9             |
| Canteen Account        | 391            | -             |
| Challenge Fund Account | <u>(1,558)</u> | <u>-</u>      |
|                        | <u>9,532</u>   | <u>41,878</u> |

**LEVUKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008 (Continued).**

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**NOTE 3: CAPITAL COMMITMENTS** at balance date - Nil (2007: Nil)

**NOTE 4: CONSERVATION COMMITTEE LOAN**

On 7th November 2007, the Council took out an additional Loan of \$4,000 from the Conservation Committee to supplement the current account. No repayment was done during the year.

|                                     | 2008                | 2007                |
|-------------------------------------|---------------------|---------------------|
|                                     | \$                  | \$                  |
| Conservative Loan Balance           | 5,975               | 1,975               |
| Add Additional Loan during the year | -                   | 4,000               |
|                                     | <u>5,975</u>        | <u>5,975</u>        |
| Less Loan Repayment                 | -                   | -                   |
| Total Balance at the year end       | <u><u>5,975</u></u> | <u><u>5,975</u></u> |

**NOTE 5: ACCUMULATED FUND**

|                         | 2008                 | 2007                 |
|-------------------------|----------------------|----------------------|
|                         | \$                   | \$                   |
| General Account         | (112,827)            | (94,453)             |
| Fire Service Account    | 24,676               | 24,676               |
| Special Light Account   | 111,323              | 104,023              |
| Net Accumulated Deficit | <u><u>23,172</u></u> | <u><u>34,246</u></u> |

**NOTE 6: CONTINGENT LIABILITIES** at balance date - Nil (2007: Nil).

**LEVUKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2008 (Continued)**

| <b>NOTE 7: NOTES TO STATEMENT OF CASH FLOWS</b>                         | <b>2008</b>            | <b>2007</b>          |
|---|------------------------|----------------------|
|   | <b>\$</b>              | <b>\$</b>            |
| Reconciliation of the Net Surplus to the net cash flows from operations |                        |                      |
| Net Surplus/(Deficit) for the year                                      | (11,074)               | 46,137               |
| Less: Loan Rate Fund  | -                      | -                    |
| Add : Capital Purchases   | -                      | -                    |
| Repayment   | -                      | -                    |
|   | <u>(11,074)</u>        | <u>46,137</u>        |
| Increase/(Decrease) in VAT Receivables and Sundry Debtors               | (837)                  | (18,778)             |
| Increase/(Decrease) in Accounts Payable and Accruals                    | -                      | (10,684)             |
| (Increase)/ Decrease in Other Liabilities                               | -                      | 4,000                |
| (Increase)/ Decrease in Deferred Income                                 | (20,435)               | 20,435               |
| Non Cash Adjustment   | -                      | (284)                |
| Net Cash Inflows from Operating Activities                              | <u><b>(32,346)</b></u> | <u><b>40,826</b></u> |







