



LEVUKA TOWN COUNCIL

Annual Report for the Year 2010





LEVUKA TOWN COUNCIL

Annual Report for the Year 2010



Levuka Town Council

P.O. Box 70

Levuka, Fiji

E-mail: 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 2010.

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

The Annual Report 2010 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

It gives me much pleasure to again present the Annual Report for Levuka Town Council. The significance of Levuka in terms of the history of Fiji cannot be ignored as it strives to mark its way and progress in modern society.

Levuka on the island of Ovalau, part of Lomaiviti Province, one of the three provinces of the Eastern Division of Fiji. It is the only commercial center for the Lomaiviti Group of islands and the transportation mode for many inter island services. Whilst the town has changed much over the years, losing its status as the capital and having been subject to several severe cyclones that destroyed much of the old town, there is still a remarkable number of buildings still standing. The physical evidence of the social, spiritual and cultural history of Levuka gives it a very special and important place in Fiji's history.

Today Levuka with only 152 ratepayers has limited resources hence our dependence on the central government, NGO's and other funding agencies is of importance in the upgrading of infrastructure. We are still competing with the fast pace of modern society.

Having mentioned the above with the many highlights during the year is a result of vision, hard work and sacrifice amongst the Council staff and the ratepayers in supporting each other to progress Levuka into new heights.



Josese Rakuita
Chief Executive Officer

LEVUKA TOWN COUNCIL

ANNUAL REPORT FOR THE YEAR 2010



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

BANK: Westpac Banking Corporation

AUDITOR: Auditor General

LEVUKA TOWN COUNCIL

The development of Levuka as a township is a formidable option because its ratepayer numbers alone cannot justify its viability. There is also the limitation in the physical terrain which directly affects the limited options available for the economy to develop, which in turn affects every other event or activity that can be staged in the town. What remains buoyant is the community spirit.

The only option now available to Levuka is the heritage front that tries to ensure Levuka's entry on the World Heritage Listing in 2012 so that one can develop tourism flows into the historic town. All historic towns have undergone the same process of change from a traditional town to a historic town and in the process acquired the momentum of tourist flow that enables the town to prosper. This is a stereotype that needs to be converted to reality.

What is required is to develop the groundwork that enables Levuka to transform to that level of attraction that can then spur world attention to its listing. It is a mammoth task to be undertaken both by the consultants at the Department of Culture and Heritage and by the Town Council and the community of Levuka in improving the image of Levuka. This can be done by improvements in the infrastructure by managing the environment effectively and promoting cleanliness and healthy living. It should strive to widen Levuka's economic base and promote gainful employment. Every other town in Fiji struggles with this and Levuka is no exception.

VISION

To uphold the significance of Levuka's heritage to derive sustainable livelihood for all

MISSION

To promote Levuka's economic growth through improved partnerships and efficient service delivery

1. COUNCIL STAFF

- | | | |
|--------------------------|---|---------------------------------------|
| • Mr. Napolioni Masirewa | - | Special Administrator(Levuka/Nausori) |
| • Mr. Sailosi Qalilawa | - | Chief Executive Officer |
| • Mr. Apenisa Tawake | - | Accounts Clerk |
| • Mrs. Leba Aloï | - | Clerk/Typist/Cashier |
| • Ms. Kristina Murgan | - | Staff |

2. MEETINGS

Number of meetings held during the year – 14

3. HIGHLIGHTS DURING THE YEAR

1. A walkway at the seawall side was done for the public and also include installation of lights.
2. Crime Free Day was celebrated at Nasau Park.
3. Prime Minister visited Levuka Town Council as part of his tour around Lomaiviti.
4. Valuation of all Council properties were done during the year.
5. Environment week organized in town.

4. HEALTH SERVICES

1. Building Applications

Total Applications Received: 21

Total Applications Approved: 17

Type of Development	Value
Residential	\$40,800.00
Commercial	\$47,180.00
Civic	\$65,715.55
Others	\$19,000.00
TOTAL	\$172,695.55

2. Land Developments: Nil

3. Nuisances Notice Issued: 6

4. Complaints

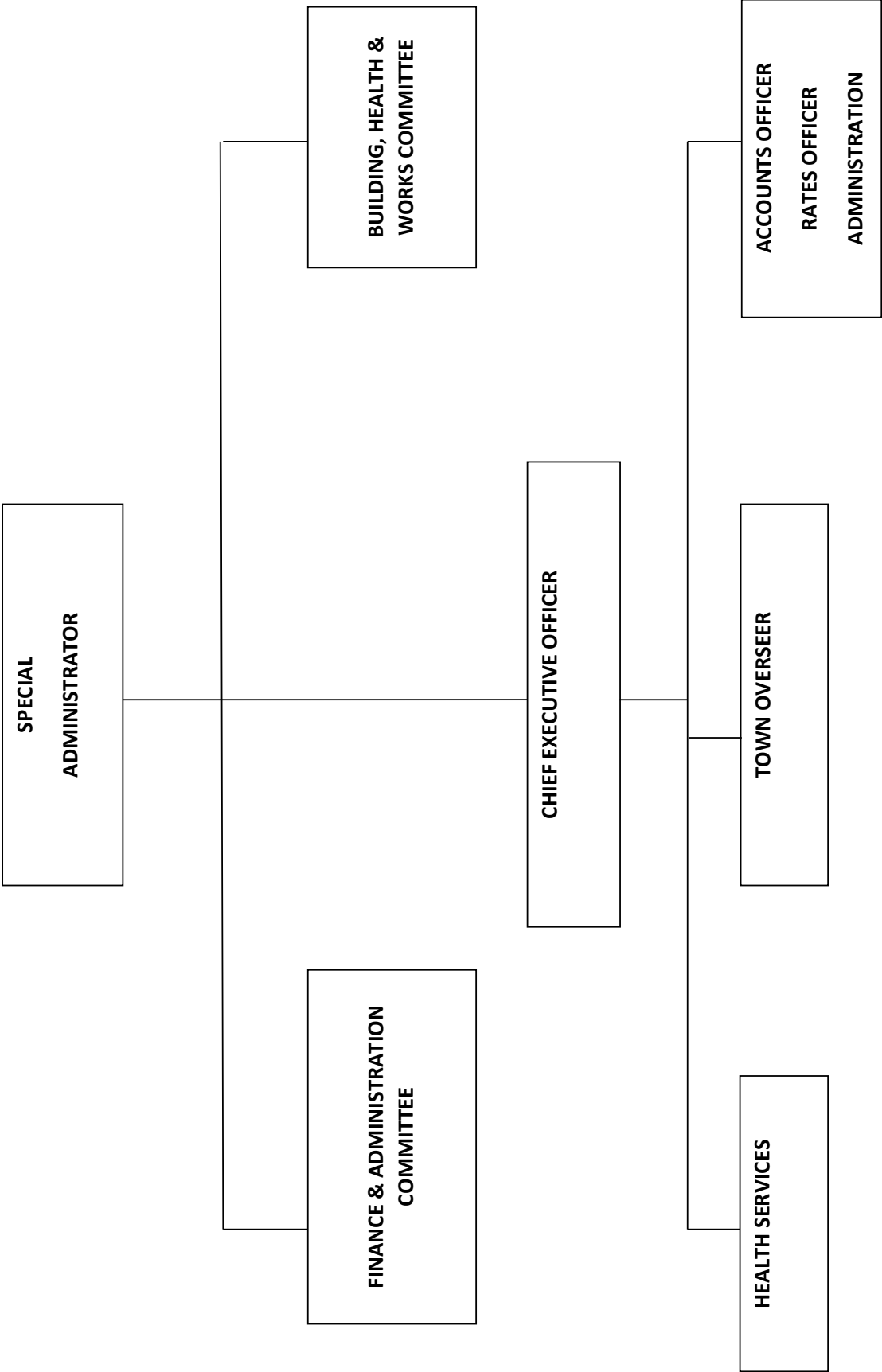
In the year 2010, a total of 7complaints was registered with the Health Office.

1- Was food related

5- Was on Nuisance

LEVUKA TOWN COUNCIL

ORGANISATION STRUCTURE





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

REPUBLIC OF FIJI
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File: 769

17th January 2014

The Special Administrator
Levuka Town Council
P. O Box 70
LEVUKA

Dear Sir

LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010.

Audited financial statements for Levuka Town Council for the year ended 31 December 2010 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of Levuka Town Council for their actions.

Yours sincerely

Tevita Bolanavanua
AUDITOR GENERAL

Encl.

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

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LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the Levuka 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 (Cap. 70). The Council is responsible for the preparation and presentation of the financial statements and the information contained therein.

I have conducted an independent audit of these financial statements in order to express an opinion on them.

The 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. 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 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.

Basis of Adverse Audit Opinion

1. The Statement of Revenue and Expenditure of the Council as at 31 December 2010 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, pre-payments, 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.
2. A complete VAT reconciliation was not prepared by the Council to verify VAT receivable amounting to \$10,882. Additionally, the Council did not maintain any general ledger account for VAT and did not lodge any VAT return for the years 2009 and 2010. I was also not able to perform an independent reconciliation of VAT due to lack of accounting records and supporting documents from prior years. Consequently, I was unable to ascertain if the VAT receivable is fairly stated in the Statement of Financial Position.
3. Accumulated funds include an accounting adjustment amounting to \$24,510. There is no audit trail and supporting document to verify this adjustment. Consequently, I am unable to ascertain if the accumulated funds amounting to \$18,178 is fairly stated in the Statement of Financial Position.

INDEPENDENT AUDIT REPORT (CONT'D)

4. The Council did not carry out bank reconciliation for its bank account. Consequently, I was unable to ascertain if the cash at bank amounting to \$13,271 is fairly stated in the Statement of Financial Position.
5. The Council did not maintain appropriate accounting records and supporting documents for the Conservation Loan amounting to \$5,975. I was also unable to obtain independent confirmation from the Conservation Fund Committee to verify the loan balance. Consequently, I was unable to verify the existence and the correctness of the loan balance as stated in the Statement of Financial Position.
6. The Council did not maintain general ledger system for the year ended 31 December 2010. Additionally, cash book balances did not agree to revenue and expenditure in the Statement of Revenue and Expenditure. Consequently, I was unable to ascertain if revenue and expenditure have been correctly stated.


Adverse Audit Opinion

In my opinion, due to the significant effects of the matters identified in the qualification paragraphs, the financial statements does not present fairly in accordance with Fiji Accounting Standards and the statutory provisions, the financial position of the Council as at 31 December 2010 and the results of its operations and cash flows for the year then ended.

Emphasis Of Matter

Without further qualifying the audit opinion emphasis is drawn to the following matter;

The Council has not lodged Annual PAYE summary to Fiji Revenue and Customs Authority for the years, 2008 and 2010.



Tevita Bolanavanua
Auditor General
Suva, Fiji

17 January, 2014



LEVUKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITIONS AS AT 31 DECEMBER 2010

	NOTES	2010 \$	2009 \$
Current Assets			
Cash at Bank	2	13,271	13,274
VAT Receivable	3	10,882	17,317
Total Current Assets		<u>24,153</u>	<u>30,591</u>
TOTAL ASSETS		<u>24,153</u>	<u>30,591</u>
Current Liabilities			
Non Current Liabilities			
Conservation Committee Loan	5	5,975	5,975
TOTAL LIABILITIES		<u>5,975</u>	<u>5,975</u>
NET ASSETS/(DEFICITS)		<u>18,178</u>	<u>24,616</u>
ACCUMULATED FUNDS	6	<u>18,178</u>	<u>24,616</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 10 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 2010 and of the state of affairs and cash flows as at that date.

.....
Mr. Napolioni Masirewa
Special Administrator

Date: 18/1/14

S. Sandys
Ms. Suliana Sandys
Chief Executive Officer

Date: 16/1/2014

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

	2010	2009
	\$	\$
Revenue for the year was derived from		
General Rates	97,525	106,069
Grant	3,500	24,016
Fees and Charges		
Building fees	3,396	974
Business and trading licenses	23,266	20,451
Garbage fees	26,670	22,820
Hall hire	4,835	3,914
Interest	1,283	1,164
Maintenance of road verges	2,316	2,542
Market fees	-	2,275
Market rentals	3,651	3,555
Miscellaneous	1,550	2,464
Other Revenues - Unallocated Direct Deposits	4,650	1,118
Park and Tennis court fees	1,731	2,253
Photocopy and fax charges	-	115
Refunds	108	705
Rent	2,134	2,572
Taxi & Carrier stand fees	8,445	7,247
Town Planning fees	-	20
Truck & Machine Hire	2,764	4,048
Total Revenue	187,824	208,322
The Expenditure was incurred on		
Recurrent		
Audit fees	4,300	7,406
Bank charges	621	784
Civic Reception	3,386	1,711
Contractor	1,500	9,000
Councillors and Mayoral allowance	-	208
Environment	-	2,128
FNPF contributions	11,182	5,797
Garbage	30,227	28,423
Incidentals	1,466	1,700
Insurance	1,542	450
Legal fees	773	4,208
Market	2,059	293
Miscellaneous	2,376	2,651

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

	2010	2009
	\$	\$
Office equipment and stationary	8,666 ^x	6,614
Park Expenses	1,691	310
Plant and machinery	5,551	6,239
Repairs and maintenance of property	4,641	6,192
Roads and drains	4,386	1,016
Salary and Wages	75,040	96,101
Special Administrator	5,689 ^x	5,274
Subscription to Local Govt. Association	350	350
Refunds	-	2,068
Rezoning and Town Planning fees	68	977
Vat Payments to FRCA	9,104	-
Telephone	1,950	4,406
TPAF Levy	838 ^x	2,303
Travelling	7,683	6,549
Total Recurrent Expenditure	185,089	203,158
 Capital Expenditure		
Capital Works	39,817	15,760
Computer	-	-
Total Capital Expenditure	39,817	15,760
 Total Expenditure	224,906	218,918
 Net Loss for the year was	(37,082)	(10,596)
Deficit balance at January was	(123,423)	(112,827)
Deficit balance at 31 December of	(160,505)	(123,423)

LEVUKA TOWN COUNCIL
LIGHT SERVICE ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
Revenue for the year was derived from		
Lighting service rate	18,227	20,756
Total Revenue	<u>18,227</u>	<u>20,756</u>
Expenditure was incurred on		
Street light - consumption	2,744	4,613
Street light - Repairs	9,349	3,244
Total Expenditure	<u>12,093</u>	<u>7,857</u>
Net Surplus for the year was	6,134	12,899
Surplus Balance at January was	<u>124,222</u>	<u>111,323</u>
Leaving a Surplus balance at 31 December of	<u>130,356</u>	<u>124,222</u>

LEVUKA TOWN COUNCIL
FIRE SERVICE ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTES	2010 \$	2009 \$
The Revenue was derived from			
Fire Service Rates		-	-
		<hr/>	<hr/>
Total Revenue		<hr/> - <hr/>	<hr/> - <hr/>
The Expenditure for the year was incurred on			
Payment to NFA			859
Interest		-	-
		<hr/>	<hr/>
Total Expenditure		<hr/> - <hr/>	<hr/> 859 <hr/>
Deficit for the year was		<hr/> - <hr/>	<hr/> (859) <hr/>
Surplus Balance at 1 January was		<hr/> 23,817 <hr/>	<hr/> 24,676 <hr/>
Leaving a Surplus Balance at 31 December of	1(e)	<hr/> 23,817 <hr/>	<hr/> 23,817 <hr/>

LEVUKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	230,561	230,212
Interest	-	1,164
Payments to suppliers and employees	(230,564)	(227,634)
Net Cash (Used)/Inflows from Operating Activities	(3)	3,742
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital purchases	-	-
Net Cash Outflows from Investing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Conservation Committee Loan	-	-
Repayments of term loan	-	-
Net Cash Inflows from Financing Activities	-	-
Net (Decrease)/Increase in Cash Held	(3)	3,742
Cash at the beginning of year	13,274	9,532
Cash at the end of year	13,271	13,274

LEVUKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

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 council activities and the realisation of assets and the payment of liabilities in the normal course of operations. At 31 December 2010 the council's overall excess of assets over liabilities (surplus) was \$18,178 (2009: \$24,616)
- b) The financial statements have been prepared using cash basis of accounting.
- 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 at the end of the year which was not reflected in the Income & Expenditure and Financial Position were:

	2010	2009
	\$	\$
Rates	<u>74,573</u>	<u>73,937</u>

- e) The surplus of \$23,817 in the Fire Service Account represents fire levies collected by the council between 1995 to 1996. This account will be closed off at 31/12/10 since all levies had been paid off to the National Fire Authority during the year.

NOTE 2: CASH AT BANK

	2010	2009
	\$	\$
Current Account	12,896	7,778
Canteen Account	368	368
Challenge Fund Account	7	5,128
	<u>13,271</u>	<u>13,274</u>

LEVUKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

NOTE 3 VAT

	2010	2009
	\$	\$
Vat receivable	25,146	17,317
Vat payable	(14,264)	-
Total Vat receivable	<u>10,882</u>	<u>17,317</u>

NOTE 4: CAPITAL COMMITMENTS at balance date - Nil (2009: Nil)

NOTE 5: CONSERVATION COMMITTEE LOAN

	2010	2009
	\$	\$
Conservative Loan Balance	5,975	5,975
Add Additional Loan during the year	<u>-</u>	<u>-</u>
	5,975	5,975
Less Loan Repayment	<u>-</u>	<u>-</u>
Balance at year end	<u>5,975</u>	<u>5,975</u>

NOTE 6: ACCUMULATED FUND

	2010	2009
	\$	\$
General Account	(160,505)	(123,423)
Fire Service Account	23,817	23,817
Special Light Account	130,356	124,222
Unidentified Adjustment	24,510	-
Net Accumulated Deficit	<u>18,178</u>	<u>24,616</u>

NOTE 7: CONTINGENT LIABILITIES at balance date - Nil (2009: Nil).

OFFICE OF THE AUDITOR GENERAL

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File 769/1

8 March 2016

The Chief Executive Officer
Levuka Town Council
P O Box 70
LEVUKA

LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Audited financial statements for the Levuka Town Council for the year ended 31 December 2011 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of the Council for their actions.

Yours sincerely

Atunaisa Nadakuitavuki
for AUDITOR GENERAL

Encl.

