



# LABASA TOWN COUNCIL



# ANNUAL REPORT 2011



PARLIAMENT OF FIJI  
PARLIAMENTARY PAPER NO. 210 OF 2020



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# LABASA TOWN COUNCIL

## Annual Report for the Year 2011

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# LABASA TOWN COUNCIL

## CIVIC CENTRE BUILDING

P.O.Box 92, LABASA, FIJI

PH: (679) 8811066/8811331

Fax: (679) 8813718



E-mail: lbstc@connect.com.fj

IN REPLY Please Quote:

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

**Suva**

Dear Madam

I have much pleasure in submitting the Labasa Town Council Annual Report for year 2011.

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

The Annual Report 2011 has been prepared in the accordance with the provisions of section 19 (1) (a), (b) and (c) of the Local Government Act Cap.125

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Sumeet Prasad', is written over a horizontal dashed line.

Mr. Sumeet Prasad

*For* Chief Executive Officer

**Labasa Town Council**

## **FORWARD**

Labasa Town Council is delighted to present the 2011 Annual Report for Labasa Town Council. The report provides an opportunity to reflect and present details of events that have transpired through the course of the Council' Operation.

For the past years, the Labasa Town Council has sincerely endeavored to pursue its mandate of providing effective and efficient basic services to our people. Labasa Town Council was able to deliver its expected services, despite financial challenges posed to the council in year 2011, through the rates collected from 1408 rate payer, business licenses and taxi, carrier and bus operators and the assistance of the government funding through annual grants.

To conclude, Labasa Town Council with the devoted staffs and the supportive ratepayers and with the much needed support from our ministry continues to work and achieve the desired vision of achieving excellence through dedication.



Mr.Sumeet Prasad

*For* Chief Executive Officer

**Labasa Town Council**

## INTRODUCTION

Annual Report is a summary of proceedings and activities of the Council from January 1, 2011 to December 31, 2011 (s19).

## THE COUNCIL

The Ministry of Local Government, Urban Development, Housing and Environment appointed **Mr. Vijay Chand JP** as the Special Administrator of Labasa & Savusavu Town Council's on the 11<sup>th</sup> of February, 2009.

This appointment was as in Section 9A(1) of the Local Government (Amendment) Promulgation 2008 (Promulgation no. 29 of 2008).

The Special Administrator under subsection 1 shall be deemed to the duly constituted council of the assigned municipality and shall subject to any general or specific directions issued by the Minister, have the power to perform and discharge all rights, privileges, powers, duties and functions vested in or conferred or imposed on the council, and any officer of the council by the Act or ant other written Law.

## SENIOR OFFICERS OF THE COUNCIL

Chief Executive Officer	-	Mr Jitendra Prasad
Accountant	-	Mr Anit K Solanki
Properties Manager	-	Mr Chandrika Prasad
Health Inspector/Building Surveyor	-	Mr Mohammed Faiz Ali
Librarian	-	Mrs Subhag L Nadan
Market Manager	-	Mr Satya Nand
Works Supervisor/ Town Ranger	-	Mr Roneil Lal
Parking Meter Supervisor	-	Mr Ashok Kumar



## **POPULATION**

Estimated population for 2011 (census 2007):

Labasa Urban	-	7,700
Labasa Peri Urban	-	20,200

Other Provinces that the council indirectly serves:

Bua	-	14,000
Macuata	-	72,250
Cakaudrove	-	49,250

## **RATES**

Town Rates are the highest income source for the Council Rates are levied on unimproved capital value of all rateable properties within the town.

Rates Levied for the year 2010 were as follows:-

General Rate	-	0.737 cents in the \$ on UV
Lighting Rate	-	0.125 cents in the \$ on UV
Loan Repayment Rate	-	0.200 cents in the \$ on UV

-----  
1.062 cents in the \$ on UV

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## **ACTIONS AGAINST DEFAULTING RATEPAYERS**

The Council is taking the following actions against defaulting ratepayers to enhance rate collection, especially arrears of rates:

- House to house rate collections (most effective)
- Payment of rates by instalments (most effective)
- Reminder notices served to defaulters
- Summons through Small Claims Tribunal
- Lodging of Fiji Charge on property owing huge rates
- Deductions at source
- Data Bureau registration
- Exercising the provisions in the Local Government Act

### **TOTAL VALUE OF PROPERTIES**

Total value of rateable properties based on year 2000 valuation:  
\$50,440,100 UV

### **COUNCIL AUDITORS**

The Auditor General's Office of Fiji.

### **COUNCIL BANKERS**

Bank of Baroda.

Westpac Banking Corporation Limited.

Australia and New Zealand Banking Group Limited.

### **PUBLIC HEALTH, SANITARY SERVICES AND ENVIRONMENT**

- Training given to Food Handlers under Food Safety Act.
- Minimum Pollution reported for Qawa River this cane crushing season - strict monitoring undertaken with MRLA
- Enter & abate of overgrowth grass.
- Health Inspectors undertook routine Public Health inspections as required.
- Enforcement of the Tobacco Act by Enforcement Officers. Several offenders were spot fined.



- Cleanup campaigns organized - Youth Groups and Yellow Ribbon Program
- Maintaining air & noise pollution within approved levels.
- Picking up of Garbage From Bulileka Settlement which is 2km outside the Town Boundary.

- Dengue spraying programme confined not only to town but surrounding settlements and villages.
- NFA participation with town and neighboring community on fire safety awareness .

### **UPGRADING OF FOOTPATH AND DRAINAGE**

Drainage upgrading of rock lined drains and V drains at Covata and Delailabasa Residential Areas.

Repairs to existing concrete driveways & footpaths.



### **REFURBISHMENT OF CIVIC CENTRE BUILDING**

The refurbishment was undertaken by Pyare Industries at a cost of \$29,371.00.

### **REPLACEMENT OF STREET LIGHTS**

Council had replaced 30 old and uncovered streets lights at various locations with new covered street lights to minimize defects and maintenance costs. This program will continue in future years until all street lights are with proper covers.

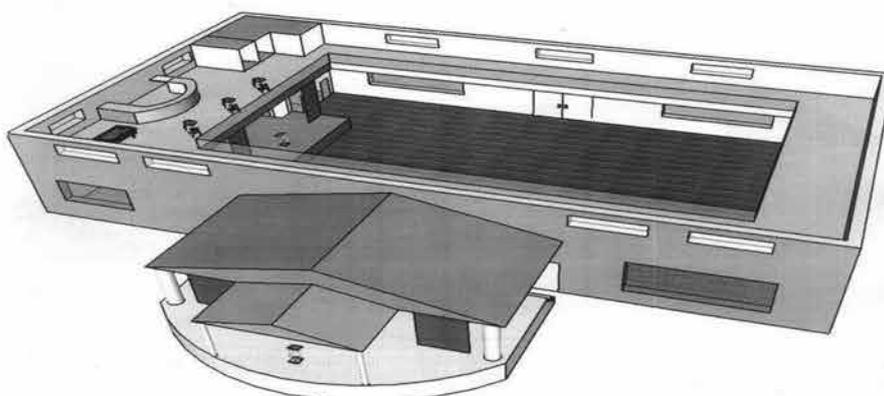
## ROAD WORKS

- Major Road works completed by CCAR.
- Road Maintenance and Patching Works done.



## FESTIVAL OF THE FRIENDLY NORTH

Over the years the festival committee has worked closely with the Council and has done huge projects. The Committee has plans to built a podium and multipurpose hall at naiyaca subdivision.



## FIRST QUARTER LOCAL GOVERNMENT



## FINANCIAL ACHIEVEMENTS

- 2010 Audited Financial Accounts expected to be Published before the end of the year.
- Last payment of \$400,000 loan done, a major debt paid off in the Last Quarter of the year. The Council is free of any Term Loan.
- Revised Fees and Charges Gazette has been implemented by the Council. The Fee and Charges has been reviewed after 12 years.
- Financial workshop on the susceptibility of provisions Rates in the Local Government Act and the polices implemented by different municipalities was conducted by the Ministry.
- Special Procurement Audit Done by the Office of the Auditor General.

		2009	2010	2011
Arrears (31/12)	Un alienated	1,366,139	1,455,514	1,407,943
	Alienated	116,983	134,530	128,264
	Total incl. interest	<b>1,385,435</b>	<b>1,590,044</b>	<b>1,536,208</b>
Rates Collected	Rates Arrears	136,146	209,288	369,197
% Collected	Rates Arrears	9.8%	13.2%	23.0%
Rates Levied	Current Rates	575,826	757,450	770,583
Rates Collected	Current Rates	405,692	549,949	582,820
	Balance	<b>170,134</b>	<b>207,501</b>	<b>187,763</b>
% Collected	Current Rates	70%	73%	76%

## INFRASTRUCTURE SERVICES

More coordination with DNR for roads infrastructure & drainage works.

Shown below are some footpath work done in Town Area



## UPGRADE TO SUBRAIL PARK



## MAJOR GUESTS & VISITATIONS TO THE COUNCIL



Tourist visitor arrival for Labasa via Captain Cook Cruises in 2011. Council with Multi Cultural Centre performed cultural events for the visitors at Civic Centre.

## DONATIONS AND SPONSORSHIP

Acquisition of a New Komatsu Backhoe Digger Costing \$220,000 FJD Dollars, Funded by JICA and Council Funds. (in operation by December).

The Digger would be handy in upgrade and maintenance of Drains and reduce risks of flooding.

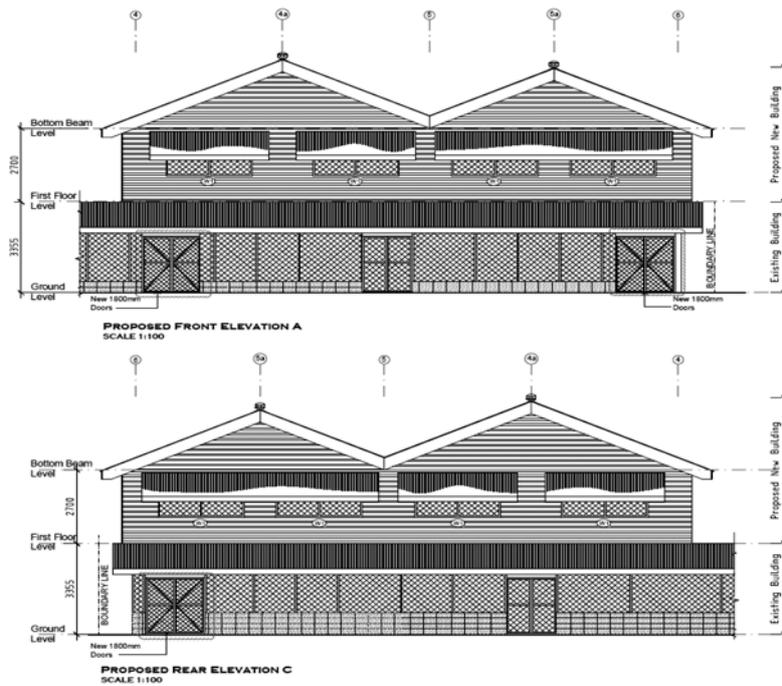


**PARKS, GARDENS & BEAUTIFICATION**



## PROPOSED MAJOR PROJECT

Extension of existing market one floor above. The Project plans are in place waiting potential funding.



Note:

1. New 1800mm Doors are as clouded.

Submitted to the Hon. Minister for Local Government, Urban Development, Housing and Environment.

**Mr. Vijay Chand JP**  
**SPECIAL ADMINISTRATOR**





REPUBLIC OF THE FIJI ISLANDS  
OFFICE OF THE AUDITOR GENERAL

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Excellence in Public Sector Auditing

File 735/1

1 March 2013

Vijay Chand  
The Special Administrator  
Labasa Town Council  
P O Box 92  
**LABASA**

Dear Mr. Chand

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**LABASA TOWN COUNCIL**  
**AUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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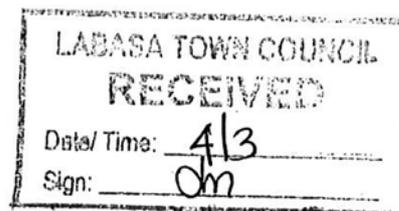
Audited financial statements for the Labasa Town Council for the year ended 31 December 2011 together with my audit report on them are enclosed.

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

Yours sincerely

Tevita Bolanavanua  
**AUDITOR GENERAL**

Encl.





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

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

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REPUBLIC OF THE FIJI ISLANDS  
OFFICE OF THE AUDITOR GENERAL



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Excellence in Public Sector Auditing

**LABASA TOWN COUNCIL  
FINANCIAL STATEMENTS AS AT 31 DECEMBER 2011  
INDEPENDENT AUDIT REPORT**

Scope

I have audited the financial statements of Labasa Town Council for the year ending 31 December 2011 in accordance with section 51 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 the accompanying notes. 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 the 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 the 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 the Fiji Accounting Standards and statutory provisions 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.

Audit Opinion

In my opinion, the financial statements present fairly in accordance with the 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.

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

Tevita Bolanavanua  
AUDITOR GENERAL

Suva, Fiji  
1 March 2013



**LABASA TOWN COUNCIL  
STATEMENT OF FINANCIAL POSITION - GENERAL FUND  
AS AT 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash at Bank	2(a)	177,126	113,369
Receivables	3(a)	1,185,656	1,636,578
Advances	4	311,948	311,367
Prepayments		324	14,404
Work in Progress - Komatsu Backhoe Loader	5	220,759	-
<b>Total current assets</b>		<u>1,895,813</u>	<u>2,075,718</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	<u>17,307,367</u>	<u>18,185,826</u>
<b>Total non current assets</b>		<u>17,307,367</u>	<u>18,185,826</u>
<b>TOTAL ASSETS</b>		<u>19,203,180</u>	<u>20,261,544</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable & Accruals		36,027	68,668
Provision for Leave Entitlement		10,852	-
Miscellaneous Deposits	8	175,936	144,224
Rates received in advance		4,576	3,509
Other Accruals and Payable		-	7,950
Vat Payable		8,874	4,828
<b>Total current liabilities</b>		<u>236,265</u>	<u>229,179</u>
<b>NON CURRENT LIABILITIES</b>			
Loan Funds less Repayments	9	-	45,373
Deferred Income	7	<u>191,964</u>	<u>-</u>
<b>Total non current liabilities</b>		<u>191,964</u>	<u>45,373</u>
<b>TOTAL LIABILITIES</b>		<u>428,229</u>	<u>274,552</u>
<b>NET ASSETS</b>		<u>18,774,951</u>	<u>19,986,992</u>
<b>MUNICIPAL FUNDS</b>			
Accumulated Funds		1,244,502	1,889,123
Asset Revaluation Reserves	11	<u>17,530,449</u>	<u>18,097,869</u>
<b>TOTAL MUNICIPAL FUNDS</b>		<u>18,774,951</u>	<u>19,986,992</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 16 to 27)*

**Council's Statement**

In our opinion the General Fund Financial Statements have been properly drawn up so as to show a true and fair view of the Labasa Town Council's operations for the year ended 31 December 2011 and its state of affairs and cashflows as at that date.

  
.....  
Jitendra Prasad  
Town Clerk/CEO

  
.....  
Vijay Chand  
Special Administrator

Date: 21/02/13

Date: 26/2/13

**LABASA TOWN COUNCIL  
STATEMENT OF CHANGES IN ACCUMULATED FUND - GENERAL FUND  
AS AT 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
Balance as at the beginning of the year		1,889,123	225,495
Prior year adjustment	12	-	1,471,502
		<u>1,889,123</u>	<u>1,696,997</u>
Surplus/(Deficit) - General Fund account		(753,551)	171,505
Surplus - Lighting Fund account		15,687	10,703
Surplus/(Deficit) - Loan Repayment Fund account		125,172	22,418
Surplus/(Deficit) - Fire Service Fund Account		(19,429)	-
Transfer to Miscellaneous Deposits - Car Park Fund a/c		(12,500)	(12,500)
<b>Balance as at the end of the year</b>		<u><u>1,244,502</u></u>	<u><u>1,889,123</u></u>

*(The Statement of Changes in Accumulated Fund is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

LABASA TOWN COUNCIL  
STATEMENT OF REVENUE AND EXPENDITURE - GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2011

REVENUE	Notes	2011 \$	2010 \$
Administration Cost		7,983	9,173
Bank Interest		24	26
Building fees		6,689	9,092
Bus station, car park and taxi base fees		60,863	63,649
Business, trading and other licenses		134,834	144,961
Contribution for management expenses	16	4,037	4,037
Garbage fess arrears	13	609	2,040
Gate fees - sports ground/squash courts		49,027	23,522
General rates		465,010	434,188
General rates on state land		-	22,984
Interest on overdue account		2,592	3,444
Interest on overdue rates		83,167	130,816
Market fees		215,940	211,032
Miscellaneous		51,162	50,041
Playing field hire charge		21,604	31,425
Rent from council properties		159,803	170,233
<b>Total income</b>		<b>1,263,344</b>	<b>1,310,663</b>
<b>EXPENDITURE</b>			
Advertising		3,344	3,409
Anti mosquito campaign litter awareness		2,808	1,861
Audit and accounting fees		-	23,434
Business license written off	14	30,370	-
Charity Queen		195	3,000
Civic reception & Entertainment		5,099	5,769
Computer Software		3,132	3,535
Cyclone Ami rehabilitation		-	8,735
Depreciation		357,006	-
Doubtful Debts		384,052	-
FNPF contribution		45,037	45,966
Garbage services		86,342	88,464
Incidental		24,316	11,619
Insurance		11,715	11,665
Interest written off	15	55,371	-
Labourers Wages		338,536	301,674

**LABASA TOWN COUNCIL  
STATEMENT OF REVENUE AND EXPENDITURE - GENERAL FUND  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
Land rent		23,874	22,235
Legal expenses		3,207	6,458
Maintenance and operation of expense of plants & equipment		48,234	49,171
Maintenance expenses - market, pavilion & public convenience		118,471	110,811
Maintenance of roads, footpath, drains and parks		28,170	68,769
Maintenance services on contract		-	1,037
Medical consultation fees		2,209	833
Personal emoluments		241,158	220,350
Printing, stationery and equipment		17,185	16,133
Staff training development		1,338	4,191
Subscription		324	1,232
Tea expenses		1,874	1,818
Telephone/water and electrical charges		104,645	66,993
Town planning Fees		131	10,144
TPAF		5,355	4,670
Access & Reclamation of Garbage Dump		-	4,724
Travelling & subsistence		26,624	14,765
Uniform & protective clothing expenses		10,580	10,137
Valuation fees		13,063	15,556
Discount Allowed		23,130	-
<b>Total expenditure</b>		<b><u>2,016,895</u></b>	<b><u>1,139,158</u></b>
<b>Net surplus/(Deficit)</b>		<b><u>(753,551)</u></b>	<b><u>171,505</u></b>

*(The Statement of Revenue and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
STATEMENT OF REVENUE AND EXPENDITURE - LIGHTING FUND ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
<b>The Revenue for the year was derived from</b>			
Lighting rate		78,886	73,641
Lighting rate on state land		-	3,898
Total income		<u>78,886</u>	<u>77,539</u>
<b>The expenditure for the year was incurred on</b>			
Administration charges to general fund	13	1,011	1,011
Installation of street Lights		7,348	2,533
Maintenance & installation of festoon light		2,782	6,207
Maintenance of street light		<u>52,058</u>	<u>57,085</u>
		<u>63,199</u>	<u>66,836</u>
<b>Net Surplus/(Deficit)</b>		<u><u>15,687</u></u>	<u><u>10,703</u></u>

*(The Statement of Revenue and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
STATEMENT OF REVENUE AND EXPENDITURE - FIRE SERVICE FUND ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
<b>The Revenue for the year was derived from</b>			
Fire service rate - arrears		-	-
<b>Total revenue</b>		<u>-</u>	<u>-</u>
<b>The expenditure for the year was incurred on</b>			
<b>Total Expenditure</b>		<u>19,429</u>	<u>-</u>
<b>Net Deficit for the year</b>		(19,429)	-
<b>Add Surplus balance as at 1st January</b>		<u>19,429</u>	<u>19,429</u>
<b>Surplus baiance as at 31 December 2011</b>		<u><u>-</u></u>	<u><u>19,429</u></u>

*(The Statement of Revenue and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
STATEMENT OF REVENUE AND EXPENDITURE - LOAN REPAYMENT FUND ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011	2010
<b>The Revenue for the year was derived from</b>		\$	\$
Loan rate		126,176	117,826
Loan rate on state land		-	6,237
<b>Total revenue</b>		<u>126,176</u>	<u>124,063</u>
<b>The expenditure for the year was incurred on</b>			
Interest charges		1,004	7,455
Principal repayment		-	94,190
<b>Total Expenditure</b>		<u>1,004</u>	<u>101,645</u>
<b>Net Surplus/(Deficit)</b>		<u>125,172</u>	<u>22,418</u>

*(The Statement of Revenue and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
STATEMENT OF REVENUE AND EXPENDITURE - CAR PARK FUND ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>The Revenue for the year was derived from</b>	<b>Notes</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
<b>Total revenue</b>		<u>-</u>	<u>-</u>
<b>Total Expenditure</b>		<u>-</u>	<u>-</u>
Accumulated Funds at the Beginning of the year		102,378	114,878
Transfer to Miscellaneous Deposit		(12,500)	(12,500)
<b>Accumulated Funds at the end of the year</b>		<u><b>89,878</b></u>	<u><b>102,378</b></u>

*(The Statement of Revenue and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
STATEMENT OF CASH FLOWS - GENERAL FUND ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$ Inflows/ (Outflows)	2010 \$ Inflows/ (Outflows)
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Receipts from operations		2,111,292	1,092,563
Interest Received		-	134,260
Interest Paid		(1,004)	-
Payments to Suppliers and employees		(1,955,191)	(1,125,684)
<b>Net Cash provided by Operating Activities</b>	17(b)	<u>155,097</u>	<u>101,139</u>
<b>Cash flows from investing activities</b>			
Advance to Parking Meter		-	-
Acquisition of property, plant and equipment		(45,967)	(87,957)
<b>Net cash (used in) Investing Activities</b>		<u>(45,967)</u>	<u>(87,957)</u>
<b>Cash Flows from Financing Activities</b>			
Loan Rate		-	124,063
Interest		-	(7,455)
Loan Repayment		(45,373)	(94,190)
		<u>(45,373)</u>	<u>22,418</u>
Net increase/(decrease) in Cash held		63,757	35,600
Balance at the beginning of the year		113,369	77,769
<b>Cash and cash equivalent at the end of the year</b>	17(a)	<u>177,126</u>	<u>113,369</u>

*(The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
STATEMENT OF FINANCIAL POSITION - PARKING METER FUND ACCOUNT  
AS AT 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash at Bank	2(b)	5,498	7,332
Receivables	3(b)	20,930	251,226
<b>Total current assets</b>		<u>26,428</u>	<u>258,558</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	887	986
<b>TOTAL NON CURRENT ASSETS</b>		<u>887</u>	<u>986</u>
<b>TOTAL ASSETS</b>		<u>27,315</u>	<u>259,544</u>
<b>CURRENT LIABILITIES</b>			
Creditors and Accrual		466	352
VAT Payable		167	282
<b>Total current liabilities</b>		<u>633</u>	<u>634</u>
<b>NON CURRENT LIABILITIES</b>			
Advance from General Funds		291,666	288,640
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>291,666</u>	<u>288,640</u>
<b>TOTAL LIABILITIES</b>		<u>292,299</u>	<u>289,274</u>
<b>NET ASSETS</b>		<u>(264,984)</u>	<u>(29,730)</u>
<b>Municipal Funds</b>			
Accumulated Funds		(265,970)	(30,716)
Reserves	11	986	986
<b>Total Municipal Funds</b>		<u>(264,984)</u>	<u>(29,730)</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 16 to 27)*

**Council's Statement**

In our opinion the Parking Meter Financial Statements have been properly drawn up so as to show a true and fair view of the Labasa Town Council's operations for the year ended 31 December 2011 and of the state of affairs as at that date.

  
 .....  
 Jitendra Prasad  
 Town Clerk/CEO

Date: 21/02/13

  
 .....  
 Vijay Chand  
 Special Administrator

Date: 26/2/13

**LABASA TOWN COUNCIL  
STATEMENT OF CHANGES IN ACCUMULATED FUND - PARKING METER FUND  
AS AT 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
Balance as at the beginning of the year		(30,716)	(283,269)
Prior year adjustment	12	-	210,618
		<u>(30,716)</u>	<u>(72,651)</u>
Surplus/(Deficit) from operations		<u>(235,254)</u>	<u>41,935</u>
<b>Balance as at the end of the year</b>		<u><u>(265,970)</u></u>	<u><u>(30,716)</u></u>

*(The Statement of Changes in Accumulated Fund is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
STATEMENT OF REVENUE AND EXPENDITURE - PARKING METER FUND ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
<b>The Revenue for the year was derived from</b>			
Meter tolls		19,707	27,354
Infringement fine		26,192	46,363
<b>Total revenue</b>		<u>45,899</u>	<u>73,717</u>
<b>The Expenditure for the Year was Incurred on</b>			
Administrative charges to general fund		3,026	3,026
Depreciation		99	-
Doubtful Debts		251,226	-
Fiji National Provident Fund contribution		1,506	1,476
TPAF levy		187	214
Maintenance of parking meters including parking bays		3,961	1,448
Miscellaneous		1,062	5,373
Printing & stationery		781	1,445
Purchase of office uniform		393	299
Wages and related payments		18,912	18,501
<b>Total Expenditure</b>		<u>281,153</u>	<u>31,782</u>
<b>Net Surplus/(Deficit)</b>		<u>(235,254)</u>	<u>41,935</u>

*(The Statement of Revenue and Expenditure is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
STATEMENT OF CASH FLOW - PARKING METER ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from operation		276,195	32,959
Payments to suppliers and employees		(278,029)	(31,430)
<b>Net Cash (used in) Operating Activities</b>	18(b)	<u>(1,834)</u>	<u>1,529</u>
Net increase in Cash held		(1,834)	1,529
Balance at the beginning of the year		7,332	5,803
<b>Net cash at the end of the year</b>	18(a)	<u><u>5,498</u></u>	<u><u>7,332</u></u>

*(The Statement of Cash Flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 16 to 27)*

**LABASA TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**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 followed in the previous year. All amounts are stated in Fijian currency.

**(a) Statement of Compliance**

The financial statement have been prepared in accordance with the provisions of the Local Government Act and Fiji Accounting Standard

**(b) Basis of Accounting**

The financial statements have been prepared on the basis of historical costs and except where stated, do not take into account changing money value or current valuation of non-current assets. These accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous year.

**(c) Property, Plant and Equipment**

Property, Plant and Equipment are disclosed at fair value.  
The Councils' fixed assets are depreciated over their estimated useful lives using the straight line method. The principle rates employed by the Council are as follows:

	<u>Rate</u>
Buildings	2.5%
Furniture and Equipment	10%
Plant, Machine and tools	10%
Motor vehicles	18%
Road, footpath and drains	10%
Street Lights	10%

**(d) Provision for Doubtful Debts**

The Council has created a provision for doubtful debts on the following basis:

(i) General Fund Account - 25 percent of the closing balance of rates including interest receivable as at 31 December 2011.

(ii) Parking Meter Fund Account - Closing balance of Infringement fines receivables as at 31 December 2011

LABASA TOWN COUNCIL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	2010
		\$	\$
(e)	<b>Revenue Recognition</b> Revenue is recognised in the Statement of Income and Expenditure when charged to the ratepayers by the Council. The major source of revenue are collections in the form of General rates, Loan rates and fees and charges.		
(f)	<b>Trade and Other Receivables</b> Receivables are stated at the expected realisable value as certified by the Council when they are identified.		
(g)	<b>Trade and Other Payables</b> Trade and other payables are stated at cost		
(h)	<b>Income Tax</b>  The Council is exempt from income tax in accordance with the provisions of Section 17 of the Fiji Income Tax Act.		
(i)	<b>Comparatives</b>  Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.		
(j)	<b>Reporting Currency</b> The financial statements are presented in Fiji dollars, rounded to the nearest dollar.		
NOTE 2(a)	<b>CASH AT BANK</b>		
	<b>GENERAL FUND ACCOUNT</b>		
	Current account	177,073	112,609
	Imprest account	53	560
		<u>177,126</u>	<u>113,169</u>
NOTE 2(b)	<b>PARKING METER ACCOUNT</b>		
	Cash at Bank	5,498	7,332
		<u>5,498</u>	<u>7,332</u>

**LABASA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

		2011	2010
		\$	\$
<b>NOTE 3(a)</b>	<b>RECEIVABLES - GENERAL FUND ACCOUNT</b>		
(i)	<u>Rates debtors</u>		
	Rates debtors	422,217	476,089
	Less: Provision for Doubtful Debts - Rates	(107,470)	-
		<u>314,747</u>	<u>476,089</u>
(ii)	<u>Interest</u>		
	Interest	1,086,601	1,079,385
	Less: Provision for Doubtful Debts - Interest	(276,581)	-
		<u>810,020</u>	<u>1,079,385</u>
(iii)	Business license	47,319	65,184
	Carrier Stand Fees	123	180
	Taxi Stand Fees	990	1,290
	Bus Station Fees	4,712	4,009
	Rent	7,745	10,441
		<u>60,889</u>	<u>81,104</u>
		<u>1,185,656</u>	<u>1,636,578</u>
<b>NOTE 3(b)</b>	<b>RECEIVABLES - PARKING METER FUND ACCOUNT</b>		
	<u>Infringement Fines</u>		
	Receivables - Infringement Fines	272,156	251,226
	Less: Provision for Doubtful Debts - Infringement Fines	(251,226)	-
		<u>20,930</u>	<u>251,226</u>
<b>NOTE 4</b>	<b>ADVANCES</b>		
	Parking Meter Fund	291,666	288,640
	Dishonoured cheques	932	2,977
	Unspent balance of loan	19,350	19,750
		<u>311,948</u>	<u>311,367</u>
<b>NOTE 5</b>	<b>WORK IN PROGRESS</b>		

The grant amount represents the cost of a Komatsu Backhoe Loader totalling \$220,759 (VIP) ordered through the local distributor as at 31/12/11 and as agreed between the Government of Japan and the Council on 02/12/2011. The machine is yet to be received and is classified as work in progress.

LABASA TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 6 (a)	PROPERTY, PLANT & EQUIPMENT	2011 \$	2010 \$
<b><u>GENERAL FUND</u></b>			
	Land & Buildings - at cost	7,146,103	7,136,100
	Less: Accumulated Depreciation	<u>(82,257)</u>	<u>-</u>
		<u>7,063,846</u>	<u>7,136,100</u>
	Drains - at cost	1,247,859	1,247,859
	Less: Accumulated Depreciation	<u>(123,959)</u>	<u>-</u>
		<u>1,123,900</u>	<u>1,247,859</u>
	Office Equipment - at cost	158,098	141,594
	Less: Accumulated Depreciation	<u>(15,272)</u>	<u>-</u>
		<u>142,826</u>	<u>141,594</u>
	Plant, Machinery & Tools - at cost	260,336	260,023
	Less: Accumulated Depreciation	<u>(35,450)</u>	<u>-</u>
		<u>224,886</u>	<u>260,023</u>
	Roads - at cost	7,851,300	8,418,720
	Less: Accumulated Depreciation	<u>-</u>	<u>-</u>
		<u>7,851,300</u>	<u>8,418,720</u>
	Footpath - at cost	608,647	589,500
	Less: Accumulated Depreciation	<u>(60,865)</u>	<u>-</u>
		<u>547,782</u>	<u>589,500</u>
	Kerbs - at cost	120,480	120,480
	Less: Accumulated Depreciation	<u>(12,048)</u>	<u>-</u>
		<u>108,432</u>	<u>120,480</u>
	Channel - at cost	271,550	271,550
	Less: Accumulated Depreciation	<u>(27,155)</u>	<u>-</u>
		<u>244,395</u>	<u>271,550</u>
	<b>NET WRITTEN DOWN VALUE</b>	<b><u>17,307,367</u></b>	<b><u>18,185,826</u></b>

LABASA TOWN COUNCIL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
<b><u>PARKING METER FUND</u></b>		
Office Equipment - at cost	986	986
Less: Accumulated Depreciation	(99)	-
	<u>887</u>	<u>986</u>
<b>NET WRITTEN DOWN VALUE</b>	<u><b>887</b></u>	<u><b>986</b></u>

**NOTE 6 (b) Movement in Carrying Amount**

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

**GENERAL FUND**

Land & Buildings

Carrying Amount at the beginning of the year	7,136,100	-
Add: Additions	10,003	-
Add: Revaluation	-	7,136,100
Less: Depreciation Expense	(82,257)	-
Balance at 31 December	<u>7,063,846</u>	<u>7,136,100</u>

Drains

Carrying Amount at the beginning of the year	1,247,859	-
Add: Additions	-	-
Add: Revaluation	-	1,247,859
Less: Depreciation Expense	(123,959)	-
Balance at 31 December	<u>1,123,900</u>	<u>1,247,859</u>

Office Equipment

Carrying Amount at the beginning of the year	141,594	-
Add: Additions	16,504	-
Add: Revaluation	-	141,594
Less: Depreciation Expense	(15,272)	-
Balance at 31 December	<u>142,826</u>	<u>141,594</u>

Plants, Machinery & Tools

Carrying Amount at the beginning of the year	260,023	-
Add: Additions	313	-
Add: Revaluation	-	260,023
Less: Depreciation Expense	(35,450)	-
Balance at 31 December	<u>224,886</u>	<u>260,023</u>

**LABASA TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
<u>Roads</u>		
Carrying Amount at the beginning of the year	8,418,720	-
Add: Additions	-	-
Add: Revaluation	(567,420)	8,418,720
Less: Depreciation Expense	-	-
Balance at 31 December	<u>7,851,300</u>	<u>8,418,720</u>
<u>Footpath</u>		
Carrying Amount at the beginning of the year	589,500	-
Add: Additions	19,147	-
Add: Revaluation	-	589,500
Less: Depreciation Expense	(60,865)	-
Balance at 31 December	<u>547,782</u>	<u>589,500</u>
<u>Kerbs</u>		
Carrying Amount at the beginning of the year	120,480	-
Add: Additions	-	-
Add: Revaluation	-	120,480
Less: Accumulated Depreciation	(12,048)	-
Balance at 31 December	<u>108,432</u>	<u>120,480</u>
<u>Channel</u>		
Carrying Amount at the beginning of the year	271,550	-
Add: Additions	-	-
Add: Revaluation	-	271,550
Less: Accumulated Depreciation	(27,155)	-
Balance at 31 December	<u>244,395</u>	<u>271,550</u>
<b>NET WRITTEN DOWN VALUE</b>	<b><u>17,307,367</u></b>	<b><u>9,793,266</u></b>
 <b>PARKING METER FUND</b>		
<u>Office Equipment</u>		
Carrying Amount at the beginning of the year	986	-
Add: Revaluation	-	986
Less: Accumulated Depreciation	(99)	-
Balance at 31 December	<u>887</u>	<u>986</u>
<b>NET WRITTEN DOWN VALUE</b>	<b><u>887</u></b>	<b><u>986</u></b>

LABASA TOWN COUNCIL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
<b>NOTE 7</b>		
<b>DEFERRED INCOME</b>		
The amount represents a Backhoe Loader donated by the Japanese Embassy on December 2011, which is treated as Deferred Income:		
Balance at the beginning of the year	-	-
Add: Deferred Income for the year	191,964	
Less: Depreciation Charge	-	-
Written Down Value at 31 December	<u>191,964</u>	<u>-</u>
<b>NOTE 8</b>		
<b>MISCELLANEOUS DEPOSITS</b>		
Rent securities	23,886	21,809
Subrail Park security	12,205	12,647
Tender deposits	3,000	2,600
Installation of internet	35	35
Drains, streets, roads, footpaths	57,629	55,179
Library books	13,860	13,250
Hire of auditorium	7,957	7,090
Hire of chairs and tables	4,512	3,512
Naodamu Park security	200	200
Installation of banner	1,200	1,200
Cleaning of market and public toilets	4,250	4,250
Garbage service security	4,952	4,952
Telecom upgrading project	5,000	5,000
Car Park Contribution	25,000	12,500
Central Board of Health	7,250	-
MH Demolition	5,000	-
	<u>175,936</u>	<u>144,224</u>

LABASA TOWN COUNCIL  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$

**NOTE 9 LOAN FUNDS LESS REPAYMENTS**

Loan raised by the Council bear interest charges ranging from 8.5% to 10.5% per annum and repayable within periods ranging from 5 to 15 years. All loans are secured by the assets of the Council except for a \$400,000 loan raised in 1996 for the construction of the swimming pool and repairs to the roofing of Subrail Park pavilion.

The balance of the loans were as follows:

**GENERAL FUND**

Balance as 1 January	45,373	139,583
Add: Loan raised	-	-
	<u>45,373</u>	<u>139,583</u>
Less: Repayments	46,378	101,665
Add: Interest/Penalty Charges	1,004	7,455
Balance as at 31 December	<u>-</u>	<u>45,373</u>

**NOTE 10 DISCOUNT ON RATES**

The Council resolved to grant discounts on rates as follows:

Rates paid in full by 31st January 2011, received at 7% discount.

Account:

General Fund account	13,958	10,039
Lighting Fund account	2,367	1,703
Loan Repayment account	3,788	2,724
	<u>20,112</u>	<u>14,466</u>

**LABASA TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

		2011	2010
		\$	\$
<b>NOTE 11</b>	<b>RESERVES</b>		
	<u><b>Asset Revaluation Reserve - General Fund</b></u>		
	Opening balance	18,097,869	-
	Valuation during the year	-	18,097,869
	Overvaluation from 2010	(567,420)	-
	Asset revaluation reserve	<u>17,530,449</u>	<u>18,097,869</u>
	<u><b>Asset Revaluation Reserve - Parking Meter Fund</b></u>		
	Opening balance	986	-
	Valuation during the year	-	986
	Asset revaluation reserve	<u>986</u>	<u>986</u>

**NOTE 12 PRIOR PERIOD ADJUSTMENT**

Since the Council has changed its accounting policy from cash to accrual basis of accounting in 2010, prior period adjustments have been made to account for assets and liabilities relating to prior period.

**NOTE 13 GARBAGE FEES**

It was resolved by the Council not to levy Garbage fees with effect from January 1993. Cost of Garbage Services has been incorporated in General Rates. Garbage fees collected in respect of arrears in 2011 was \$609 (2010: \$2,040).

**NOTE 14 BUSINESS LICENSE V/RITTEN OFF**

It was resolved by the Council that Business License \$30,370 for businesses that have ceased operation be written off.

**NOTE 15 INTEREST WRITTEN OFF**

With the approval of the Minister for Local Government, interest totalling \$55,371 was written off.

**LABASA TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$

**NOTE 16 CONTRIBUTION FOR MANAGEMENT EXPENSES**

Amounts representing salaries, accounting and administrative expenses as approved by the Council in conjunction with the management and operation of Lighting and Parking Meter Fund Account have been reimbursed to the General Fund account as follows:

Lighting Fund account	1,011	1,011
Parking Meter Fund account	3,026	3,026
	<u>4,037</u>	<u>4,037</u>

**NOTE 17 NOTES TO STATEMENT OF CASH FLOWS - GENERAL FUND ACCOUNT**

**NOTE 17 (a) Reconciliation of cash**

For the purpose of statement of cash flows, cash includes cash at bank and on hand. Cash at end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on Hand and at Bank	<u>177,126</u>	<u>113,369</u>
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**NOTE 17 (b) Reconciliation of operating profit to cash provided by operating activities:**

Net Surplus/ (Loss) for the year	(644,621)	169,708
Prior year adjustment	-	1,471,502
Depreciation	357,006	-
	<u>(287,615)</u>	<u>1,641,210</u>

**Changes in assets and liabilities during the financial period:**

(Increase)/Decrease in Receivables	450,922	(1,636,578)
(Increase)/Decrease in Property Plant and Equipment	-	-
(Increase)/ Decrease in Prepayments	(207,260)	(14,404)
Increase/ (Decrease) in Payables	(32,641)	68,668
Increase/ (Decrease) in other payables	220,839	7,950
(Increase)/ Decrease in Sundry Advance	-	(4,082)
(Increase) in advances	-	(4,585)
Decrease/ (Increase) in Miscellaneous Deposit	-	20,777
Increase/ (Decrease) in Vat payable	-	22,183
	<u>431,860</u>	<u>(1,540,071)</u>
Net cash provided by Operating activities	<u>144,245</u>	<u>101,139</u>

LABASA TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2011

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NOTE 22      **SIGNIFICANT EVENTS**

The Council has created provision for doubtful debts in the accounts of 2011 causing significant increase in expenditure and deficit for the year. Doubtful debts has been assessed on the average collection percentile in a year as follows:

General Fund Account

25 percent of the closing balance of rates including interest receivable as at 31 December 2011.

Parking Meter Fund Account

Total closing balance of Infringement fines receivables as at 31 December 2011

NOTE 23      **SUBSEQUENT EVENTS**

- (a)      Unspent Loan Balance - \$19,350  
Subrail park pavilion upgrade in 2012 utilised the unspent balance of loan carried forward in the accounts of the Council from previous years.
  
- (b)      Council vs Viti Vanua Holdings Ltd  
\$154,100 settlement has been reached in May 2012 to be paid in \$2,500 instalments. This was an on going litigation between the Council and a road maintenance contractor (Viti Vanua Holdings Ltd) appointed on 4th March 2008.
  
- (c)      Transfer of Council's roads to Fiji Roads Authority  
As per Fiji Road Authority (Amendment) Decree 2012, all assets, interests, rights, privileges, liabilities and obligations of the Council's roads were transferred to Fiji Roads Authority with effect from 14 May 2012.

