



NAUSORI TOWN COUNCIL

2010

ANNUAL REPORT



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 103 OF 2020



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31st July, 2020

The Honourable Minister
For Local Government, Housing and Community Development
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 Nausori Town Council, the Annual Report and Statement of Accounts for the year ended 31st December, 2010.

Yours faithfully,

Baskaran Nair
Special Administrator/Chair

1.0 BACKGROUND OF NAUSORI TOWN

1.1 Introduction

Nausori is a town that has evolved from what was once a thriving sugar industry in the 19th century for the colony of Fiji, to a rural backwater town on the banks of the Rewa from 1937 onwards to the present. It is historic in the sense that it was the first sugar mill established by the Colonial Sugar Refining Co of Australia in 1881. It also hosted the first major influx of Indian labourers in Viti Levu in 1881 to come and work on the sugar plantations in the Rewa Delta. The descendants of those labourers have remained in Nausori or have moved to other parts of the country.

A lot of the relic of Nausori's colonial past still stand today as a postmark of what was once Nausori's golden age between 1881 – 1959. It ceased operations in early 1960's and the company and its workers left with a town in limbo. A distinct physical character of the town in the 1960's was the abundance of open spaces for sporting and cultural activities. Over the years these have become eroded by the conversion of some of those spaces into development lots where buildings have begun to establish themselves undermining the order and coherence that once marked the old town.

Nausori has grown rapidly in the last few years because of the addition of the Naulu/Nakasi and Davuilevu Housing areas. In the 1996 census the town's population was 17,000. By 2007 the population was 24,950. It is likely that the new adjacent areas of Waila Housing State I – III may be added to it in the review of the Nausori Scheme Plan in 2010.

Downtown Nausori is physically located by the Rewa River sitting on the border between the three provinces of Tailevu, Rewa and Naitaisiri. This strategic location makes it an important town serving a regional function for these provinces. It lies at the heart of the agricultural hinterland that was once home to sugar cane and thence rice cultivation. It is the gateway to the flat alluvial plains of the Rewa Delta, which is subject to flooding at intermittent intervals.

By contrast the newer Nausori from the opposite banks of the Rewa in Waila, Davuilevu, Naulu and Nakasi are a direct consequence of Suva's urban sprawl. The resident population of the town is heavily concentrated there because of higher ground which on most cases have saved it from the ravages of the delta flood. The process of urban sprawl is also heavily concentrated in this area, the consequence for which is the heavy traffic jam on Kings Road during the rush hour.

The economic base of the town is primarily in retailing and some services. There is some food processing but very little industrial or manufacturing base. Nausori could very rightly be regarded as a dormitory town for Suva, growing but not significantly.

The town is primarily composed of Indo Fijians and the indigenous population. There are very few Chinese, part Europeans left there from the colonial era. But a lot of

new migrants into Nausori can be felt, particularly those coming from the Northern division and many others who have been relocated from Suva. They are mostly located in the suburbs of Nausori. Downtown Nausori itself is not densely populated. Those who do business there live outside of the area. There is much movement in traffic during the day indicating the rather transient nature of the town.

The sense of identity for the town cannot be easily established because of the transient nature of the town and of the sharp divide in the ethnic lines which keeps the Indians mostly in town and the indigenous people in their villages. But this is slowly changing in view of the new additions to the township.

1.2 Environmental Scan

Local and Regional Issues

Nausori is an old town fraught with many challenges of which have been there for a long time while others have recently emerged with the process of urbanization. These issues can be summarized briefly thus:

a) Population

The population of Nausori in the last census had grown from 15,000 to 24,950 in 2007. This major increase is attributed to the transfer of Naulu/Nakasi/Davuilevu Housing and Wainibuku from Nasinu and its inclusion in the Nausori township in 2004. Also in the last few years there have been migration into the township from the Northern Division with the expiry of cane leases and people looking for alternative livelihood. The government's policy of the relocation of squatters from Suva into the peri urban peripheries has seen an influx of informal settlements within and about Nausori's vicinity. Nausori is part of the fastest growing population zones in the country and growth is expected to continue in the long term.

b) Economic Malaise

The growth in the population is mostly among the working class and unemployed while the economy remains stagnant and has been for a long time. The Town functions as a trade centre for the Delta area with emphasis on some services, food processing and retailing. There is very little manufacturing of light industrial goods and timber milling and log processing. Downtown Nausori has recently experienced out migration of business and people either to outer suburbs or elsewhere.

c) Traffic Growth

The advent of the motor car and its impact on settlement patterns has its obvious impact on a small town like Nausori. With old infrastructure, limited streetscape and an influx of people converging on it gives the feel of an overcrowded, vibrant and busy town. In fact it merely underscores the state of confusion that the town is in rather than a genuine economic revival. But the flow of traffic within and out of Nausori is an issue worthy of attention. In its rough triangular shape downtown Nausori's limited street numbers and narrow spacing poses a challenge for any driver. The possibility of "pedestrianising" part of the town should not be discounted.

d) Insensitive Development

The original design and layout of the town has been undermined by inconsistent policy decisions by past Councils. Contravention of planning regulations have been evident particularly in the substitution of public open spaces by buildings creating a smug look that negatively impacts the aesthetic value and character of the town. Encroachment of new buildings to various lots have been evident on a number of occasions.

The sprawl of urban settlements in the relocation of squatters has already created disruptions in the town planning regulations particularly in areas of disputed land tenureship. There is a growth of backyard garages in residential areas and an incompatibility in new development to zoning classification which need correcting.

e) Littering and Waste Disposal

Indiscriminate littering both in downtown and the suburbs are a common feature of Nausori, some of which are quite deliberate sabotage. Counter measures taken by the Council to combat littering have so far remained ineffective because the matter requires the introduction of some form of deterrence to control it.

f) Impact of Waste Disposal on Municipal Expenditure

The necessity for bringing some discipline into the litter issue through the use of Naboro Landfill has an associated problem of cost, due to the long distance of transporting waste to Naboro. The cost of dumping at Naboro which currently represents 25% of our total operating expenditure will soon exceed 30% once the Lakena dump is closed.

g) Impact of Land Tenure on Planning

Town Planning is made more difficult by the complexity in the land tenure system with a good portion of the land belonging to native owners and private owners. There is little land controlled by the Council. Occasional interference by native land owners on leased land causes negative perceptions on investment in the town.

h) Unemployment

Unemployment is a common problem in Nausori with a very little commercial and industrial base, most of the people live here but work in Suva or elsewhere. With the relocation of squatters from Suva to Nausori the problem is exacerbated.

But Nausori remains an important town from the strategic, social, economic and historic point of view. Apart from being the regional centre for the three provinces it is also a centre for cultural and sporting events. Major rugby and soccer events are hosted at Ratu Cakobau Park.

It is also a centre of academic excellence with 4 major secondary schools within its vicinity. The government administration for the Central division is based there headed by the Divisional Commissioner and other departmental heads. In terms of government's regional planning the thinking is to continue to maintain Nausori as the centre for the division and to allow subcentres like Vunidawa and Korovou as satellites that feed into it. There will be a need to strengthen the centre by building on agricultural potential to promote food processing in the town as a way of generating employment and strengthening the economy.

The Nausori airport hosts local, regional and international flights and is key to the development of the economy of the whole Central division. The export trade could be facilitated if quarantine facilities were introduced. Tourists from Australia and New Zealand can access tourist attractions in Northwest Viti Levu, Ovalau and in the Central Division.

In planning for the future, Nausori has to address some of its key contradictions. It is an overcrowded town yet few live and work there. It is an agricultural based town yet there is little food processing being done there. It is a growing town yet its Council has precious few assets to enable it to grow well into the future. The town has sound infrastructure yet it has little investment. While these maybe stereotypes gleaned from the daily conversations of its towns folk they reflect a concern that should not be taken for granted.

Finally Nausori also has to carefully weigh the impact of its local role as opposed to its regional one. The bulk of its revenue is drawn from ratepayers

particularly the residents who often begrudge the business community for paying similar level of rates yet gain more income and services from their investments. This needs to be corrected. More opportunities should also be created for Nausori's regional constituents to invest more in Nausori not only in shopping for basic goods but also selling more products and investing more money in business to help Nausori grow. It will help consolidate the rural-urban linkage.

1.3 Review of Current Services and Programs

The Nausori Town Council has limited assets confined mainly to the bus stand, the market, Ratu Cakobau Park, to Council commercial complexes hosting the Library, restaurants, nightclub and various other services. There are also some small parcel of land on Vunivivi Hill and Manoca. There are 3 Council's trucks and 3 official vehicles. Yet it's scope of responsibility is wide and burdensome.

It maintains 20,512 meters of roads and 38,553 meters of drains of the municipality. It clears 2973 tons of garbage for disposal at Naboro and maintains key infrastructure like Cakobau Park, the Nausori Market and ensures the cleanliness of the town. It does these in consultation with the ratepayers. It has to address all grievances that are made to it on a regular basis and it tries to be a good custodian of ratepayers and stakeholder interests. But it can only do so within the resources it has at its disposal.

In the past 3 years the average budget implementation ratio was 4% Capital against 96% operating expenditure. The high operating expenditure was due in no small part on the cost of carting garbage to the Naboro Landfill which constitutes about 25% of our total annual operating budget. There being a significant improvement in our rate collection this year it is envisaged that our capital budget will be in excess of 10% of the total budget.

We have also for this year extended our services to Naulu/Nakasi and Davuilevu Housing in direct response to their call for better services to be given by the Council. We have in the process opened a Council Office in that area and it has proved useful in our community outreach and the collection of rates.

The potential for community involvement has yet to be fully explored. In June this year we had Environment Week where we marshaled community support for hosting community clean up in Waila and Davuilevu Housing. We hope to be appointing neighbourhood advisors from our neighbourhoods to help in identifying critical community issues that can be jointly tackled with the community. There is a serious problem of unemployment in the township and appropriate strategies need to be put in place to combat it.

1.4 Relevance of the “People’s Charter”

There are certain aspects of “The People’s Charter” which are very relevant to municipal governance. The issue of ensuring effective and enlightened leadership as stated on Pillar 3 is appropriate. The others on Pillars 4 on Efficiency and Effectiveness of Service Delivery and Pillar 5 on Higher Economic Growth and ensuring sustainability are also relevant. So is Pillar 6 on making more land available for productive and social purposes. Pillar 8 on reducing poverty, (as part of social justice) is a critical component of sustainable urban development. The form and content of this Strategic Plan incorporates many of the principles of the Charter.

2.0 Council Members and Principal Officers

2.1 The review/reform program, introduced by Ministry of Local Government, Urban Development, Housing and Environment had Napolioni Masirewa appointed by the Government as the Special Administrator for the Council.

Special Administrator	-	Napolioni Masirewa
Town Clerk/CEO	-	Chandra Prakash [1/1/10 – 30/6/10] Azam Khan [1/7/10 – 31/12/10]
Treasurer	-	Nilay Singh [1/1/10 – 31/10/10] Vikash Singh (actg.) [1/11/10 -31/12/10]
Health Inspector/ Building Surveyor	-	Kitione Batiwale (Actg)
Secretary	-	Chandra Krishna (Mrs)
Market Master	-	Jai Narayan [1/1/10 – 30/5/10] Naresh Ram actg. [1/6/10 – 31/12/10]
Senior Rates Officer	-	Hirendra Prasad
Technical Officer	-	Ravinesh Singh [1/1/10 – 31/10/10]

Total staffs employed by the Council at the end of the year 2010 was 21 with four staff on attachment. Senior Health Inspector went to Korea to attend a one month workshop on Energy Efficient Building.

2.2 Sub Committees

Subcommittees established during 2009 were:

- a) Building, Health and Works
- b) Finance and General Purposes
- c) Subdivision, Town Planning and Traffic
- d) Staff Committee
- e) Tender Committee
- f) Monday Staff Meeting

All committee meetings were chaired by the Special Administrator.

2.3 Meetings

The following meetings were held:

Meetings	2010
Building, Health and Works	10
Finance, Properties & General Purpose	9
Subdivision, Town Planning	8
Tender	4
Staff	5
Monday Staff Meetings	50

2.4 Directory

Location	-	2 Wainibokasi Road
Postal Address	-	P O Box 72, Nausori
Telephone	-	3477133
Fax:	-	3400048
Email	-	nausoritown@connect.com.fj

2.5 Population

Population of the town recorded as per the last census is:

Nakasi	11062
Davuilevu	3568
Nausori	2176

2.6 Councils Solicitor

Lajendra Law
Phone: 3100008 Fax: 3100009
Registered Office: Nasese, Suva

Tirath Sharma Law

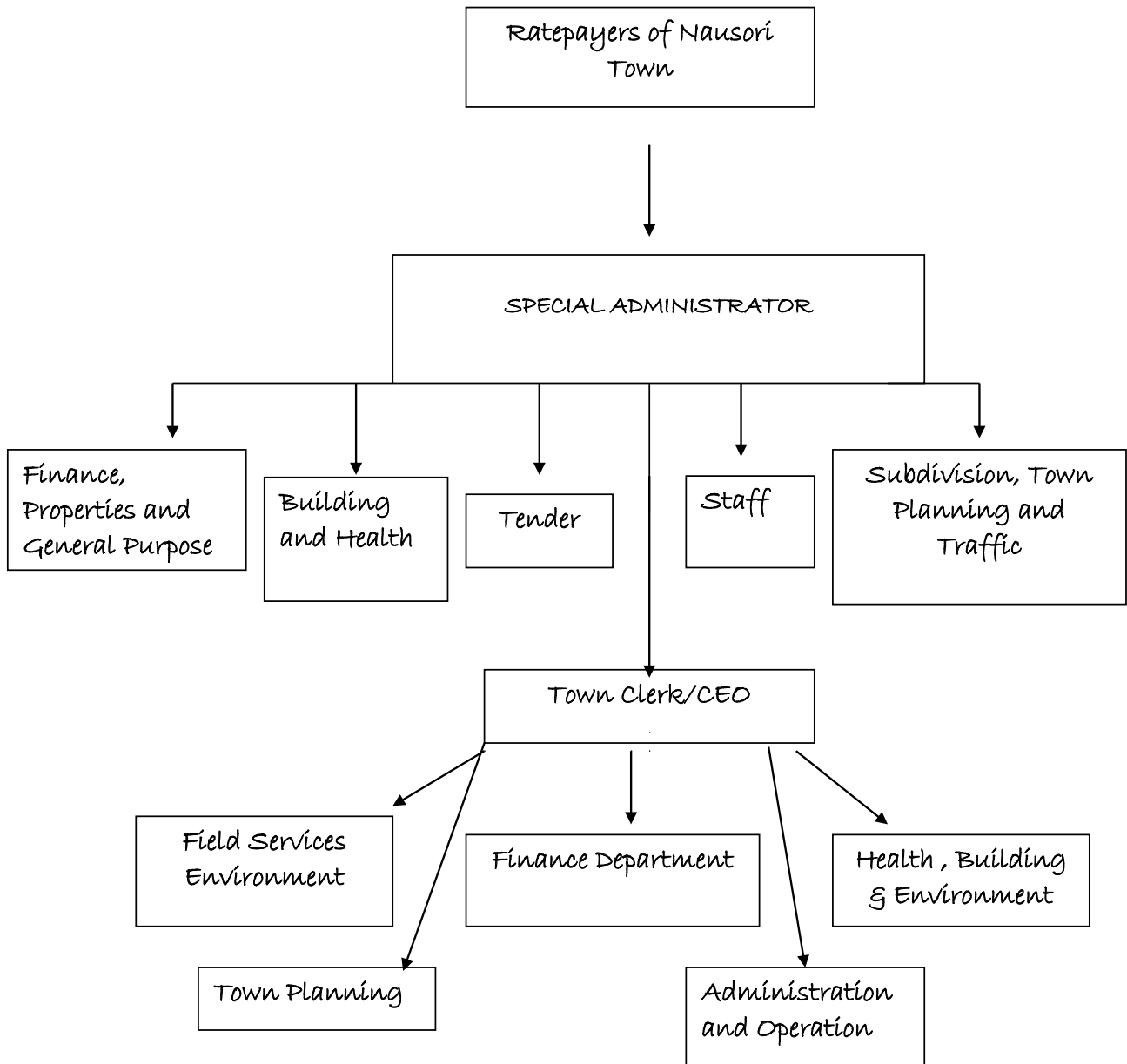
2.7 Councils Auditors

Auditor General's Office of Fiji

2.8 Council Bankers

Bank of Baroda

2.9 ORGANIZATION STRUCTURE OF THE MUNICIPALITY OF NAUSORI



3.0 STRATEGIC DIRECTION

3.1 Vision

- To develop Nausori to be a sustainable and liveable town that advocates the principles of sustainable economic growth, environmental responsibility and social justice.

3.2 Founding Principles

The town of Nausori will be focused on the process of sustainable urban development. During the plan period the key strategic priorities will involve the following:

- i) The promotion of sustainable economic growth through targeted investment to generate employment and income for all.
- ii) The provision of sound infrastructure for transport, water and sewerage, energy and communications and other sporting and cultural activities.
- iii) The promotion of sustainable environmental strategies to enhance the town's natural, built and human environment.
- iv) The promotion of integrated and strategic planning for land use, community and environmental planning that meets statutory requirements and community needs.
- v) The development of community based strategies to combat the rising problem of poverty and to promote fairness and equality of access for all.
- vi) The development a system of governance and service delivery that are financially sustainable, accountable and efficient.

4.0 Activities

4.1 Building Applications

Health and Building section received a total of 98 building applications during the year. Total value of building applications received was \$7,161,311.45 and fees generated by the Council was \$16876.65. During the year 20 completion certificates were issued which had a value of \$1152082.90.

4.2 Health Report

TYPE OF BUSINESS	INSPECTION	REINSPECTION	TOTAL
SHOPS	72	40	112
SUPERMARKET	41	31	72
FACTORIES			
SUBDIVISIONS	11		11
BUILDING UNDER CONSTRUCTION	32	28	60
SCHOOLS	17	1	18
HAWKERS	31	15	46
HOUSE TO HOUSE			
INVESTIGATION OF COMPLAINTS/NUISANCES	99	76	175
NEW BUILDING SITE BEFORE APPROVAL	12		12
BAKE HOUSE	26	14	40
KAVA SALOONS	13	4	17
RESTAURANTS/EATING PLACES	74	80	154
MILK PLACES	25	19	44
HAIRDRESSERS/CHIROPODISTS	22	14	36
RUBBISH DUMP	3	4	7
BUTCHER SHOPS	10	8	18
BOARDING HOUSES/HOTELS	1		1
<u>TOTAL</u>	<u>489</u>	<u>334</u>	<u>823</u>

- A Mass Insecticide spraying against AEDES mosquitoes was conducted within Nausori Municipal boundary through the assistance of the Ministry Of Health. "LECO" sprayer machine was used. Spraying was conducted for 3 consecutive days from 4am till 8.30am and in the evening at 5pm till 9pm.
 - Total amount of : Malathine used- 220 litres
 - : Milk - 12 litres
 - : Kerosene -2 Litres
 - : Super - 120 Litre
- Two food safety workshops was conducted during the year
- 1500 Environment news letters were distributed house to house.
- Nausori Environment Week was hosted from 9th-10th June, 2010
- Lautoka City Council hosted the Environment Officer and Assistant Health Inspector on a two day fieldtrip visit. The main purpose of the visit was to shared knowledge and ideas on the following.

- Operation of Vunato Dump
- Compost and recycle site
- LTC health department operations
- Two cleanup campaign and tree planting conducted during the year Non-Government Organizations.
- Litter cases were given for prosecution.

4.3 Business License Report

A total of 423 business continued operation in town with 92 new business opening. Grand total of business of business operating in town was 515.

4.4 Finance Report

Funds collected compared to budget from major revenue streams during the year was:

4.4.1

Commercial Stand	2010	
	Budget	Collection
Bus Stand	43334	38779
Taxi Stand	60060	53206
Carrier Stand	9780	4604
Minibus Stand	41400	24362

4.4.2

Property	2010	
	Budget	Collection
Complex Rental	201792	166044
Kiosk Rental	43776	38591
Total	245568	204635

4.4.3

Business License	2010	
	Budget	Collection
Business License	91590	180000
Building Fees	15533	20000
Sweetmeat Rental	3900	3156

4.4.4

Ratu Cakobau Park	2010	
	Budget	Collection
Sports Ground Revenue	40000	59286

4.4.5

Parking Meter	2010	
	Budget	Collection
Tolls, fines and carpark revenue	96480	89710

4.4.6

Market	Budget	Collection
Market Revenue	320000	330467

4.4.7 Expenditure

	Budget	Actual
Operations and maintenance of Properties	5000	48000
Personnel Emoluments	550000	688997
Garbage Collection	210000	242303
Street Cleaning and Grass Cutting	118000	167768
Capital Expenditure	100000	566103
Insurance	36000	37185
Street Lights	75000	105315
Loan Repayment	105829	112897
Others (Dep)	218800	220000
Total Expenditure	1418629	2188568

5.0 Rates

5.1 RATES STRUCTURE

The rates structure for 2010/ 2011 was as follows:

	2010 Nausori/ Davulevu	2010 Naulu Nakasi
General Rate	0.0064533	0.00525
Special Rate	0.002415	-
Street Light	0.001544	-
Total Rate Levy (Cents in a cv)	0.0104123	0.00525

5.2 RATES COLLECTION ANALYSIS

TYPE OF PROPERTIES	NAUSORI	NAKASI	DAVUILEVU
Residential	414	2579	574
Commercial	108	54	14
Industrial	70	13	-
Others	63	75	11
Total	655	2721	599
TOTAL OF ALL WARDS	3975		

Particulars	Amount
Balance at 1/1/10	2104449
Current rates	684090
Total	2788539
Cash received	776935
Discount allowed	30000
Add closing interest	217976
Balance at the end	2199580

5.3.1 The first rates amnesty period was organized during the year end where ratepayers were given a chance to come and meet rates section and discuss rates outstanding, issues on rate payment and upgrade address.

5.4 LIBRARY

5.4.1 INTRODUCTION

The collection of books and periodicals provided by the Nausori Library has form a vital part of communication and education. It makes available knowledge that has been accumulated through the years and people in all works of life use library resources in their work, including students, teachers,

scholars, business executives, government officials or a housewife. Large numbers of people also visit the library to satisfy a desire for knowledge or to obtain material for some kind of leisure time activity.

5.4.2 Objectives

- (1) Library collections serve as important resources in the education work and recreation to members of the community.
- (2) Maintains a wide selection of books for library users. The selection include, up-to-date reference works such as almanacs, atlases, encyclopedias and government publications, non-fiction work that covers the whole broad range of people's interest as well as fiction collection of the past and present.
- (3) Become an information sources for many groups in the community

5.4.3 Holdings of the Library

The library has a wide selection of reading materials such as Fiction and Non-Fiction books, Reference collection, Hindi and Fijian books.

Periodicals, Newspapers (local), Universities calendars (Fiji and overseas), and Annual Reports for in- house use.

Up-to-date information about Aids, Education, Diabetes, S.O.P.A.C, Environment, E.C.R.E.A, U.N.D.P, Women Crisis Center, and Secretariat of the Pacific Community, Consumer Council, National Food and Nutrition, National Center for Health Promotion, U.N.I.C.E.F, Kava, and other government and non-government organizations.

5.4.4 Overdue Books

Overdue notices are sent every month to members whose books are overdue. At times members do not respond even when reminder notices are sent so we therefore, have to make telephone calls as well. 5 cents per day fine is charged and the fine money collected is deposited at Marela House, Suva.\$225.20 was collected during the year.

5.4.5 Vertical File

Some very important topics such as pollution,drugs,Information on Water, Reconciliation, Human Rights, Tourism etc.are always selected from newspapers and other worn out magazines, pamphlets, and Brochures and a file is made.

These ready information are very useful to students doing research work . It saves a lot of time and information are readily available.

5.4.5 Opening Hours

Monday - Thursday	9.00am- 4.30pm
Friday	9.00am- 4.00pm
Saturday	9.00am- 1.00pm

Closed on Sundays and Public holidays.

5.4.6 Staffing

Mereia Sila	
Mere Yaunisiga	- Relieving

5.4.7 Membership fees

The membership fee is as follows:-

Primary [classes 1-6] -	\$1.00
Secondary students -	\$2.00
Tertiary / Adults	\$5.00

5.4.8 Clientele

Apart from the registered members majority of the clientele were students using reference and non-fiction books for research, assignments and for study purposes. Adults also make a good use of the library by taking advantage of free newspapers, magazines, health and fitness books, cookery, or spending leisure hours reading storybooks.

5.5 FIELD DEPARTMENT

5.5.1 Road works

- a) Road patching continued throughout the year. Adverse weather condition experienced in this part of the island had Council spending a considerable on road patching works.
- b) Service delivery programs were introduced with Council introducing supplement grass cutting, drain cleaning and sweeping program per month to ensure that the rotation of work increased by one extra round.
- c) Upgrade on road works via grant received from the Ministry of Works, Energy and Transport was completed during the year.

- d) All Council properties exterior was upgraded. Major upgrade was carried out to the Bus Stand infrastructure including the installation of flood lights. A simple bus shelter was constructed at Syria Park for mini vans. Garden trays were constructed in front of Cakobau House including footpath upgrade. Total cost incurred in this special renovation and maintenance program was \$72000.
- e) VIP lounge at the Ratu Cakobau Park was upgraded with an aim to use the facility for meetings and mini workshops. Cost of upgrade was \$25000.
- f) During the first quarter 33 additional casual staffs were introduced by the technical officer for town upkeep program.

5.5.2 Garbage Collection

The Garbage Collection Contract was awarded to Inter Clean Fiji Ltd for Naulu/Nakasi/Davuilevu Housing and Wainbuku area. For Nausori Town Ward Council did the garbage collection.

5.5.3 Grass Cutting/Drainage Contracts

Nailagobokola Holdings Ltd did the grasscutting and drain cleaning works for Nausori Ward, while Young Peoples Department was awarded the Davuilevu Ward Contract. Viti E Loma was awarded contract for Davuilevu Housing.

5.5.4 Clean Up Campaign

A total of three Clean Up Campaigns were organized during the year on a quarterly basis. The free collection services rendered by the Council was for three weeks in each ward which was well patronized by the rate payers. Huge volume of unwanted items and garden refuse were removed from both the Wards.

5.5.5 Town Beautification

With limited resources and manpower the Council made efforts to beautify the town by placing pot plants and construction of flower beds on the main street and continued planting of crotons along the Highway linking our town.

5.5.6 Ratu Cakobau Park

Upgrading works at Ratu Cakobau Park on upgrading the stadium was completed. The repairs and maintenance which required the replacement of rusted purlins and roof steel structure completed during the year end. Cost of completion was \$120000.

5.6 Town Planning

Council recruited an Peace Corp volunteer to prepare a downtown development plan. The exercise was carried out in between June to December, 2010. It involved

research, Council and community meetings, survey and documentation. The document was prepared and handed over by the year end.

5.7 Inter Transport Project

First technical committee meeting was organized in November to discuss the market/bus stand relocation. The meeting was attended by senior civil servants. Architect, Ashok Balogovind & Associates who had shown an interest in the project presented a concept design which was discussed during the meeting.

5.8 Inter Agency Meeting

An inter agency meeting was organized with all government departments based at Nausori to discuss matters relating to Nausori Town. The half day get together had the Council presenting its program and at the same time allowing civil servants to make recommendations on possible assistance from relevant government departments.

5.9 Tourism Workshop


A one day tourism workshop was organized by the Council with tourist operators, government department and possible tourism actors for Nausori. The workshop was attended by close to 35 participants. One of the major recommendation that came out of the meeting was that Nausori town had the potential to become a tourist town.

5.10 Annual Corporate Plan

Following the development of the first annual corporate plan in 2009, the first annual corporate plan was developed in 2010 for the Council. The document was reviewed by a special committee during the year. Achievement and progress noted as per deliverables of the annual corporate plan was 65% of the total targets.

6.0 Acknowledgement

Council takes this opportunity to thank its line Ministry of Local Government, Urban Development, Housing and Environment for its continued support and assistance. Office of the Commissioner Central is also acknowledged for continued support provided during the year.


for Mr Azam Khan
Chief Executive Officer



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



Excellence in Public Sector Auditing

File: 850

15th April 2013

The Special Administrator
Nausori Town Council
P. O. Box 72
NAUSORI

NAUSORI TOWN COUNCIL	
RECEIVED	
DATE :	11 APR 2013
FILE REF :	

Dear Sir

**AUDITED FINANCIAL STATEMENTS OF NAUSORI TOWN COUNCIL FOR THE YEAR
ENDED 31 DECEMBER 2010.**

Audited financial statements for Nausori 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 Council for their actions.

Yours sincerely

Tevita Bolanavanua
AUDITOR GENERAL

Cc: Mr. Azam Azmat Khan, Chief Executive Officer, Nausori Town Council.

Encl.

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

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8th Floor, Ratu Sukuna House,
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NAUSORI TOWN COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the Nausori 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.

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 its cash flows.

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

Qualifications

- a) The Council failed to revalue its properties as per the requirements of FAS(16) - Property, Plant and Equipment and also did not provide a detailed Fixed Assets Register for audit. Therefore, I was not able to satisfy myself of the valuation of property, plant and equipment as well as substantiating its reported value amounting to \$6,821,177 and the relevant depreciation charge totalling \$272,379.
- b) The Council's WINBIZ Rate System has not generated separate reports from 2007. As a result, special loan rates and street light rates were not appropriately disclosed in their respective accounts but included with general rates income in the General Fund Account contrary to section 47(2) (b) of Local Government Act.
- c) Included in Statement of Financial Position - General Fund is Cash on hand amounting to \$16,364. Reconciliation or supporting documents were not provided to substantiate the existence of this amount at balance date. Accordingly, I was not able to satisfy myself if Cash on Hand is fairly reported in the financial statements.

- d) An un-reconciled difference of \$60,360.52 existed for Sundry creditors and accruals between the general ledger and the creditors listing. In addition, no supporting documentation was provided to substantiate Sundry Deposit amounting to \$163,196. Thus, I was unable to satisfy myself whether the amounts were fairly stated in the financial statements.
- e) The Council failed to prepare VAT reconciliation for the year ended 31 Decemeber 2010. Variance of \$156,153.73 was noted between the figures reported in the financial statements and the Council's records.
- f) Stale cheques amounting to \$16,872.05 were not written back to cash at bank general ledger. I was not able to make the necessary adjustments to the account due to unavailability of appropriate supporting documents.
- g) Some receipt books that were used in 2010 were not provided for audit verification. I was not able to satisfy myself if those receipts were banked and properly accounted for in the general ledger.
- h) The Council failed to prepare Rate, and Fees, Charges and Rent debtors reconciliation for the year ended 31 December 2010. Variance of \$1,277,403 and \$156,524 was noted between the figures reported in the financial statements and the Council's listing and records for Rates debtors and Rent, charges and Rent debtors respectively. Accordingly, I am not able to satisfy myself if these debtors are fairly stated in the financial statements.

Qualified Audit Opinion

In my opinion, except for the matters discussed in the qualification paragraphs, the financial statements presented 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.

Without further qualifying the audit opinion, attention must be drawn to the following matters;

- The Council has not paid, the fire service levy amounting to \$7,036 due to National Fire Authority (NFA) as per National Fire Service Act.
- The solicitor's confirmation was not received from the Council's solicitor. Accordingly, I was not able to determine if there was any contingent liability existing at balance date.

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

15 April, 2013



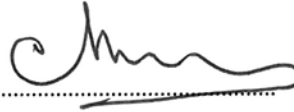
**NAUSORI TOWN COUNCIL
STATEMENT BY THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2010**

COUNCIL'S STATEMENT

In our opinion the Financial Statements have been properly drawn up so as to show a true and fair view of the Nausori Town Council's operations for the year ended 31 December 2010 and of the state of affairs and cash flows as at that date.



.....
AZAM AZMAT KHAN
TOWN CLERK / CEO
DATE: 11/4/13



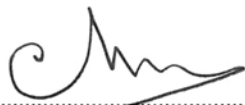
.....
NAPOLIONI MASIREWA
SPECIAL ADMINISTRATOR
DATE: 11/4/13

**NAUSORI TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION - GENERAL FUND
AS AT 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
CURRENT ASSETS			
Cash on hand	2	16,364	33,258
Funds	4	8,743	111,381
Receivables	3	2,283,726	2,566,380
Deposits		1,031	-
Investments	5	265,705	400,770
Total current assets		<u>2,575,569</u>	<u>3,111,789</u>
NON CURRENT ASSETS			
Property, plant and equipment	6 (a)	6,761,886	6,351,724
Total non current assets		<u>6,761,886</u>	<u>6,351,724</u>
TOTAL ASSETS		<u>9,337,455</u>	<u>9,463,513</u>
CURRENT LIABILITIES			
Bank overdraft	8	59,005	52,646
Creditors and accruals	7	519,100	297,185
Provision	10	6,652	18,059
Sundry deposits	9	163,196	163,196
Term loans	11	112,800	112,800
Total current liabilities		<u>860,752</u>	<u>643,886</u>
NON CURRENT LIABILITIES			
Deferred Income	12	345,626	373,026
Term loans	11	126,722	220,155
Total non current liabilities		<u>472,348</u>	<u>593,181</u>
TOTAL LIABILITIES		<u>1,333,100</u>	<u>1,237,067</u>
NET ASSETS		<u>8,004,354</u>	<u>8,226,446</u>
MUNICIPAL FUNDS			
Accumulated funds	14	1,988,829	2,210,921
Reserves	13	6,015,525	6,015,525
TOTAL MUNICIPAL FUNDS		<u>8,004,354</u>	<u>8,226,446</u>

The accompanying notes form an integral part of this statement of financial position.

For and on behalf of the Council.



.....
NAPOLIONI MASIREWA
SPECIAL ADMINISTRATOR
DATE: 11/4/13



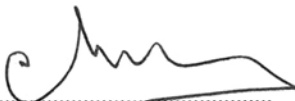
.....
AZAM AZMAT KHAN
TOWN CLERK / CEO
DATE: 11/4/13


**NAUSORI TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION - PARKING METER FUND
AS AT 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
CURRENT ASSETS			
Cash at bank	2	11,731	397,058
Receivables	3	<u>14,429</u>	<u>9,163</u>
Total current assets		<u>26,160</u>	<u>406,221</u>
NON CURRENT ASSETS			
Property, plant and equipment	6 (b)	<u>59,291</u>	<u>44,141</u>
Total non current assets		<u>59,291</u>	<u>44,141</u>
TOTAL ASSETS		<u>85,451</u>	<u>450,362</u>
CURRENT LIABILITIES			
Creditors and accruals	7	<u>8,767</u>	<u>386,483</u>
Total current liabilities		<u>8,767</u>	<u>386,483</u>
TOTAL LIABILITIES		<u>8,767</u>	<u>386,483</u>
NET ASSETS		<u>76,684</u>	<u>63,879</u>
Capital employed			
Accumulated profits (Page 7)		4,684	(8,121)
Asset revaluation reserve	13	<u>72,000</u>	<u>72,000</u>
		<u>76,684</u>	<u>63,879</u>

The accompanying notes form an integral part of this statement of financial position.

For and on behalf of the Council.


.....
NAPOLIONI MASIREWA
SPECIAL ADMINISTRATOR
DATE: 11/4/13


.....
AZAM AZMAT KHAN
TOWN CLERK / CEO
DATE: 11/4/13

**NAUSORI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
INCOME		
Business, trading and other licenses	90,507	1,393,494
Amortization of deferred income	27,400	18,794
Fees, charges & rent	918,988	14,982
Government grant	12,020	-
Garbage dump	1,527	1,065
General rate	608,357	431,070
Interest - investments	14,935	11,742
Interest on fixed deposits	4,255	4,963
Sundries	142,716	30,511
Total income	<u>1,820,704</u>	<u>1,906,621</u>
EXPENDITURE		
Administration	752,292	630,302
Audit fees	8,000	9,956
Bank fees and charges	14,074	9,597
Cleanup campaign	-	8,424
Civic reception	-	4,085
Council expenses	63,324	23,915
Depreciation and amortisation	267,290	171,685
Field expenses	8,238	10,168
FNPF	52,942	42,543
Garbage services	221,312	194,622
Insurance	37,185	35,529
Interest on loan	30,111	35,234
Legal fees	17,024	5,658
Miscellaneous	-	1,172
Mayoral expense	-	1,250
Operation & Maintenance - Plant, Equipment & Vehicles	69,228	46,233
Operation & Maintenance - Office	22,693	47,809
Operation & Maintenance - Library	5,674	3,807
Operation & Maintenance - Bus Stand	15,346	5,462
Operation & Maintenance - Cakobau Park	41,428	14,549
Operation & Maintenance - Taxi Stand	99	1,197
Operation & Maintenance - Shopping Complex	7,246	1,436
Operation & Maintenance - Market	55,122	33,225
Operation & Maintenance - Parks & Gardens	10,346	6,246
Operation & Maintenance - Multipurpose court	3,211	1,437
Printing and stationary	17,388	15,957
Rent on land	24,000	37,734
Roads, footpaths, drains, verges and bridges	28,780	34,987
Staff training & staff expenses	13,678	6,995
Street cleaning and grass cutting services	100,121	93,807
	<u>1,886,150</u>	<u>1,535,021</u>

**NAUSORI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
EXPENDITURE (CONT'D)	1,886,150	1,535,021
Streetlights	121,301	73,899
Telephone expenses	-	9,538
Traffic and road signs	5,407	3,575
Travelling & incidentals	1,407	4,163
Loss on sale of motor vehicle	455	-
Valuation expenses	650	1,400
Bank error	-	680
Total expenditure	<u>2,015,370</u>	<u>1,628,276</u>
Net (deficit) / surplus for the year	(194,666)	278,345
Accumulated funds at the beginning of the year	1,413,379	1,135,034
Accumulated funds at the end of the financial year	<u>1,218,713</u>	<u>1,413,379</u>

**NAUSORI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - PARKING METER FUND
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
INCOME		
Meter towings	28,329	-
Meter tolls	28,234	19,678
Fines	4,825	6,348
Total income	<u>61,388</u>	<u>26,026</u>
EXPENDITURE		
Other expenses	1,600	450
Road and traffic signage	-	166
Towing contractors	9,384	-
Prosecution	6,434	-
Bank fees	280	192
Depreciation	5,089	8,606
Meter maintenance	1,533	4,331
Salaries, wages and related payments	25,650	27,644
Total expenditure	<u>49,970</u>	<u>41,389</u>
Net surplus / (deficit) for the year	11,418	(15,363)
Accumulated (loss)/funds at the beginning of the year	(8,121)	7,242
Adjustment in accumulated fund for stale cheques written back	1,387	-
Accumulated funds / (loss) at the end of the financial year	<u>4,684</u>	<u>(8,121)</u>

**NAUSORI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - LOAN RATE FUND
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
INCOME		
Loan rate	-	-
Total income	<u>-</u>	<u>-</u>
EXPENDITURE		
Interest	-	-
Total expenditure	<u>-</u>	<u>-</u>
Surplus/deficit for the year	-	-
Accumulated funds at the beginning of the year	393,555	393,555
Accumulated funds at the end of the financial year	<u>393,555</u>	<u>393,555</u>

**NAUSORI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - STREET LIGHT ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
INCOME		
Street light rate	-	-
Total income	<u>-</u>	<u>-</u>
EXPENDITURE		
Street light expenses	-	-
Total expenditure	<u>-</u>	<u>-</u>
Surplus/deficit for the year	-	-
Accumulated funds at the beginning of the year	371,196	371,196
Accumulated funds at the end of the financial year	<u>371,196</u>	<u>371,196</u>

**NAUSORI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - FIRE SERVICE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 \$	2009 \$
INCOME		
Fire rate	-	-
Total income	<u>-</u>	<u>-</u>
EXPENDITURE		
Fire Service	-	8,341
Total expenditure	<u>-</u>	<u>8,341</u>
Surplus/(Deficit) for the year	-	(8,341)
Accumulated funds at the beginning of the year	32,791	41,132
Accumulated funds at the end of the financial year	<u>32,791</u>	<u>32,791</u>

**NAUSORI TOWN COUNCIL
STATEMENT OF CASH FLOWS - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 \$ Inflows/ (Outflows)	2009 \$ Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		2,061,024	1,710,335
Payments to trade creditors, other creditors and employees		(1,535,918)	(1,234,273)
Interest paid		-	(35,234)
Net cash used provided by operating activities	18 (a) (i)	<u>525,105</u>	<u>440,828</u>
Cash flows from investing activities			
Payment/proceeds for investments		-	-
Acquisition of property, plant & equipment		(677,452)	(130,373)
Net cash used in investing activities		<u>(677,452)</u>	<u>(130,373)</u>
Cash flows from financing activities			
Repayment of borrowings		(123,544)	(81,953)
Net cash used by financing activities		<u>(123,544)</u>	<u>(81,953)</u>
Net increase/(decrease) in cash and cash equivalents		(275,891)	228,502
Cash and cash equivalent at the beginning of the year		241,993	13,491
Cash and cash equivalent at the end of the year	18 (a) (ii)	<u><u>(33,898)</u></u>	<u><u>241,993</u></u>

The accompanying notes form an integral part of this statement of cash flows.

**NAUSORI TOWN COUNCIL
STATEMENT OF CASH FLOWS - PARKING METER FUND
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 \$ Inflows/ (Outflows)	2009 \$ Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers (meter tolls and other revenues)		56,122	407,039
Payments to suppliers and employees		<u>(421,210)</u>	<u>(23,331)</u>
Net cash used/ provided by operating activities	18 (b) (i)	<u>(365,088)</u>	<u>383,708</u>
Cash flows from investing activities			
Acquisition of property, plant & equipment		<u>(20,239)</u>	<u>(5,317)</u>
Net cash used in investing activities		<u>(20,239)</u>	<u>(5,317)</u>
Net increase / (decrease) in cash and cash equivalents		(385,327)	378,391
Cash and cash equivalent at the beginning of the year		<u>397,058</u>	<u>18,667</u>
Cash and cash equivalent at the end of the year	18 (b) (ii)	<u>11,731</u>	<u>397,058</u>

The accompanying notes form an integral part of this statement of cash flows.

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2010. Unless otherwise stated similar policies were followed in the previous year. All amounts are stated in Fijian currency.

(a) Basis of Accounting

The accrual basis of accounting is adopted for all financial transactions with the exception of parking meter tolls. The financial statements have been prepared on the basis of historical cost and do not take into account changing money values.

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation as at the balance date. When assets are retired or otherwise disposed, the related cost is removed from the accounts and any profit or loss arising there from is included in the statement of income and expenditure.

(c) Depreciation

The Councils' fixed assets are depreciated over their estimated useful lives using the straight-line method at the following rates.

	<u>Rate</u>
Parking meters	10%
Buildings	2%
Furniture and equipment	10%
Plant, machine and tools	10%
Motor vehicles	10%
Road, footpath and drains	10%
Street lights	10%

(d) Receivables

Receivables are stated at expected realisable value as certified by the Council. No provision was created for any doubtful debts for 2010.

(e) Investments

The investments are stated at amortised cost.

(f) Revenue

Revenue is recognised in the Statement of Income and Expenditure when charged to the ratepayers by the Council. The major sources of revenue are collections in the form of general rates, loan rates and rental income from the Council's properties.

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

(g) Fund Accounting

The Council has adopted a fund accounting system as a considerable part of annual revenues which comprises rates for different purposes and special purpose funds as required by the Local Government Act. Accordingly it is necessary to establish separate fund to recover the amounts received, expenditure incurred and the net balance of funds available to be carried forward into the next financial period.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received.

Details of Special Purpose Funds maintained by the Council are:-

Parking Meter Fund

The Council, in compliance with the Land Transport Act, has to maintain a separate account for the operation of Parking Meters in designated areas of roads within the municipality.

(h) Income Tax

The Council is exempt from income tax in accordance with the provisions of Section 17 of the Fiji Income Tax Act.

(i) Comparatives

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

(j) Employee Entitlement

Provision is made for benefits accruing to employees in respect of salaries/wages and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using remuneration rate expected to apply at the time of settlement.

(k) Deferred Income

Government grants are recognised where there is reasonable assurances that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match them with the related costs which the grants are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.

(i) Creditors and Accruals

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the council.

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 2. CASH AT BANK ON HAND	2010	2009
	\$	\$
General Fund		
Cash on hand	16,364	33,258
	<u>16,364</u>	<u>33,258</u>
Parking Meter Fund		
Cash at bank	11,731	397,058
	<u>11,731</u>	<u>397,058</u>
 NOTE 3. RECEIVABLES		
General Fund		
Rate debtors	2,080,517	2,132,528
Provision for doubtful debts	-	-
Fees, charges & rents	203,333	51,311
Others	(4,124)	(4,124)
Interest receivable	-	4,963
Loan to Levuka Town Council	4,000	-
Receivable from Parking Meter	-	381,702
	<u>2,283,726</u>	<u>2,566,380</u>
Parking Meter Fund		
Receivable from General Fund	14,429	9,163
	<u>14,429</u>	<u>9,163</u>
 NOTE 4. FUNDS		
Project Fund	4,887	107,355
Garbage Truck Fund	1,031	1,113
Vehicle Fund	2,660	2,748
Labourers Fund	165	165
	<u>8,743</u>	<u>111,381</u>
 NOTE 5. INVESTMENTS		
Fixed Term Deposit - Merchant Finance	-	150,000
Labourers Fund - Fiji Holdings Unit Trust	265,705	250,770
	<u>265,705</u>	<u>400,770</u>

Fixed Term Deposit - Merchant Finance

The Council invested \$150,000 on 05/08/09 into Merchant Finance as fixed term deposits repayable in 9 months (date of maturity 05/05/10) bearing interest at a rate of 8% per centum per annum. In June 2010, a total sum of \$159,217.74 (including interest) was received from Merchant Finance and was banked into the Council's account. Hence the investment was fully withdrawn upon its expiry.

Fiji Holdings Unit Trust

The market value as at 31 December 2010 of investments stands at \$283,904.08 at market price of \$0.68.

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

Note 6 PROPERTY, PLANT AND EQUIPMENT

a) Movements in Carrying Amount - General Fund

	Leasehold Land	Buildings & Improvements	Plants, Machines & Tools	Motor Vehicles	Office Equipment & Furniture	Street Lights	Roads & Drains	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1/1/10	2,096,000	3,714,563	18,014	174,603	62,197	188,075	98,272	6,351,724
Additions	-	208,723	20,718	96,889	52,517	39,333	276,427	694,607
Disposal	-	-	-	(17,155)	-	-	-	(17,155)
Depreciation expense	-	(87,527)	(6,395)	(71,235)	(14,945)	(48,057)	(39,131)	(267,290)
Carrying amount at 31/12/10	2,096,000	3,835,759	32,337	183,102	99,769	179,351	335,568	6,761,886

b) Movement in Carrying Amount - Parking Meter Fund

	Parking Meters
	\$
Carrying amount at 1/1/10	44,141
Additions	20,239
Depreciation expense	(5,089)
Carrying amount at 31/12/10	59,291

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 7. CREDITORS AND ACCRUALS	2010	2009
	\$	\$
<u>General Fund</u>		
Sundry creditors and accruals	291,366	142,121
Provisional tax	65,524	-
VAT payable	156,543	154,664
Payable to Parking Meter	5,667	400
	<u>519,100</u>	<u>297,185</u>
<u>Parking Meter Fund</u>		
Other Creditors	4,780	4,781
VAT payable	3,987	-
Advance from general fund	-	4,124
Payable to General Fund	-	377,579
	<u>8,767</u>	<u>386,484</u>

NOTE 8. BANK OVERDRAFT

<u>General Fund</u>		
Bank Overdraft	<u>59,005</u>	<u>52,646</u>
	<u>59,005</u>	<u>52,646</u>

Section 40 of the Local Government Acts allows the council to have an overdraft facility with their banks. Nausori Town Council's overdraft limit with Bank of Baroda is \$90,000 bearing variable interest rate of 8.5% per annum. The overdraft facility is secured over the DP note signed by the council with the bank.

NOTE 9. SUNDRY DEPOSITS	2010	2009
	\$	\$
<u>General Fund</u>		
Kiosk Deposit	6,196	6,196
Other Deposits	53,790	53,790
Election Deposits	280	280
Shopping Complex	5,830	5,830
Car Park	90,760	90,760
Building Deposits	6,340	6,340
	<u>163,196</u>	<u>163,196</u>

NOTE 10. PROVISION

<u>General Fund</u>		
Provision for leave entitlement	<u>6,652</u>	<u>18,059</u>

The amounts expected to be paid to employees for their pro-rata entitlements for annual leave are accrued at current wage rates.

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 11. TERM LOANS	2010	2009
	\$	\$
<u>General Fund</u>		
Balance as at 1 January	332,955	406,568
Loan raised	-	-
	<u>332,955</u>	<u>406,568</u>
Interest	28,906	35,235
	<u>361,861</u>	<u>441,803</u>
Repayment	122,339	108,848
	<u><u>239,522</u></u>	<u><u>332,955</u></u>
Represented in the balance sheet as:		
Current	112,800	112,800
Non-current	126,722	220,155
	<u><u>239,522</u></u>	<u><u>332,955</u></u>

Loans raised by the Council bear variable interest charges of 9.5% per annum. All loans raised are in accordance with the provisions of Local Government Act. As at balance date, the council had two loans with Bank of Baroda. This include BOB Commercial Loan account number 9108060000115 which had a balance of \$17,487.95 and monthly repayment of \$5,400 bearing first registered mortgage over CL no. 5894 (Shopping Complex Crown Lease situated at N G road, Nausori). The second loan (BOB Commercial account number 91080600000202) which had a balance of \$222,034.25 and a monthly repayment of \$3,800 bearing first registered mortgage over CL no. 9624 (Taxi Stand no. 3 Crown Lease situated at Main Street, Nausori)

NOTE 12. DEFERRED INCOME	2010	2009
	\$	\$
<u>General Fund</u>		
Japanese grant	96,250	113,750
Less: Benefits realised	17,500	17,500
	<u>78,750</u>	<u>96,250</u>
Government grant	276,776	278,070
Less: Benefits realised	9,900	1,294
	<u>266,876</u>	<u>276,776</u>
Total balance as at 31 December 2010	<u><u>345,626</u></u>	<u><u>373,026</u></u>

NOTE 13. ASSET REVALUATION RESERVES

<u>General Fund</u>		
Opening balance	6,015,525	6,015,525
Valuation done during the year	-	-
Closing balance	<u><u>6,015,525</u></u>	<u><u>6,015,525</u></u>
<u>Parking Meter Fund</u>		
Asset revaluation reserve	<u><u>72,000</u></u>	<u><u>72,000</u></u>

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
NOTE 14. ACCUMULATED FUNDS		
Accumulated general fund (Page 6)	1,218,713	1,413,379
Loan rate fund (Page 8)	393,555	393,555
Street Light Account (Page 9)	371,196	371,196
Fire Service Account (Page 10)	32,791	32,791
Prior year adjustments - Stale cheques written back	38,098	-
Prior year adjustments - Provisional tax	(65,524)	-
	<u>1,988,829</u>	<u>2,210,921</u>

The prior year adjustments relates to the provisional tax for 2001 to 2004. Fiji Revenue Customs Authority (FRCA) audited Nausori Town Councils book and noted that provisional tax of \$65,524 was not remitted to FRCA, \$38,098 relates to stale cheques written back.

NOTE 15. CAPITAL COMMITMENTS

Capital commitment as at 31 December 2010 was nil.

NOTE 16. PRINCIPAL ACTIVITY

The Nausori Town Council was established under the Local Government Act to provide for the health, welfare and convenience of the inhabitants of the Nausori Town Municipality and to preserve the amenities or credit thereof.

NOTE 17. SUBSEQUENT EVENTS

- (a) 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.
- (b) The Council withdrew a total of \$188,000 from the investment at Fijian Holding Unit Trust Limited on three separate occasions:
 - An amount of \$42,000 was withdrawn on 30 June 2012;
 - An amount of \$71,000 was withdrawn on 21 October 2011 to finance the Council's capital project; and
 - An amount of \$75,000 was withdrawn on 7 June 2012 to support the Council's operations.
- (c) The Ministry of Finance vide letter dated 5 October 2012 approved a Government Grant of \$3 million to be provided to the Council over the next two years (2013 -2014) for the relocation of the Nausori Bus Station.

**NAUSORI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

NOTE 18. NOTES TO THE STATEMENT OF CASH FLOWS	2010	2009
(a)	\$	\$
(i) Reconciliation of Net Cash provided by Operating Activities to Net Surplus		
Net (deficit)/surplus for the year - General fund	(194,666)	278,345
Depreciation and amortisation	267,290	171,685
Dividend reinvested	(14,935)	(11,742)
Prior Year Adjustment	(27,426)	-
Interest on loan	30,111	-
Provision for employee entitlements	(11,407)	9,331
Loss on disposal of fixed assets	-	-
Net cash provided by operating activities before changes in assets and liabilities	<u>48,968</u>	<u>447,619</u>
Change in assets and liabilities:		
(Decrease)/Increase in receivable	282,654	(443,820)
Increase in deposits and prepayments	(1,031)	-
Decrease/Increase in other liabilities	(27,400)	177,753
Increase/Decrease in creditors and borrowings	<u>221,915</u>	<u>259,276</u>
Net cash inflows from operating activities	<u>525,105</u>	<u>440,828</u>
(ii) Cash and Cash Equivalents		
Cash on hand	16,364	33,258
Bank overdraft	(59,005)	(52,646)
Term Deposit	-	150,000
Funds	<u>8,743</u>	<u>111,381</u>
	<u>(33,898)</u>	<u>241,993</u>
(b) Parking Meter Fund		
(i) Reconciliation of Net Cash provided by Operating Activities to Net Surplus		
Net surplus/(deficit) for the year	11,418	(15,363)
Depreciation	5,089	8,606
Prior year adjustment	<u>1,387</u>	-
Net cash provided by operating activities before changes in assets and liabilities	17,894	<u>(6,757)</u>
Change in assets and liabilities:		
(Decrease)/increase in sundry creditors	(377,716)	381,013
Decrease/(increase) in receivables	<u>(5,266)</u>	<u>9,452</u>
Net cash provided from operating activities	<u>(365,088)</u>	<u>383,708</u>
(ii) Cash and Cash Equivalents		
For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank, net of outstanding bank overdraft. 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 at bank	<u>11,731</u>	<u>397,058</u>
	<u>11,731</u>	<u>397,058</u>