



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of the Honiara City Council**

#### **Report on the Financial Report**

I was engaged to audit the accompanying financial statements of the Honiara City Council, which comprise the Statement of Receipts and Payments and Balance Sheets for the year ended 31 December 2013, and a summary of significant accounting policies and other explanatory notes.

The scope of my audit was limited to the mandatory standards prescribed under Part 1 of the International Public Sector Accounting Standards under the Cash Basis of Accounting (IPSAS Cash) and Balance Sheet as required by section 47 subsection 1 (c) of the Honiara City Act 1999. Any voluntary disclosure under this part are reviewed for consistency and any matters of concern included in my accounts and records report to the Honiara City Council Councilors and are not referred to in my opinion.

#### **Honiara City Council and Management's Responsibility for the Financial Statements**

The Honiara City Council and management are responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards under the Cash Basis of Accounting (IPSAS Cash) and Balance Sheet as required Honiara City Act, and for such internal controls as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

My audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I have considered the internal controls relevant to the Council's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances. My audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### **Basis for Disclaimer of Opinion**

The disclaimer of opinion is attributed to the continued failure in the system of recording and controlling accounting transactions and insufficient audit evidence to support transactions and accounts. I was unable to confirm or verify by alternative means the balances and disclosures with respect to the financial statements. The system failures related to the following matters:

Most HCC officers had not had formal training in using the MYOB accounting system including officers who used the MYOB system routinely and were responsible for entering data into the system.



Significant errors existed in the 2011/2013 actual revenue figures reflected in the 2013/2014 Approved Budget Estimates.

The reason given for the failure of HCC to produce financial statements for 2011 - 2013 during the opening meeting was that HCC lacks the knowledge to produce financial statements that comply with international accounting standards.

HCC has produced its previous financial statements in accordance with cash basis IPSAS, rather than preparing financial statements that include a Balance Sheet (accrual) as per HCC Act (1999).

Restrictions on access to MYOB system limited the ability of HCC officers to obtain or provide financial information in the absence of the Deputy Treasurer.

The IT function (IT officer) is outsourced by HCC. The IT officer has overall control of domain and application passwords, and there is little or no input from Senior HCC Officers reducing their ability to manage the HCC IT environment.

HCC has no logbook or register to record IT issues, despite the regular difficulties in using the system and down time resulting from power and server problems noted by several members of HCC.

In order to correct MYOB errors, instead of posting journal adjustments or reversing accounting entries the Deputy Treasurer deletes the original posting and inputs a replacement entry.

Basic Rates and Business License Officers are required to reconcile their data with the main system to ensure its accuracy. However this was not completed for 2013 until June 2014, and no reconciliations have been carried out for 2014 at the time of audit.

There is no external backup of HCC accounting data offsite, such as hard copies of the general ledger or held on external hard drives.

There is a lack of segregations of duties over the review of data entry in the main MYOB system. Also the same officer is responsible for checking reconciliations on the MYOB system, journal entry, system access, and report production.

The main HCC bank account is not reconciled on a timely basis, with delays of over eight months from the date of the bank statement to the date on which reconciliation was performed.

Bank reconciliations of the HCC main bank account are not signed and dated as prepared. In addition, this reconciliation is not signed off as reviewed by a second officer.

Failure to investigate a large number of significant reconciling items on the bank reconciliation, including some entries that appear to have been mis-posted to the reconciliation.

With the above issues OAG will not do further substantive testing but issue a disclaimer on the financial statements of Honiara City Council for 2011.

#### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements of the Honiara City Council for the financial year ended 31 December 2011.

### Report on other Matters

- General Ledger data not provided.
- No audit trail exist
- MYOB not conveniently accessed by Auditors
- Honiara City Council Act 1999 does not have specific due date for audit certification.

### OTHER REGULATORY AND REPORTING REQUIREMENTS

The financial statement was not submitted in time and the 31/03/2012 deadline for certification was missed. This has also been documented within the audit opinion. According to HCC Act, s47 subsection 3 states;

*"The Accounts shall be sent to the Auditor General as soon as practicable after the end of the Financial Year to which they are related but, in any event, not later than 3 months after the end of that year".*



Peter Lokay  
Auditor-General

Office of the Auditor-General  
Solomon Islands

17 February 2017



# **Honiara City Council**

## **Financial Statements**

**For the year ended 31st December 2013**



# Honiara City Council

## Financial Statements

For the year ended 31st December 2013

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Honiara City Council  
Statement of Cash Receipts & Payments  
For the year ended 31st December 2013

|   | Notes | 2013<br>Receipts /<br>(Payments)<br>controlled by<br>entity | 2013<br>Payment by<br>third parties | 2012<br>Receipts /<br>(Payments)<br>controlled by<br>entity | 2012<br>Payment by<br>third parties |
|---|-------|---|-------------------------------------|---|-------------------------------------|
|   |       | SBD \$  | SBD \$                              | SBD \$  | SBD \$                              |
| <b>Receipts</b>   |       |   |                                     |   |                                     |
| <b>Grants &amp; Aid</b>   |       |   |                                     |   |                                     |
| SIG Grants  | 6     | 3,225,450   | 3,719,395                           | 1,286,851   | 3,648,528                           |
| <b>External Assistance</b>  |       |   |                                     |   |                                     |
| Multilateral Agencies (World Bank REP)  | 7     | -   | 6,727,593                           | -   | 7,928,843                           |
| <b>Other Grants &amp; Aid</b>   |       |   |                                     |   |                                     |
| Non Governmental organisations assistance -<br>Commonwealth Local Government Forum (CLGF) | 8     | -   | -                                   | -   | -                                   |
| <b>Other Receipts</b>   |       |   |                                     |   |                                     |
| Fees, Rates and Licenses  | 9     | 23,146,437  | -                                   | 19,192,600  | -                                   |
| House Rental Income   | 11    | 58,197  | -                                   | 117,521   | -                                   |
| Income from Commercial Activities / Investments   | 10    | 5,819   | -                                   | 6,239   | -                                   |
| Sundry Receipts   | 11    | 190,094   | -                                   | 104,672   | -                                   |
| Councillors Advances (Repaid)   |       | -   | -                                   | 127,247   | -                                   |
| Staff Advances (Repaid)   |       | -   | -                                   | -   | -                                   |
| Other Receipts  |       | 100,841   | -                                   | -   | -                                   |
| <b>Total receipts</b>   |       | <b>26,726,836</b>   | <b>10,446,988</b>                   | <b>20,835,130</b>   | <b>11,577,371</b>                   |
| <b>Payments</b>   |       |   |                                     |   |                                     |
| <b>Operations</b>   |       |   |                                     |   |                                     |
| Salaries and Wages  | 12    | 4,936,181   | 3,173,549                           | 3,291,341   | 2,388,614                           |
| Employee Expenses - Non-Direct Employees  | 13    | 21,700  | 882,481                             | -   | 175,463                             |
| Allowances (Employees)  | 14    | 2,547,742   | -                                   | 2,729,780   | -                                   |
| Allowances and Grants (Elected Members)   | 15    | 3,145,281   | -                                   | 3,056,638   | -                                   |
| Operating Disbursements / Office Expenses   | 16    | 11,067,733  | 6,272,781                           | 9,517,001   | 8,769,798                           |
| Repairs & Maintenance   | 17    | 2,618,872   | -                                   | 1,925,703   | -                                   |
| Other Disbursements   |       | -   | -                                   | -   | -                                   |
| Councilor & Other Receivables   |       | 468,084   | -                                   | 642,021   | -                                   |
|   |       | <b>24,805,594</b>   | <b>10,328,811</b>                   | <b>21,162,484</b>   | <b>11,333,875</b>                   |
| <b>Capital Expenditures</b>   |       |   |                                     |   |                                     |
| Plant & Equipment   | 18    | 444,243   | 118,177                             | 128,964   | 23,496                              |
| Vehicles  | 19    | 76,822  | -                                   | 459,911   | 220,000                             |
| Land, Buildings & Roads   | 20    | 2,897,610   | -                                   | 1,329,367   | -                                   |
| <b>Total Capital Expenditures</b>   |       | <b>3,418,675</b>  | <b>118,177</b>                      | <b>1,918,241</b>  | <b>243,496</b>                      |
| <b>Total Payments</b>   |       | <b>28,224,268</b>   | <b>10,446,988</b>                   | <b>23,080,725</b>   | <b>11,577,371</b>                   |
| <b>Increase/(Decrease) in Cash</b>  |       | <b>(1,497,432)</b>  | <b>-</b>                            | <b>(2,245,595)</b>  | <b>-</b>                            |
| <b>Cash at beginning of year (1 January 2013)</b>   |       | <b>1,108,313</b>  | <b>-</b>                            | <b>3,353,908</b>  | <b>-</b>                            |
| <b>Increase/(Decrease) in Cash</b>  |       | <b>(1,497,432)</b>  | <b>-</b>                            | <b>(2,245,595)</b>  | <b>-</b>                            |
| <b>Cash at end of year (31 December 2013)</b>   |       | <b>(389,120)</b>  | <b>-</b>                            | <b>1,108,313</b>  | <b>-</b>                            |

The above information is a true and fair view of the receipts and payments for the year ended 31st December 2013.



City Clerk



City Mayor

Date Authorised: 3/02/17

**Honiara City Council**  
**Statement of Comparison of Budget & Actual Amount**  
**For the year ended 31st December 2013**  
**(Classification of Payments by Function)**

|                          | Actual Amounts<br>(Receipts /<br>(Payments)<br>controlled by<br>entity) | Final Budget      | Original Budget   | Difference (Final<br>Budget & Actuals) |
|--------------------------|---|-------------------|-------------------|--|
|                          | SBD \$  | SBD \$            | SBD \$            | SBD \$                                 |
| <b>Cash Inflows</b>      |   |                   |                   |  |
| Mayors Office            | -   | -                 | -                 | -                                      |
| Administration           | 128,158   | 182,000           | 182,000           | (53,842)                               |
| Finance                  | 15,990,152  | 13,537,000        | 13,537,000        | 2,453,152                              |
| Market Services          | 4,799,272   | 4,791,913         | 4,791,913         | 7,359                                  |
| Planning                 | 2,025,830   | 1,610,200         | 1,610,200         | 415,630                                |
| Works                    | 104,284   | 172,000           | 172,000           | (67,716)                               |
| Law Enforcement          | 5,067   | 50,000            | 50,000            | (44,933)                               |
| Youth, Sports & Women    | 238,932   | 456,000           | 456,000           | (217,068)                              |
| Education                | 4,700   | 1,720,000         | 1,720,000         | (1,715,300)                            |
| Health & Medical         | 3,765,349   | 150,000           | 150,000           | 3,615,349                              |
| Rapid Employment Project | 6,727,593   | 0                 | 0                 | 6,727,593                              |
| External Revenues        | 3,225,450   | 1,086,851         | 1,086,851         | 2,138,599                              |
| <b>Total Receipts</b>    | <b>37,014,787</b>   | <b>23,755,964</b> | <b>23,755,964</b> | <b>13,258,823</b>                      |
| <b>Cash Outflows</b>     |   |                   |                   |  |
| Mayor Office             | 4,617,263   | 4,656,710         | 4,656,710         | (39,447)                               |
| Administration           | 2,233,431   | 1,584,330         | 1,584,330         | 649,101                                |
| Finance                  | 2,543,260   | 1,897,191         | 1,897,191         | 646,069                                |
| Market Services          | 2,792,366   | 1,686,190         | 1,686,190         | 1,106,176                              |
| Planning                 | 893,986   | 1,201,440         | 1,201,440         | (307,454)                              |
| Works                    | 7,723,967   | 6,596,653         | 6,596,653         | 1,127,314                              |
| Law Enforcement          | 1,592,626   | 1,730,400         | 1,730,400         | (137,774)                              |
| Youth, Sport & Women     | 1,499,163   | 1,593,400         | 1,593,400         | (94,237)                               |
| Education & Training     | 1,151,966   | 1,238,650         | 1,238,650         | (86,684)                               |
| Health & Medical         | 6,282,759   | 1,366,000         | 1,366,000         | 4,916,759                              |
| HCC Disaster             | 144,793   | 205,000           | 205,000           |  |
| Rapid Employment Project | 6,727,593   | -                 | -                 | 6,727,593                              |
| <b>Total Payments</b>    | <b>38,203,173</b>   | <b>23,755,964</b> | <b>23,755,964</b> | <b>14,507,416</b>                      |
| <b>Net Cash Flows</b>    | <b>(1,188,386)</b>  | <b>-</b>          | <b>-</b>          | <b>(1,248,593)</b>                     |

## Honiara City Council

### Notes to the Financial Statements

#### 1. Accounting Policies

##### Basis of preparation

The financial statements have been prepared in accordance with Cash Basis IPSAS (International Public Sector Accounting Standards) *Financial Reporting Under the Cash Basis of Accounting*.

##### Reporting Entity

The financial statements are for the Honiara City Council.

The Council's operations are governed by the *Honiara City Act 1999*.

The Council is a body corporate established under section 4(1) of the *Honiara City Act 1999*. Its main office is located in Honiara City, Solomon Islands. The Council operates in the local government jurisdiction of Honiara City within the State of Solomon Islands.

The Minister for Home Affairs administers the *Honiara City Act 1999*. The Minister has oversight of aspects of the Council's operations and can suspend or dissolve the Council for failure to perform its functions.

##### Objective of the Honiara City Council

The Council is the local government body responsible for administering Honiara City. Its functions are set out in the *Honiara City Act 1999*. These functions relate to: trade and industry; culture and environment; finance; local matters; health; education; housing; rivers and waters; local government; corporate or statutory bodies; employment; and medical services.

##### Payment by third parties

The government also benefits from goods and services purchased on its behalf as a result of cash payments made by third parties during the period by way of contributions. The payments made by third parties do not constitute cash receipts or payments by the government but do benefit government. They are disclosed in the *Payments by third parties* column in the Cash Receipts and Payments statements.

The amounts of payments received by third parties reflected in the Statements of Cash Receipts and Payments, have been converted from New Zealand Dollars to Solomon Island Dollars at a yearly average rate.

##### Reporting Currency

The reporting currency is Solomon Islands Dollars (SBD)

#### 2. Cash

Cash included in the statement of cash receipts and payments comprise the following amounts:

|                            | 2013        | 2012      |
|----------------------------|-------------|-----------|
| BSP Current Cheque Account | (1,467,329) | 40,314    |
| BSP Term Deposit           | 1,047,976   | 1,042,766 |
| Petty cash - Others        | 12,920      | 12,920    |
| Finance Petty Cash         | 9,312       | 9,312     |
| Works Petty Cash           | 8,000       | 3,000     |
| Cash at end of year        | (389,121)   | 1,108,312 |

#### 3. Borrowings

There have been no borrowings by the Honiara City Council in this financial year.

#### 4. Authorisation Date

The financial Statement was authorised for publication on 6th of February, 2017 by Charles Kelly, City Clerk & Andrew Mua, City Mayor.



## Honiara City Council

### Notes to the Financial Statements

#### 5. Original and Final Approved Budget and comparison of Actual & Budget Amounts

The approved budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period (1 January 2013 to 31st December 2013) as for the financial statements. The original budget was approved by legislative action on the 21st of November, 2012

Overall actual expenditure is more than the total expenditure budget.

|                            | 2013 Receipts /<br>(Payments) | 2013 Payment by<br>third parties | 2013 Final Budget<br>(controlled by) |
|----------------------------|-------------------------------|----------------------------------|--------------------------------------|
|                            | \$                            | \$                               | \$                                   |
| <b>Note 6 - SIG Grants</b> |                               |                                  |                                      |
| SI Government grants       | 3,225,450                     | -                                | 1,086,851                            |
| Education Grant            | -                             | -                                | -                                    |
| Health Services Grant      | -                             | 3,719,395                        | -                                    |
| Home Affairs               | -                             | -                                | -                                    |
| Seconded Staff             | -                             | -                                | -                                    |
| <b>Total - SIG Grants</b>  | <b>3,225,450</b>              | <b>3,719,395</b>                 | <b>1,086,851</b>                     |

#### Note 7 - External Assistance

External Assistance was received in the form of a grant from a multilateral donor agency under the agreements specifying the purposes for which the assistance will be utilised

|   |   |           |   |
|---|---|-----------|---|
| World Bank - Rapid Employment Project (REP) | - | 6,727,593 | - |
|   | - | 6,727,593 | - |

#### Undrawn External Assistance

Undrawn external assistance grants at reporting date are amounts specified in a binding agreement which relate to funding for projects currently under development, where conditions have been satisfied, and their ongoing satisfaction is highly likely, and the project is anticipated to continue to completion.

The World Bank REP is over a five year period which started in June 2010. The exchange rate used for the undrawn funds calculation is USD to SBD 7.19

|  | 2013       | 2012       |
|--|------------|------------|
| Closing balance of undrawn grants @ 31st December 2013 | -          | 10,038,470 |
|  | 10,038,470 | 10,894,143 |

#### Note 8 - Other Grants & Aid

|  |          |          |
|--|----------|----------|
| Commonwealth Local Government Forum (CLGF) | -        | -        |
| <b>Total Other Grants &amp; Aid</b>        | <b>-</b> | <b>-</b> |

#### Note 9 - Fees, Rates and Licenses

|   |                   |          |                   |
|---|-------------------|----------|-------------------|
| Basic Rates / Head Tax                  | 3,768,728         | -        | 3,250,000         |
| Business Licenses                       | 5,588,585         | -        | 4,500,000         |
| Property Rates                          | 5,695,488         | -        | 5,000,000         |
| Liquor Licenses                         | 874,664           | -        | 750,000           |
| Works Income                            | 104,284           | -        | 172,000           |
| Land & Planning Fees                    | 2,025,830         | -        | 1,610,200         |
| Education & Training Fees               | 4,700             | -        | 1,720,000         |
| Health & Medical Fees                   | 45,954            | -        | 130,000           |
| Youth, Women & Sports Fees              | 238,932           | -        | 456,000           |
| Market Income                           | 4,799,272         | -        | 4,791,913         |
| <b>Total - Fees, Rates and Licenses</b> | <b>23,146,437</b> | <b>-</b> | <b>22,380,113</b> |

**Honiara City Council**  
**Notes to the Financial Statements**

|   | 2013 Receipts /<br>(Payments)<br>controlled by entity | 2013 Payment by<br>third parties | 2013 Final Budget<br>(controlled by<br>entity only) |
|---|---|----------------------------------|---|
| <b>Note 10 - Income from Investments</b>                  | \$  | \$                               | \$  |
| Bank South Pacific Interest                               | 5,819   | -                                | 10,000  |
| <b>Total Income from Investments</b>                      | <u>5,819</u>  | <u>-</u>                         | <u>10,000</u>                                       |
| <b>Note 11 - Sundry Receipts</b>                          |   |                                  |   |
| Other Admin Income  | 127,657   | -                                | 182,000   |
| Miscellaneous Receipts                                    | 57,369  | -                                | 37,000  |
| Litter & Sport Fines                                      | 2,304   | -                                | 20,000  |
| Magistrate Court Fines                                    | 2,763   | -                                | 50,000  |
| <b>Total Sundry Receipts</b>                              | <u>190,094</u>  | <u>-</u>                         | <u>289,000</u>                                      |
| <b>Total Revenue</b>                                      | <u><b>26,567,799</b></u>                              | <u><b>10,446,988</b></u>         | <u><b>23,765,964</b></u>                            |
| <b>Note 12 - Salary &amp; Wages</b>                       |   |                                  |   |
| Mayor Office  | 67,486  | -                                | 23,200  |
| Administration  | 510,946   | -                                | 569,780   |
| Finance   | 714,986   | -                                | 456,730   |
| Market  | 556,548   | -                                | 413,400   |
| Lands & Planning  | 503,431   | -                                | 298,540   |
| Works   | 1,269,130   | -                                | 1,313,000   |
| Law Enforcement   | 593,328   | -                                | 671,000   |
| Youth, Sport & Women                                      | 324,485   | -                                | 286,500   |
| Education   | 395,842   | -                                | 377,600   |
| Health  | -   | 1,802,988                        | -   |
| Rapid Employment Project                                  | -   | 1,370,561                        | -   |
| <b>Total Salary &amp; Wages</b>                           | <u>4,936,181</u>                                      | <u>3,173,549</u>                 | <u>4,409,750</u>                                    |
| <b>Note 13 - Employee Expenses - Non-Direct Employees</b> |   |                                  |   |
| SIG seconded staff  | -   | -                                | -   |
| Rapid Employment Project                                  | -   | 882,481                          | -   |
| CLGF Technical Assistance                                 | 21,700  | -                                | -   |
| <b>Total Employee Expenses - Non Direct</b>               | <u>21,700</u>   | <u>882,481</u>                   | <u>-</u>  |
| <b>Note 14 - Allowances &amp; Grants (Employees)</b>      |   |                                  |   |
| Housing allowances  | 740,815   | -                                | 827,479   |
| Other Allowances  | 584,456   | -                                | 359,672   |
| Overtime Allowances                                       | 1,222,471   | -                                | 512,000   |
| <b>Total Allowances &amp; Grants (Employees)</b>          | <u>2,547,742</u>                                      | <u>-</u>                         | <u>1,699,151</u>                                    |
| <b>Note 15 - Allowances and Grants (Elected Members)</b>  |   |                                  |   |
| Members Housing Allowance                                 | 16,431  | -                                | 28,800  |
| Members Transport Allowance                               | 22,893  | -                                | 28,800  |
| Members Overseas Allowances                               | 38,816  | -                                | 100,000   |
| Ward Development Grants                                   | 2,656,892   | -                                | 2,760,000   |
| Members Allowances  | 337,199   | -                                | 380,000   |
| Members Other costs                                       | 4,800   | -                                | -   |
| Mayor Salary & Rental                                     | 68,250  | -                                | 124,500   |
| <b>Total Allowances &amp; Grants (Elected Members)</b>    | <u>3,145,281</u>                                      | <u>-</u>                         | <u>3,422,100</u>                                    |

**Honiara City Council**  
**Notes to the Financial Statements**

|  | 2013 Receipts /<br>(Payments)<br>controlled by entity | 2013 Payment by<br>third parties | 2013 Final Budget<br>(controlled by<br>entity only) |
|--|---|----------------------------------|---|
| <b>Note 16 - Operating Disbursements</b>       | <b>\$</b>   | <b>\$</b>                        | <b>\$</b>   |
| Employers NPF                                  | 409,919   | -                                | 498,163   |
| Home Leave - Employees                         | 856,629   | -                                | 660,000   |
| Home Leave - Members                           | 166,164   | -                                | 88,000  |
| Home Leave-Teachers                            | 283,481   | -                                | 250,000   |
| Computer Expenses                              | 86,156  | -                                | 181,000   |
| Electricity                                    | 990,380   | -                                | 500,000   |
| Fuel & Lubricants                              | 1,282,654   | -                                | 1,055,200   |
| Minor Office Equipment                         | 87,324  | -                                | 90,000  |
| Office Expenses                                | 418,901   | -                                | 260,000   |
| Printing & Publications                        | 417,130   | -                                | 218,000   |
| Telephone                                      | 430,791   | -                                | 170,000   |
| Uniforms                                       | 83,333  | -                                | 135,000   |
| Lands training                                 | -   | -                                | 15,000  |
| Water  | 539,776   | -                                | 166,000   |
| Mayor Entertainment                            | 53,030  | -                                | 50,000  |
| Mayors Donation                                | 243,284   | -                                | 100,000   |
| Members Medical Expenses                       | 5,000   | -                                | 10,000  |
| Appointed Councilors Allowance                 | -   | -                                | 50,000  |
| Overseas Dignatory Expenses                    | -   | -                                | 50,000  |
| Councilors Meeting Expenses                    | 105,844   | -                                | 100,000   |
| Adhoc Committees                               | 2,780   | -                                | 20,000  |
| Executive Committee                            | 53,934  | -                                | 20,000  |
| Ward Advisory Committees                       | 480,000   | -                                | 480,000   |
| Death in Office                                | -   | -                                | 20,000  |
| Standing Committee Expenses                    | 22,692  | -                                | 105,600   |
| Admin Committee                                | 34,616  | -                                | 25,000  |
| Advertising Expenses                           | 97,793  | -                                | 96,000  |
| Cleaning Supplies HQ                           | 5,785   | -                                | 5,000   |
| Courses & Training (SI & Overseas)             | 15,210  | -                                | 30,000  |
| Death Condolences                              | 17,054  | -                                | 5,000   |
| Insurance-Workmen Compensation                 | 35,405  | -                                | 50,000  |
| Insurance-Vehicle                              | 9,588   | -                                | 150,000   |
| Legal Expenses                                 | 64,056  | -                                | 30,000  |
| Licensing Program                              | -   | -                                | 5,000   |
| Liquor Board Expenses                          | 7,000   | -                                | 10,000  |
| Long Service Benefits                          | 166,223   | -                                | 40,000  |
| Official Entertainment                         | 122,685   | -                                | 30,000  |
| Other Employer Expense                         | 560   | -                                | -   |
| Overseas Expenses                              | 191,122   | -                                | 30,000  |
| Postage expense                                | 24,192  | -                                | 5,000   |
| SI Independence Costs                          | 242,972   | -                                | 30,000  |
| Service Messages                               | 1,803   | -                                | 5,000   |
| Audit & Accounting                             | -   | -                                | 15,000  |
| Special Expenditure                            | 77,141  | -                                | 10,000  |
| Bank Fees                                      | 55,692  | -                                | 20,000  |
| Contingencies                                  | 107,569   | -                                | 150,000   |
| Penalty/Surcharge                              | -   | -                                | 5,000   |
| Revenue Collection Exp                         | 13,070  | -                                | 30,000  |
| Market Cleaning                                | 35,663  | -                                | 20,000  |
| Market Ice Block Purchase                      | -   | -                                | 200,000   |
| Market UpKeep-Central/Kukum/Multi-purpose Hall | 307,635   | -                                | 160,000   |
| Protective Clothing                            | 90,934  | -                                | 92,000  |
| Engineering Cost- TCPB                         | 70,500  | -                                | 80,000  |
| Town & Country Planning Board                  | 41,909  | -                                | 40,000  |
| Land Lease & Rent                              | 40,850  | -                                | 30,000  |
| Lands & Planning Equip & Materials             | -   | -                                | 5,000   |
| Survey Consultant                              | -   | -                                | 100,000   |
| Soil testing                                   | 75,200  | -                                | 400,000   |
| Hire of Plants & Vehicles                      | 77,650  | -                                | 50,000  |



**Honiara City Council**  
**Notes to the Financial Statements**

|  | 2013 Receipts /<br>(Payments)<br>controlled by entity | 2013 Payment by<br>third parties | 2013 Final Budget<br>(controlled by<br>entity only) |
|--|---|----------------------------------|---|
|  | \$  | \$                               | \$  |
| Land Fill Maintenance                                      | 72,300  | -                                | 70,000  |
| Refuse Contracts   | 395,700   | -                                | 156,000   |
| Roads & Garden   | 2,000   | -                                | 100,000   |
| Standby Generator  | 15,310  | -                                | 20,000  |
| Tools & Equip Replacements                                 | 36,399  | -                                | 50,000  |
| Workshop Consumable  | 155,716   | -                                | 50,000  |
| Enforcement Equipment & Materials                          | 49,799  | -                                | 90,000  |
| Law Enforcement training                                   | -   | -                                | 30,000  |
| Youth Other Operating Expenses                             | 186,815   | -                                | 174,000   |
| Disaster Office  | 148,163   | -                                | 205,000   |
| Sports Other Operating Expenses                            | 223,955   | -                                | 310,000   |
| Women Other Operating Expenses                             | 229,909   | -                                | 204,000   |
| Library Services   | 19,230  | -                                | 20,000  |
| Health operating Expenses                                  | 483,361   | 1,916,407                        | 670,000   |
| Education-School project ECE & TVET                        | -   | -                                | 250,000   |
| REP Home leave/travel                                      | -   | 113,931                          | -   |
| REP Operating Other Admin Expenses                         | -   | 339,844                          | -   |
| REP Project Expenses                                       | -   | 3,902,599                        | -   |
| <b>Total Operating Disbursements</b>                       | <b>11,067,733</b>                                     | <b>6,272,781</b>                 | <b>9,643,963</b>                                    |
| <b>Note 17 - Repairs &amp; Maintenance</b>                 |   |                                  |   |
| R&M Buildings  | 560,190   | -                                | 200,000   |
| R&M Cemetery   | 38,877  | -                                | 10,000  |
| R&M Clinics  | 200,748   | -                                | 120,000   |
| R&M Central Market   | 70,385  | -                                | 50,000  |
| R&M Kukum Market   | 9,370   | -                                | 20,000  |
| R&M Furnitures & Fittings                                  | 75,381  | -                                | 50,000  |
| R&M Lockup Shop  | 61,493  | -                                | 20,000  |
| R&M Multi-Purpose Hall                                     | 142,351   | -                                | 100,000   |
| R&M Roads & Drainage                                       | 58,290  | -                                | 100,000   |
| R&M Trucks   | 376,339   | -                                | 200,000   |
| R&M Staff Housing  | 341,921   | -                                | 200,000   |
| R&M Sport Facilities                                       | 16,398  | -                                | 100,000   |
| R&M heavy plant  | 216,663   | -                                | 150,000   |
| R&M Small plant  | 11,595  | -                                | 20,000  |
| R&M Vehicles   | 428,266   | -                                | 210,000   |
| R&M Small Equipment  | 10,606  | -                                | 20,000  |
| <b>Total Repairs &amp; Maintenance</b>                     | <b>2,618,872</b>                                      | <b>-</b>                         | <b>1,570,000</b>                                    |
| <b>Total Expenditure</b>                                   | <b>24,337,510</b>                                     | <b>10,328,811</b>                | <b>20,744,964</b>                                   |
| <b>Note 18 - Capital Expenditure Plant &amp; Equipment</b> |   |                                  |   |
| IT Hardware  | 299,723   | -                                | 200,000   |
| Office safe  | -   | -                                | 30,000  |
| Skip Bins  | 136,641   | -                                | 180,000   |
| Data system for Library books                              | -   | -                                | 100,000   |
| Gym Equipment  | 7,878   | -                                | 100,000   |
| <b>Total Capital Expenditure Plant &amp; Equipment</b>     | <b>444,243</b>  | <b>-</b>                         | <b>610,000</b>                                      |
| <b>Note 19 - Capital Expenditure Vehicle</b>               |   |                                  |   |
| Law replacement vehicle                                    | -   | -                                | 100,000   |
| Central Market Vehicle                                     | 76,822  | -                                | 80,000  |
| Works Vehicle  | -   | -                                | 300,000   |
| <b>Total Capital Expenditure Vehicle</b>                   | <b>76,822</b>   | <b>-</b>                         | <b>480,000</b>                                      |

**Honiara City Council**  
**Notes to the Financial Statements**

**Note 20 - Capital Expenditure Land, Roads & Buildings**

|   |                    |                |                  |
|---|--------------------|----------------|------------------|
| Kukum labour line toilet                              | 89,209             | -              | 100,000          |
| Kukum Market Building                                 | 33,054             | -              | 45,000           |
| Central Market Extension                              | -                  | -              | 150,000          |
| Bridges and Culverts                                  | -                  | -              | 100,000          |
| Termite spraying                                      | 55,300             | -              | 100,000          |
| Kukum & Naha field rehabilitation                     | 114,932            | -              | 100,000          |
| Renovation of Public Library                          | 215,640            | -              | -                |
| Law Renovation  | 88,274             | -              | 100,000          |
| Multi Purpose hall fencing                            | 121,938            | -              | 100,000          |
| Asbestos  | 99,261             | -              | 100,000          |
| Pikinini clinic fencing                               | -                  | -              | 100,000          |
| Dental Clinic   | 2,068,890          | -              | 600,000          |
| Kukum Clinic Pressure pump                            | 11,113             | -              | 16,000           |
| Kukum Market Freezer                                  | -                  | -              | 10,000           |
| Water Tank Installation                               | -                  | -              | 10,000           |
| Head office Compound fencing                          | -                  | -              | 200,000          |
| Rapid Employment Project                              | -                  | 118,177        | 100,000          |
| <b>Total Capital Expenditure Land &amp; Buildings</b> | <b>2,897,610</b>   | <b>118,177</b> | <b>1,931,000</b> |
| <b>Net Surplus/(Deficit)</b>                          | <b>(1,188,386)</b> | <b>-</b>       | <b>-</b>         |

# Honiara City Council

## Statement of Assets & Liabilities (exl Fixed Assets)

### As At 31st December 2013

|                            |                    |                  |
|----------------------------|--------------------|------------------|
| <b><u>Assets</u></b>       | <b>2013</b>        | <b>2012</b>      |
| <b>Current Assets</b>      |                    |                  |
| Cash On Hand               | (\$389,121)        | \$1,108,312      |
| Accounts Receivables       | \$423,392          | \$424,482        |
| Staff Debtors              | \$205,383          | \$175,415        |
| Councilor Debtors          | \$990,114          | \$448,853        |
| Non-Staff Debtors          | \$81,159           | \$81,159         |
| Other Debtors              | \$596,404          | \$722,102        |
| <b>Total Assets</b>        | <b>\$1,907,331</b> | <b>2,960,323</b> |
| <b><u>Liabilities</u></b>  |                    |                  |
| <b>Current Liabilities</b> |                    |                  |
| Liquor License Prepaid     | -                  | -                |
| Payroll Clearing           | -                  | (18,624)         |
| PAYE Tax Control Acct      | 90,211             | 55,883           |
| NPF Control Acct           | 63,164             | 12,318           |
| Union fees                 | (\$9,220)          | (\$9,220)        |
| Bond Fees- Lock Up         | \$107,950          | \$75,700         |
| - Multi- Hall              | \$9,347            | \$10,000         |
| <b>Total Liabilities</b>   | <b>\$261,452</b>   | <b>126,057</b>   |
| <b>Net Assets</b>          | <b>\$1,645,879</b> | <b>2,834,265</b> |
| <b><u>Equity</u></b>       |                    |                  |
| Retained Earnings          | \$2,834,265        | \$4,593,144      |
| Current Year Earnings      | (\$1,188,386)      | (\$1,758,879)    |
| <b>Total Equity</b>        | <b>\$1,645,879</b> | <b>2,834,265</b> |

This Statement of Assets and Liabilities includes all known Assets & Liabilities, excluding Fixed Assets & Contingent Liabilities NB: All material fixed assets are shown in Appendix B

Special funds are being held for capital replacement of major works vehicles, plant & equipment. The total amount at 31st December 2013 is \$1,047,976, reflected in the Cash on Hand figure above and held on Term Deposit at the Bank of South Pacific.



| Honiara City Council  |              |                           |               |                        |                  |            |                  |                    |
|---|--------------|---------------------------|---------------|------------------------|------------------|------------|------------------|--------------------|
| Asset Register 2013   |              |                           |               |                        |                  |            |                  |                    |
| Asset Classification  | Asset Number | Date of Purchase          | Original Cost | Additional Cost - 2013 | Date of Addition | Total Cost | Date of Disposal | Closing Book Value |
| <b>Infrastructure</b><br>(currently not aware of any infrastructure owned by HCC) |              |                           |               |                        |                  |            |                  |                    |
| <b>Plant &amp; Equipment</b>  |              |                           |               |                        |                  |            |                  |                    |
| <b>Mayors Office (P&amp;E)</b>  |              |                           |               |                        |                  |            |                  |                    |
| Domestic furnitures   |              | 28.4.11                   | 14,769        |                        |                  | 14,769     |                  | 14,769             |
| Laptop and Printer  |              | 19.9.12                   | 17,569        | -                      |                  | 17,569     |                  | 17,569             |
|   |              |                           |               |                        |                  |            |                  |                    |
| <b>Total Mayors Office</b>  |              |                           | 32,338        | -                      |                  | 32,338     |                  | 32,338             |
| <b>Administration (P&amp;E)</b>   |              |                           |               |                        |                  |            |                  |                    |
| Business Photocopier  |              | 2008                      | 77,845        |                        |                  | 77,845     |                  | 77,845             |
| Office Chair (legal)  |              | Sep-08                    | 1,580         |                        |                  | 1,580      |                  | 1,580              |
| UPS (legal)   |              | Oct-08                    | 1,000         |                        |                  | 1,000      |                  | 1,000              |
| Switchboard   |              | Nov-08                    | 10,529        |                        |                  | 10,529     |                  | 10,529             |
| Air conditioner Clerk   |              | Nov-08                    | 8,175         |                        |                  | 8,175      |                  | 8,175              |
| Generator   |              | Nov-08                    | 177,810       |                        |                  | 177,810    |                  | 177,810            |
| Generator - additional  |              | Feb-09                    | 163,789       | -                      |                  | 163,789    |                  | 163,789            |
| Server  |              | Dec-09                    | 135,709       |                        |                  | 135,709    |                  | 135,709            |
| Server - additional   |              | Mar to June 2010, Jan and | 109,168       |                        |                  | 109,168    |                  | 109,168            |
| Airconditioner  |              | Mar-09                    | 6,588         |                        |                  | 6,588      |                  | 6,588              |
| Airconditioner  |              | Mar-09                    | 6,588         |                        |                  | 6,588      |                  | 6,588              |
| Airconditioner  |              | Oct-09                    | 7,700         |                        |                  | 7,700      |                  | 7,700              |
| Glass door notice board   |              | Mar-10                    | 6,481         |                        |                  | 6,481      |                  | 6,481              |
| Airconditioner  |              | Mar-10                    | 7,182         |                        |                  | 7,182      |                  | 7,182              |
| Airconditioner  |              | Mar-10                    | 7,182         |                        |                  | 7,182      |                  | 7,182              |
| Chambers Conference room table  |              | Jun-10                    | 26,725        |                        |                  | 26,725     |                  | 26,725             |
| Chambers Conference room chairs (20)  |              | Jun-10                    | 22,480        |                        |                  | 22,480     |                  | 22,480             |
| Chambers Conference room Corner Shelf   |              | Jun-10                    | 17,584        |                        |                  | 17,584     |                  | 17,584             |
| Conference room furniture   |              | Feb & Mar 2011            | 21,858        |                        |                  | 21,858     |                  | 21,858             |
| Staff Conference Room Table   |              | Jun-10                    | 5,256         |                        |                  | 5,256      |                  | 5,256              |
| Kyocera Photocopier 221 MFP   |              | Dec-10                    | 33,210        |                        |                  | 33,210     |                  | 33,210             |
| NDC Computer  |              | Feb-10                    | 13,857        |                        |                  | 13,857     |                  | 13,857             |
| City Clerk PC   |              | Jul-10                    | 8,188         |                        |                  | 8,188      |                  | 8,188              |
| Anti-Virus Gateway Server   |              | Jul-10                    | 34,895        |                        |                  | 34,895     |                  | 34,895             |
| Furniture to City Clerk & HR office   |              | Jun-11                    | 6,134         |                        |                  | 6,134      |                  | 6,134              |
| Office desk for Legal officer   |              | May 11                    | 6,450         |                        |                  | 6,450      |                  | 6,450              |
| PC for legal advisor  |              | Jan-11                    | 13,550        |                        |                  | 13,550     |                  | 13,550             |

| Asset Classification                  | Asset Number | Date of Purchase          | Original Cost | Additional Cost - 2013 | Date of Addition | Total Cost | Date of Disposal | Disposal Value | Closing Book Value |
|---------------------------------------|--------------|---------------------------|---------------|------------------------|------------------|------------|------------------|----------------|--------------------|
| PC for HR                             |              | Jan-11                    | 16,117        |                        |                  | 16,117     |                  |                | 16,117             |
| Donated computer freight              |              | Jun-11                    | 31,706        |                        |                  | 31,706     |                  |                | 31,706             |
| Furniture ( Cabinets and chairs)      |              | 26.1.12                   | 32,898        |                        |                  | 32,898     |                  |                | 32,898             |
| IT hardware                           |              | April, May & June 12      | 22,152        |                        |                  | 22,152     |                  |                | 22,152             |
| IT hardware                           |              | Feb, April May & Jul 2011 | 40,375        |                        |                  | 40,375     |                  |                | 40,375             |
| IT hardware                           |              |                           |               | 299,723                | 2013             | 299,723    |                  |                | 299,723            |
| <b>Total Administration</b>           |              |                           | 1,080,760     | 299,723                |                  | 1,380,483  |                  | -              | 1,380,483          |
| <b>Finance (P&amp;E)</b>              |              |                           |               |                        |                  |            |                  |                |                    |
| Laptop                                |              | Feb-08                    | 23,972        |                        |                  | 23,972     |                  |                | 23,972             |
| MYOB Software                         |              | 2008                      | 10,119        |                        |                  | 10,119     |                  |                | 10,119             |
| Office Furniture (advisor)            |              | Feb-08                    | 6,855         |                        |                  | 6,855      |                  |                | 6,855              |
| Projector                             |              | Mar-09                    | 1,440         |                        |                  | 1,440      |                  |                | 1,440              |
| Finance Adviser Computer              |              | Mar-10                    | 19,069        |                        |                  | 19,069     |                  |                | 19,069             |
| Property Rates RAM                    |              | 31/03/2010                | 9,049         |                        |                  | 9,049      |                  |                | 9,049              |
| Revenue Accountant Computer           |              | May-10                    | 16,582        |                        |                  | 16,582     |                  |                | 16,582             |
| Procurement Officer Computer          |              | Jun-10                    | 11,863        |                        |                  | 11,863     |                  |                | 11,863             |
| Basic Rate Computer                   |              | Jun-10                    | 11,863        |                        |                  | 11,863     |                  |                | 11,863             |
| Deputy City Clerk PC                  |              | Jul-10                    | 6,663         |                        |                  | 6,663      |                  |                | 6,663              |
| Kyocera FS-1016 photocopier           |              | Oct-10                    | 7,500         |                        |                  | 7,500      |                  |                | 7,500              |
| Notebook laptop & IT Equipment        |              | Nov-11                    | 11,152        |                        |                  | 11,152     |                  |                | 11,152             |
| Printer                               |              | Feb-11                    | 14,000        |                        |                  | 14,000     |                  |                | 14,000             |
| Server room Cabinet                   |              | Mar-11                    | 14,852        |                        |                  | 14,852     |                  |                | 14,852             |
| 35 UPS for fraser coast donated PC    |              | Jun-11                    | 49,000        |                        |                  | 49,000     |                  |                | 49,000             |
| Safe box                              |              | March 2011                | 5,400         |                        |                  | 5,400      |                  |                | 5,400              |
| <b>Total Finance</b>                  |              |                           | 219,379       | -                      |                  | 219,379    |                  | -              | 219,379            |
| <b>Central Market (P&amp;E)</b>       |              |                           |               |                        |                  |            |                  |                |                    |
| PA System                             |              | Dec-09                    | 24,010        |                        |                  | 24,010     |                  |                | 24,010             |
| Glass door notice board               |              | Mar-10                    | 6,481         |                        |                  | 6,481      |                  |                | 6,481              |
| <b>Total Central Market</b>           |              |                           | 30,491        | -                      |                  | 30,491     |                  | -              | 30,491             |
| <b>Kukum Market (P&amp;E)</b>         |              |                           |               |                        |                  |            |                  |                |                    |
| <b>Total Kukum Market</b>             |              |                           | -             | -                      |                  | -          |                  | -              | -                  |
| <b>Lands &amp; Planning (P&amp;E)</b> |              |                           |               |                        |                  |            |                  |                |                    |
| Computer                              |              | Mar-10                    | 13,250        |                        |                  | 13,250     |                  |                | 13,250             |

| Asset Classification                              | Asset Number | Date of Purchase            | Original Cost | Additional Cost - 2013 | Date of Addition | Total Cost | Date of Disposal | Disposal Value | Closing Book Value |
|---|--------------|-----------------------------|---------------|------------------------|------------------|------------|------------------|----------------|--------------------|
| Computer  |              | Sep-10                      | 19,106        |                        |                  | 19,106     |                  |                | 19,106             |
| Photocopier                                       |              | Oct-11                      | 45,000        | -                      |                  | 45,000     |                  |                | 45,000             |
| <b>Total Lands &amp; Planning Works (P&amp;E)</b> |              |                             | 77,356        | -                      |                  | 77,356     |                  | -              | 77,356             |
| Tools   |              | 2008                        | 9,450         |                        |                  | 9,450      |                  |                | 9,450              |
| Tools - Additional                                |              | 2009                        | 81,776        |                        |                  | 81,776     |                  |                | 81,776             |
| Laptop (Director of Works)                        |              | 2008                        | 12,828        |                        |                  | 12,828     |                  |                | 12,828             |
| Office Furniture (advisor)                        |              | Jul-08                      | 7,410         |                        |                  | 7,410      |                  |                | 7,410              |
| Chainsaw  |              | Aug-09                      | 8,115         |                        |                  | 8,115      |                  |                | 8,115              |
| Water Blaster                                     |              | Dec-09                      | 6,317         |                        |                  | 6,317      |                  |                | 6,317              |
| Plate Compactor                                   |              | Dec-09                      | 17,000        |                        |                  | 17,000     |                  |                | 17,000             |
| Skip Bins (20)                                    |              | Jun-09                      | 133,858       |                        |                  | 133,858    |                  |                | 133,858            |
| Skip Bins   |              | 13/12/2010, Jan to Oct 2011 | 98,000        | 136,641                | 2013             | 234,641    |                  |                | 234,641            |
| Welding Machine                                   |              | 18.7.12                     | 15,187        |                        |                  | 15,187     |                  |                | 15,187             |
| <b>Total Works (P&amp;E)</b>                      |              |                             | 389,941       | 136,641                |                  | 526,582    |                  | -              | 526,582            |
| <b>Law Enforcement (P&amp;E)</b>                  |              |                             |               |                        |                  |            |                  |                |                    |
|   |              |                             |               |                        |                  | -          |                  |                | -                  |
|   |              |                             |               |                        |                  | -          |                  |                | -                  |
|   |              |                             |               |                        |                  | -          |                  |                | -                  |
| <b>Total Law Enforcement</b>                      |              |                             | -             | -                      |                  | -          |                  | -              | -                  |
| <b>Youth, Sports &amp; Women (P&amp;E)</b>        |              |                             |               |                        |                  |            |                  |                |                    |
| Laptop (HOD)                                      |              | Apr-10                      | 15,925        |                        |                  | 15,925     |                  |                | 15,925             |
| Laptop Acer                                       |              | Dec-10                      | 6,868         |                        |                  | 6,868      |                  |                | 6,868              |
| Office Desk 3 drawer                              |              | Dec-10                      | 6,093         |                        |                  | 6,093      |                  |                | 6,093              |
| Photocopier                                       |              | Jan-11                      | 17,910        |                        |                  | 17,910     |                  |                | 17,910             |
| <b>Total Youth, Sports &amp; Women</b>            |              |                             | 46,796        | -                      |                  | 46,796     |                  | -              | 46,796             |
| <b>Education (P&amp;E)</b>                        |              |                             |               |                        |                  |            |                  |                |                    |
| Laptop  |              | Mar-10                      | 19,500        |                        |                  | 19,500     |                  |                | 19,500             |
| Vehicle   |              | Nov-11                      | 93,516        |                        |                  | 93,516     |                  |                | 93,516             |
| Gym Equipment                                     |              |                             |               | 7,878                  | 2013             | 7,878      |                  |                | 7,878              |
| <b>Total Education</b>                            |              |                             | 113,016       | 7,878                  |                  | 120,894    |                  | -              | 120,894            |
| <b>Health (P&amp;E)</b>                           |              |                             |               |                        |                  |            |                  |                |                    |
| Computer  |              | Mar-10                      | 17,821        |                        |                  | 17,821     |                  |                | 17,821             |
| Computer  |              | Oct-10                      | 19,043        |                        |                  | 19,043     |                  |                | 19,043             |
| Kukum clinic pressure pump                        |              |                             |               | 11,113                 | 2013             | 11,113     |                  |                | 11,113             |
| <b>Total Health</b>                               |              |                             | 36,864        | 11,113                 |                  | 47,977     |                  | -              | 47,977             |



| Asset Classification                      | Asset Number | Date of Purchase | Original Cost | Additional Cost - 2013 | Date of Addition | Total Cost        | Date of Disposal | Disposal Value | Closing Book Value |
|---|--------------|------------------|---------------|------------------------|------------------|-------------------|------------------|----------------|--------------------|
| <b>Rapid Employment Program (P&amp;E)</b> |              |                  |               |                        |                  |                   |                  |                |                    |
| Computer (1)                              |              | Dec-10           | 25,718        |                        |                  | 25,718            |                  |                | 25,718             |
| Computer (2)                              |              | Dec-10           | 25,718        |                        |                  | 25,718            |                  |                | 25,718             |
| Computer (3)                              |              | Dec-10           | 25,718        |                        |                  | 25,718            |                  |                | 25,718             |
| Airconditioner (1)                        |              | Dec-10           | 18,149        |                        |                  | 18,149            |                  |                | 18,149             |
| Airconditioner (2)                        |              | Dec-10           | 18,149        |                        |                  | 18,149            |                  |                | 18,149             |
| Transport Equipment                       |              | 2011             | 603,008       |                        |                  | 603,008           |                  |                | 603,008            |
| Office Equipment & Furniture              |              | 2011             | 192,479       |                        |                  | 192,479           |                  |                | 192,479            |
| Concrete Mixer                            |              | Sept 2012        | 15,969        |                        |                  | 15,969            |                  |                | 15,969             |
| Transport Equipment                       |              | 2012             | 220,000       |                        |                  | 220,000           |                  |                | 220,000            |
| Office Equipment & Furniture              |              | 2012             | 23,496        |                        |                  | 23,496            |                  |                | 23,496             |
| Office Equipment & Furniture              |              |                  |               | 118,177                | 2013             | 118,177           |                  |                | 118,177            |
| <b>Total Rapid Employment Program</b>     |              |                  | 1,168,403     | 118,177                |                  | 1,286,580         |                  |                | 1,286,580          |
|   |              |                  |               |                        |                  |                   |                  |                |                    |
| <b>Total Plant &amp; Equipment</b>        |              |                  | 3,195,344     | 573,532                |                  | 3,768,876         |                  |                | 3,768,876          |
|   |              |                  |               |                        |                  |                   |                  |                |                    |
|   |              |                  |               |                        |                  |                   |                  |                |                    |
| <b>Vehicles</b>                           |              |                  |               |                        |                  |                   |                  |                |                    |
|   |              | <b>Purchase</b>  | <b>Cost</b>   | <b>Cost</b>            | <b>Addition</b>  | <b>Total Cost</b> | <b>Disposal</b>  | <b>Value</b>   | <b>Value</b>       |
| <b>Works (Veh)</b>                        |              |                  |               |                        |                  |                   |                  |                |                    |
| Toyota Rav 4 X-1140                       |              | Jul-07           |               |                        |                  |                   |                  |                |                    |
| Toyota Rav 4 X-1177                       |              | 2008             | 64,678        |                        |                  | 64,678            |                  |                | 64,678             |
| Toyota Rav 4 X-1174                       |              | Oct-08           | 75,000        |                        |                  | 75,000            |                  |                | 75,000             |
| Toyota Rav4 X-1214                        |              | Feb-09           | 80,667        |                        |                  | 80,667            |                  |                | 80,667             |
| Toyota Rav4 X-1213                        |              | Mar-09           | 80,667        |                        |                  | 80,667            |                  |                | 80,667             |
| Cougar Skid Steer Loader                  |              | Mar-09           | 318,989       |                        |                  | 318,989           |                  |                | 318,989            |
| Suzu Tipper Truck X-1250                  |              | Mar-09           | 318,912       |                        |                  | 318,912           |                  |                | 318,912            |
| Hino RD Ranger Skip Truck X-1277          |              | Mar-09           | 696,092       |                        |                  | 696,092           |                  |                | 696,092            |
| Compactor Truck X-1254                    |              | Mar-09           | 197,584       |                        |                  | 197,584           |                  |                | 197,584            |
| Compactor Truck X-1255                    |              | Mar-09           | 197,584       |                        |                  | 197,584           |                  |                | 197,584            |
| Caterpillar 910G 4WD Loader X-1249        |              | Mar-09           | 591,803       |                        |                  | 591,803           |                  |                | 591,803            |
| Toyota Rav 4                              |              | Jun-09           | 59,850        |                        |                  | 59,850            |                  |                | 59,850             |
| Hyundai 4x4 Car AB6373                    |              | Jul-09           | 178,500       |                        |                  | 178,500           |                  |                | 178,500            |
| Dong Feng Mini Truck X-1266               |              | Aug-09           | 63,750        |                        |                  | 63,750            |                  |                | 63,750             |
| Dong Feng Mini Truck X-1267               |              | Aug-09           | 63,750        |                        |                  | 63,750            |                  |                | 63,750             |
| Dong Feng 3-tonneTruck X-?                |              | Dec-09           | 105,042       |                        |                  | 105,042           |                  |                | 105,042            |
| Dong Feng 3-tonneTruck X-?                |              | Dec-09           | 105,042       |                        |                  | 105,042           |                  |                | 105,042            |
| Toyota Rav 4 X-1057                       |              | Nov-10           | 50,600        |                        |                  | 50,600            |                  |                | 50,600             |
| Dong Feng 2.5-tonne Truck (Malania)       |              | Apr-10           | 112,000       |                        |                  | 112,000           |                  |                | 112,000            |
| Suzu Dual Cab 4WD X-1059                  |              | Nov-10           | 87,400        |                        |                  | 87,400            |                  |                | 87,400             |

| Asset Classification                     | Asset Number | Date of Purchase                     | Original Cost | Additional Cost - 2013 | Date of Addition | Total Cost | Date of Disposal | Disposal Value | Closing Book Value |
|--|--------------|--------------------------------------|---------------|------------------------|------------------|------------|------------------|----------------|--------------------|
| Vehicle-Honda X178                       |              | Nov-10                               | 72,412        |                        |                  | 72,412     |                  |                | 72,412             |
| Compactor Truck                          |              | Feb to Oct 2011                      | 102,311       |                        |                  | 102,311    |                  |                | 102,311            |
| Vehicle                                  |              | Nov-11                               | 100,000       |                        |                  | 100,000    |                  |                | 100,000            |
| Compactor truck                          |              | 17.8.12                              | 280,000       |                        |                  | 280,000    |                  |                | 280,000            |
| Vehicle-Law Enforcement                  |              | 2012                                 | 104,881       |                        |                  | 104,881    |                  |                | 104,881            |
| Health Vehicle                           |              | May 2012                             | 75,030        |                        |                  | 75,030     |                  |                | 75,030             |
| Central market vehicle                   |              |                                      |               | 76,822                 | 2013             | 76,822     |                  |                | 76,822             |
| Total Works (Veh)                        |              |                                      | 4,182,544     | 76,822                 |                  | 4,259,366  |                  | -              | 4,259,366          |
| Total Infrastructure, Plant & Equipment  |              |                                      | 7,377,888     | 650,354                |                  | 8,028,242  |                  | -              | 8,028,242          |
| Land & Buildings                         |              | Date of Purchase                     | Original Cost | Additional Cost        | Date of Addition | Total Cost | Date of Disposal | Disposal Value | Closing Book Value |
| Mayors Office (L&B)                      |              |                                      |               |                        |                  |            |                  |                |                    |
|  |              |                                      |               |                        |                  |            |                  |                |                    |
|  |              |                                      |               |                        |                  |            |                  |                |                    |
| Total Mayors Office Administration (L&B) |              |                                      | -             | -                      |                  | -          |                  | -              | -                  |
| Generator Fence                          |              | Feb-09                               | 23,070        |                        |                  | 23,070     |                  |                | 23,070             |
| Green Valley Fencing                     |              | Jun-10                               | 33,003        |                        |                  | 33,003     |                  |                | 33,003             |
|  |              |                                      |               |                        |                  |            |                  |                |                    |
| Total Administration Finance (L&B)       |              |                                      | 56,073        | -                      |                  | 56,073     |                  | -              | 56,073             |
|  |              |                                      |               |                        |                  |            |                  |                |                    |
|  |              |                                      |               |                        |                  |            |                  |                |                    |
| Total Finance                            |              |                                      | -             | -                      |                  | -          |                  | -              | -                  |
| Central Market (L&B)                     |              |                                      |               |                        |                  |            |                  |                |                    |
| Market Fence                             |              | Sep-08                               | 359,284       |                        |                  | 359,284    |                  |                | 359,284            |
| Market Fence - additional                |              | Jul-09                               | 164,963       |                        |                  | 164,963    |                  |                | 164,963            |
| Market Extension                         |              | Mar-11                               | 19,473        |                        |                  | 19,473     |                  |                | 19,473             |
|  |              |                                      |               |                        |                  |            |                  |                |                    |
| Total Central Market Kukum Market (L&B)  |              |                                      | 543,720       | -                      |                  | 543,720    |                  | -              | 543,720            |
| Kukum Market Building                    |              | 31/12/2010, March, April & June 2011 | 279,782       |                        |                  | 279,782    |                  |                | 279,782            |
| Kukum Market Access Road                 |              | May & Sept 2011                      | 19,102        |                        |                  | 19,102     |                  |                | 19,102             |
| Kukum Market Fence                       |              | Sept & Oct 2011                      | 29,910        |                        |                  | 29,910     |                  |                | 29,910             |



| Asset Classification                                       | Asset Number | Date of Purchase    | Original Cost | Additional Cost - 2013 | Date of Addition | Total Cost | Date of Disposal | Disposal Value | Closing Book Value |
|--|--------------|---------------------|---------------|------------------------|------------------|------------|------------------|----------------|--------------------|
| Kukum Labour line toilet                                   |              |                     | -             | 89,209                 | 2013             | 89,209     |                  |                | 89,209             |
| Kukum Market Building                                      |              |                     |               | 33,054                 | 2013             | 33,054     |                  |                | 33,054             |
| <b>Total Kukum Market</b>                                  |              |                     | 328,794       | 122,263                |                  | 451,057    |                  | -              | 451,057            |
| <b>Lands &amp; Planning (L&amp;B)</b>                      |              |                     |               |                        |                  |            |                  |                |                    |
|  |              |                     |               |                        |                  |            |                  |                |                    |
|  |              |                     |               |                        |                  |            |                  |                |                    |
|  |              |                     |               |                        |                  |            |                  |                |                    |
| <b>Total Lands &amp; Planning Works (L&amp;B)</b>          |              |                     | -             | -                      |                  | -          |                  | -              | -                  |
| <b>Works (L&amp;B)</b>                                     |              |                     |               |                        |                  |            |                  |                |                    |
| Cemetery Upgrade   |              | Jul-10              | 432,300       |                        |                  | 432,300    |                  |                | 432,300            |
| Portable Workshop  |              | 21/12/2010, July 11 | 294,774       |                        |                  | 294,774    |                  |                | 294,774            |
| Bridges  |              | May-11              | 36,574        |                        |                  | 36,574     |                  |                | 36,574             |
| Car wash Depo  |              | Mar-11              | 16,975        |                        |                  | 16,975     |                  |                | 16,975             |
| Asbestos   |              | April & May 11      | 38,217        | 99,261                 | 2013             | 137,478    |                  |                | 137,478            |
| Bridges  |              | 2012                | 24,600        |                        |                  | 24,600     |                  |                | 24,600             |
| Staff houses   |              | 16.8.12             | 27,300        |                        |                  | 27,300     |                  |                | 27,300             |
| Termite spraying   |              | Jan-Oct 2012        | 166,900       | 55,300                 | 2013             | 222,200    |                  |                | 222,200            |
| Fulisango road   |              | 21.9.12             | 12,668        |                        |                  | 12,668     |                  |                | 12,668             |
| Kukum & Naha filed rehabilitation                          |              |                     |               | 114,932                | 2013             | 114,932    |                  |                | 114,932            |
| Renovation of Public Library                               |              |                     |               | 215,640                | 2013             | 215,640    |                  |                | 215,640            |
| Muli - purpose hall fencing                                |              |                     |               | 121,938                | 2013             | 121,938    |                  |                | 121,938            |
| <b>Total Works (L&amp;B)</b>                               |              |                     | 1,050,307     | 607,071                |                  | 1,657,378  |                  | -              | 1,657,378          |
| <b>Law Enforcement (L&amp;B)</b>                           |              |                     |               |                        |                  |            |                  |                |                    |
| Law office Renovation                                      |              | Jul-05              | 106,685       |                        |                  | 106,685    |                  |                | 106,685            |
| Law building   |              |                     |               | 88,274                 | 2013             | 88,274     |                  |                | 88,274             |
| <b>Total Law Enforcement</b>                               |              |                     | 106,685       | 88,274                 |                  | 194,959    |                  | -              | 194,959            |
| <b>Youth, Sports &amp; Women (L&amp;B)</b>                 |              |                     |               |                        |                  |            |                  |                |                    |
|  |              |                     |               |                        |                  |            |                  |                |                    |
|  |              |                     |               |                        |                  |            |                  |                |                    |
|  |              |                     |               |                        |                  |            |                  |                |                    |
| <b>Total Youth, Sports &amp; Women Education (L&amp;B)</b> |              |                     | -             | -                      |                  | -          |                  | -              | -                  |
|  |              |                     |               |                        |                  |            |                  |                |                    |
|  |              |                     |               |                        |                  |            |                  |                |                    |
| <b>Total Education Health (L&amp;B)</b>                    |              |                     | -             | -                      |                  | -          |                  | -              | -                  |
| Pikini Clinic  |              | 2009                | 242,868       |                        |                  | 242,868    |                  |                | 242,868            |
| Pikini Clinic - additional                                 |              | Sep-10              | 1,100,798     |                        |                  | 1,100,798  |                  |                | 1,100,798          |
| White River Clinic Extension                               |              | Dec-10              | 245,065       |                        |                  | 245,065    |                  |                | 245,065            |
| Public Toilet  |              | May-11              | 942,810       |                        |                  | 942,810    |                  |                | 942,810            |
| Dental Clinic  |              |                     |               | 2,068,890              | 2013             | 2,068,890  |                  |                | 2,068,890          |
| <b>Total Health</b>  |              |                     | 2,531,541     | 2,068,890              |                  | 4,600,431  |                  | -              | 4,600,431          |



| Asset Classification           | Asset Number | Date of Purchase | Original Cost | Additional Cost - 2013 | Date of Addition | Total Cost | Date of Disposal | Disposal Value | Closing Book Value |
|--------------------------------|--------------|------------------|---------------|------------------------|------------------|------------|------------------|----------------|--------------------|
| Rapid Employment Program (L&B) |              |                  |               |                        |                  | -          |                  |                | -                  |
|                                |              |                  |               |                        |                  | -          |                  |                | -                  |
| Total Rapid Employment Program |              |                  |               |                        |                  | -          |                  |                | -                  |
|                                |              |                  |               |                        |                  |            |                  |                |                    |
|                                |              |                  | 4,617,121     | 2,886,498              |                  | 7,503,619  |                  |                | 7,503,619          |
| Total Land & Buildings         |              |                  |               |                        |                  |            |                  |                |                    |
|                                |              |                  |               |                        |                  |            |                  |                |                    |
|                                |              |                  |               |                        |                  |            |                  |                |                    |
| Total Fixed Assets             |              |                  | 11,995,008    | 3,536,852              |                  | 15,531,860 |                  |                | 15,531,860         |
|                                |              |                  |               |                        |                  |            |                  |                |                    |

NB: This includes all assets over \$5,000 purchased from 2008 to 2012. Other assets purchased previous to 2008 have not yet been entered into the fixed asset schedule