

SIGATOKA TOWN COUNCIL

Annual Report for the Year 2016

Sigatoka Eco Bike Adventure



SIGATOKA TOWN COUNCIL



We envision Sigatoka Town as place where the Town Government generates relatively high quality of life for residents. Through sound and progressive policies for services and amenities. Where freedom and tolerance breed peace and harmony permitting industry and commerce to prosper for the benefit of all.



Our mission is to promote the health, welfare and convenience of the inhabitants of the Sigatoka Town Council area and to preserve its amenities and credit.



Our Objectives

To fulfill out statutory responsibilities in the area of health, Town planning, traffic and entertainment of Sigatoka residents.

To provide adequate peace for the future expansion and the developments needs of the town.

To maintain and add to the existing facilities and services that meets the community needs and where possible exceeds present service.

To reduce congestion and overcrowded in town.

To provide adequate financial resources to meet the towns expenditure and ensure secure custody a proper accounting and reporting on the use of town's resources and assets.

To manage human resources employed in the delivery of municipal goods and services to the Sigatoka Community.



small town, BIG 

TAUNI HEWA, YALO VINA
CHOTA SHAHAR, BADA DIL





SIGATOKA TOWN COUNCIL

Annual Report AND Financial Statements 2016

SIGATOKA TOWN COUNCIL

ANNUAL REPORT FOR THE YEAR ENDED 2016

1.0 SIGATOKA TOWN COUNCIL

- 1.1 Mr. Tulsi Ram was appointed as the Special Administrator/Chief Executive Officer for the Council with effect from December, 2014 to date.

1.2 Principal Officers 2016

Special Administrator/Chief Executive Officer	-	Tulsi Ram
Health Inspector/Building Surveyor	-	Anand Sami Pillay
Manager Finance	-	Mohini Nair

1.3 Solicitors for the Council

Messrs West Law, Sigatoka

1.4 Auditors for the Council

Auditor General of Fiji by virtue of Section 50 of the Local Government Act, Cap 125 has been the Auditor for the Council.

1.5 Meeting of the Council

Details Of Meeting of the Year 2016

Particulars of Meetings	2016
Ordinary Council	13
Special Council	2
Finance, Library, IT Committee	12
Market Committee	12
Traffic Committee	12
Prosecution	3
Works, Parks & Gardens	11
Health, Building & 3R Project	12
Staff and Tender Committee	24
Beautification & Coral Coast Committee	1
Special Budget	1
Meeting with Mr. Hamen Lodhia	1

2.0 RATES AND FINANCE - 2016

2.1 Town Rates Collection

Comparison

Arrears

Arrears from 2006	-	65320
Amount collected as at 31 December	-	22316
Balance of Arrears to be Collected	-	43004
Waiver of Interest @ Amnesty period		
% Collected as at 31 st December	-	34%

Current

Current Rates due on 1 January	-	351460
Amount collected as at 31 December	-	318969
Balance of Current Rates to be collected-		32491
Discount Allowed @ Amnesty period		
% Collected	-	91%

2.2 Town Rates According to Zoning

1.	INDG	-	15
2.	SPEC	-	1
3.	RESB	-	104
4.	CDEV	-	5
5.	COMB	-	90
6.	CIVIC	-	20
7.	COMC	-	13

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2.3 Summary of Arrears of Previous Years

<u>Year</u>	<u>Arrears</u>
2006	362145
2007	386919
2008	374243
2009	375316
2010	320584
2011	53663
2012	66242
2013	45015
2014	46910
2015	65320
2016	76611

Rates not collected falls under un alienated Land and General. Council has been charging rates and is consistently negotiating with the Native Land Trust Board to have the same settled. From 2008 these un alienated land is not attracting rates as the Local Government Act Cap 125 has been amended to exclude un alienated properties from being charged rates.

All rates under arrears have either made arrangement for payments or are been taken to Court.

2.4 Recurrent Revenue and Expenditure

The total recurrent revenue and expenditure of the Council for the year ending December, 2015 were as follows:

Year	Fund	Revenue	Expenditure	Deficit	Surplus
2016	General	1058929	1405240	346311	
	Loan Rate	194426	87823	101634	106603

2.5 Current Loan

The Councils two (2) Loan Liabilities as at December 31st, 2016 amounted to:

BSP Life

1132461

Credit Corporation

7620

2.6 Works On Contract

	Services	Contractors	2016
1.	Garbage Contract Services	Sudesh Transport	Sudesh Transport
2.	Streetlights	Sigatoka Electric Ltd	Fiji Roads Authority
3.	Grass Cutting, Drain Cleaning	Sudesh Transport	Sudesh Transport
4.	Market Washing	Sudesh Transport	Sudesh Transport

4.0 MARKET

	Vendor Type	No. Of Vendors in Operation
1.	Vegetable Inside	1855
2.	Vegetable Outside	1450
3.	Grocery	1005
4.	Handicraft	280
5.	Sweet Cart	115
6.	Juice & Food Parcel	155
7.	Corn	25
8.	Kai	55
9.	Seaweed	19
10	Fish	7
Total Market Vendors 2016		4966

4.1	Number of vacant Stalls	-	21
4.2	New Registered Vendor	-	Nil
4.3	<u>Revenue</u>		
	Market - Stall Fees	-	18864.83
	Public Convenience	-	7938.67
	Vendors Accommodation	-	506.28

5. TRAFFIC AND ENFORCEMENT SECTION

5.1 REVENUE FOR THE YEAR 2016

PARKING METER FINES	OTHER OFFENCE FINES	PARKING METER TOLLS	PARKING PERMIT
\$5,570.00	\$11,845.00	\$36,737.20	\$1,191.00

5.2 Number of Parking Meter

We have a total of 120 Parking Meters installed around in town as follows:-

Location of parking meters	Total number in each street
SOLEVU	49

OPPOSITE JACKS RIVER SIDE	8
BOB LANE	2
MAIN STREET	7
MARKET ROAD	12
MISSION ROAD	25
VALLEY ROAD	17
TOTAL	120

3.3 STAFF

There were two (2) new Officers recruited and a total of 8 Officers employed in the Traffic Section in the during the year.

4.0 HEALTH/ BUILDING ,3R AND LITTER PREVENTION

4.1 BUILDING STATISTICS

YEAR	TOTAL NO. OF BUILDING APPLICATION S RECEIVED	TOTAL NO. OF SUBDIVISION APPLICATION RECEIVED	TOTAL NO. OF REZONING APPLICATION RECEIVED	TOTAL APPROVED	REJECT	VALUE (\$)
2016	16	Nil	1	17	Nil	10,755,350

4.2 NUMBER OF INSPECTION CERTIFICATE ISSUED

Total Certificate of Inspection: - 2

5.0 TOWN PLANNING MANAGEMENT

5.1 Total No. Rezoning Application - 2

6.0 HEALTH REPORT

6.1 Total Number of Insanitary Condition Notice Served: - 48

6.2 Total Number Statutory Notice Served: - 2

6.3 Total No. of Condemnation Certificate Issued: - 35

- 6.4 Total No. of Health License Issued: - 67
- 6.5 Total No. of Litter Decree Notice Served - 5[2016]

7.0 MOSQUITOE SPRAYING

The mosquito spraying was carried out in 2016 with in the Town Boundary of Sigatoka Town Council as when required by the Ratepayers.

8. CONTRACTUAL WORKS

The Health /Building Department looking after the contractual works including grass- cutting, draining cleaning, street sweeping, paper collection and garbage collection services in town.

9. CLEAN UP – CAMPAIGN

The quarterly clean up – Campaign were organized by the Council for the ratepayers and business houses. Ratepayers and business houses were took advantage of the campaign.

10. MOSQUITO SPRAYING

Mosquito spraying were organized on quarterly basis with in the town boundary. The larval sampling was conducted at Lawaqa ward as well.

11.0 LANDFILL

11.1 Up-keeping

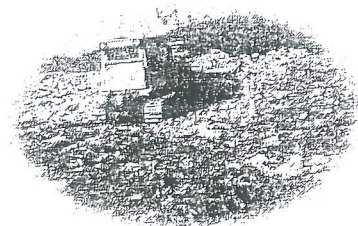
The wastes at the land- fill were bulldozed in –order to create ample space for the kitchen and general wastes. The D6 bulldozer was hired to up-keep the land –fill including when the land –fill was under fire.

11.2 Corrugated Fence

The corrugated fence was constructed in-front of the land – fill. The granted was given the Ministry of Local Government.

11.3 Fly Spraying

The fly spraying were conducted at the land fill on quarterly basis. The frontage of the land fill was beautified by the Council gardeners.



12. DRAINAGE SYSTEM

The drainage system at the town end towards Lautoka was clean and cleared by the Higgins after lodging of the complaints. It was over – due for more than a 1 decade. During rainy seasons Queens's road used to be flooded easily and vehicles were unable to cross.

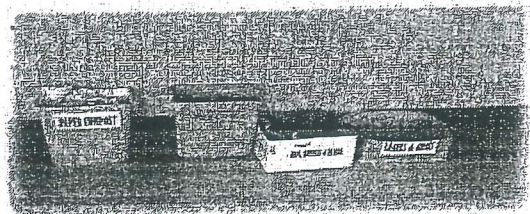
13. SIGATOKA MUNICIPAL MARKET

The insecticides were conducted in the Sigatoka Municipal Market to get rid of cockroaches and vermin. Also the manholes and chamber were sprayed.

14. 3R AND HOME –COMPOSTING

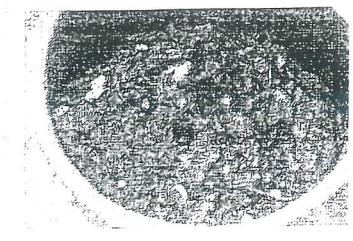
A: 3R Program

- Clean School Program was not being carried out in year 2015 due to limited manpower but instead 3R JICA volunteer in Health department come up with an idea of all schools in the Nadroga/ Navosa district to participate in 3R Art Exposition.
- This is where students showcase their talent and ideas and reuse what we call wastes to create art work.
- So far only 9 schools participating last year.
- Awards ceremony for Clean School Program 2016 was been postponed to early 2017.
- Market Vendors has taken the leading role to promote 3r and Composting at the Sigatoka Municipal Market.



B. Home Composting

- The home composting was introduced in Sigatoka Town in year 2011, through the technical assistance from the JICA
- 3R Officers are engaged full –time to monitor and promote 3R to the ratepayers and business houses, market vendors and to the general public.
- Home compost bins are highly recommended by the general public, compost bins are purchased by people living within town boundary and people outside town boundary.



15. Public Bins

Total of 10 BSP bins were installed in Sigatoka Town, which was proudly sponsored by the Bank of South Pacific.

16. Public Convenience

The plumbing works were carried out at the public convenience in Market Square in order to maintain proper flow of water and avoid sewerage blockage including general painting.

17.0 Visiting Dignatories
Year 2016

<u>Name</u>	<u>Organization</u>	<u>Address</u>
1. Mr. Peni Gavidu	Local Government Committee	MLGHE, Suva
2. Mr. Kalivati Ratucicivi	Local Government Committee	MLGHE, Suva
3. Mr. Azmat Khan	Local Government Committee	MLGHE, Suva

18.0 EMPLOYEES

18.1 Establishment

An employment policy guideline was prepared and implemented by the Council during the year 2016. At the end of the year, the following employees were on the Council payroll:

<u>Department</u>	<u>Staff</u>	<u>Unestablished</u>	<u>Total</u>
Administration	4	1	5
Health & Building	4	21	25
Parking Meter & Traffic	7	-	7
Finance and IT	3	-	3
Prosecution	-	-	-
Market	3	-	3
TOTAL	21	22	43
	=====	=====	=====

Obituary

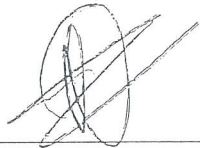
The late Mr. Abhay Kumar, Prosecuting Officer died unexpectedly on 11th March, 2016 at his Kulukulu home, Sigatoka. Abhay is survived by his parents, wife and two sons.

19.0 Appreciation

The Council records its appreciation for the co-operation, support and assistance it received from the ratepayers, residents, business houses, government departments.

I also wish to express my appreciation of the support and contribution by the Management and Staff in the successful management and welfare of the Council during the year 2016.

Furthermore the Council in particular acknowledges the support and co-operation of the Ministry of Local Government, Housing and Environment.

A handwritten signature in dark ink, consisting of a circular loop with several intersecting diagonal strokes, positioned above a horizontal line.

Tulsi Ram
CHIEF EXECUTIVE OFFICER

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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File: 970/1

14 September 2017

Mr. Tulsi Ram
Chief Executive Officer
Sigatoka Town Council
P O Box 118
SIGATOKA

Dear Sir

AUDITED FINANCIAL STATEMENTS
SIGATOKA TOWN COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2016

Audited financial statements for Sigatoka Town Council for the year ended 31 December 2016 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the Management for necessary actions.

Yours sincerely

Ajay Nand
AUDITOR GENERAL

Encl.

Cc: Director – Ministry of Local Government and Housing

**SIGATOKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**SIGATOKA TOWN COUNCIL
STATEMENT BY THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2016**

In accordance with a resolution of the council, we state that:

- (a) the accompanying statement of comprehensive income of the council is drawn up so as to give a true and fair view of the results of the council for the year ended 31 December 2016;
- (b) the accompanying statement of changes in equity is drawn up so as to give a true and fair view of the movement in the council's funds for the year ended 31 December 2016;
- (c) the accompanying statement of financial position of the council is drawn up so as to give a true and fair view of the state of affairs of the council as at 31 December 2016;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the state of the cash flows of the council for the year ended 31 December 2016;
- (e) at the date of this statement there are reasonable grounds to believe the council will be able to pay its debts as and when they fall due; and

For and on behalf of the council and in accordance with a resolution of the management.

Dated this 12 day of September 2017.



Chief Executive Officer

Mr. Tulsi Ram

12/9/17



Manager Finance

Ms. Mohini Nair

12/9/17

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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Sigatoka Town Council, which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 9 to 17.

Basis of Opinion

In my opinion, the accompanying financial statements present fairly the financial position of Sigatoka Town Council as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's).

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Sigatoka Town Council in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Management for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SME's and Local Government Act (Cap 125), and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Sigatoka Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management intend to cease operations, or have no realistic alternative but to do so.

The management is responsible for overseeing the Sigatoka Town Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sigatoka Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sigatoka Town Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Sigatoka Town Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

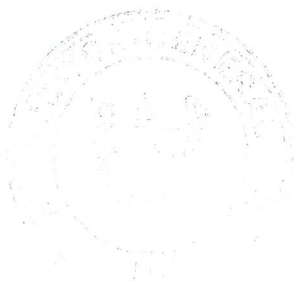
I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Local Government Act (Cap 125), in my opinion:

- a) proper books of account have been kept by Sigatoka Town Council, so far as it appears from my examination of those books;
- b) the financial statements are in agreement with the books of account; and
- c) to the best of my information and according to the explanations given to me, give the information required by the Local Government Act (Cap 125), in the manner so required.


Ajay Nand
AUDITOR GENERAL



Suva, Fiji
14 September, 2017

**SIGATOKA TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
Income		
Rates:		
General rates	121,883	121,860
General rates on state land	2,577	2,577
Local rates	28,616	28,729
Special loan rates	194,426	194,398
Interest on overdue rates	13,822	14,920
	<u>361,324</u>	<u>362,484</u>
Fees and charges		
Amortisation of capital grant	22,886	22,886
Business licence fees	116,462	115,454
Fees, charges and rent	323,534	295,759
Garbage fees	110,020	117,337
Interest	6,998	7,644
Market fees	205,498	237,595
Parking meter	57,484	47,114
Car park	46,814	43,394
Others	57,742	138,290
Total income	<u>1,308,762</u>	<u>1,387,957</u>
Expenses		
Administrative and operating costs	548,000	524,168
Auditor's remuneration	9,000	9,000
Doubtful debts	13,578	7,172
Depreciation	111,738	101,786
Employees salaries and benefits	535,531	498,935
Finance cost	90,607	95,243
Maintenance costs	78,740	150,708
Total expenses	<u>1,387,194</u>	<u>1,387,012</u>
Operating (deficit) / surplus for the year	(78,432)	945
Other comprehensive income	-	-
Total comprehensive (loss) / profit for the year	<u>(78,432)</u>	<u>945</u>

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 17.

**SIGATOKA TOWN COUNCIL
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016**

		2016 \$	2015 \$
General fund			
Balance at the beginning of the year		257,543	345,115
Deficit for the year	(Page 20)	(188,829)	(95,847)
Balance at the end of the year		<u>68,714</u>	<u>249,268</u>
Special loan fund			
Balance at the beginning of the year		38,146	(63,711)
Surplus for the year	(Page 21)	106,603	101,857
Balance at the end of the year		<u>144,749</u>	<u>38,146</u>
Parking meter fund			
Balance at the beginning of the year		11,023	16,088
Surplus / (deficit) for the year	(Page 22)	3,794	(5,065)
Balance at the end of the year		<u>14,817</u>	<u>11,023</u>
Total equity		<u><u>228,281</u></u>	<u><u>298,437</u></u>

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 17.

**SIGATOKA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash on hand		200	200
Cash at bank	3(a)	845,043	350,041
Term deposits	3(b)	63,688	62,424
Debtors	4	128,795	119,892
Sundry advances	5	4,879	11,285
Prepayments and electricity deposits	6	9,474	11,183
Inventory		-	15,648
Total current assets		1,052,079	570,673
NON CURRENT ASSETS			
Property, plant and equipment	7	1,867,206	1,760,201
Total non current assets		1,867,206	1,760,201
TOTAL ASSETS		2,919,285	2,330,874
EQUITY AND LIABILITIES			
Council municipal fund			
Accumulated funds	8	228,281	298,437
CURRENT LIABILITIES			
VAT payable		32,102	30,568
Employee entitlement		20,725	21,197
Loan funds	9	156,000	156,000
Creditors and other accruals		86,649	111,712
Sundry deposits	10	62,517	60,317
Lease liability	11	7,620	15,258
Deferred income	12	18,176	18,176
Income received in advance	13	41,039	48,509
Total current liabilities		424,828	461,737
NON-CURRENT LIABILITIES			
Loan funds	9	976,461	1,044,638
Lease liability	11	-	7,620
Deferred income	12	1,289,715	518,442
Total non-current liabilities		2,266,176	1,570,700
TOTAL EQUITY AND LIABILITIES		2,919,285	2,330,874

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 17.

In our opinion the Financial Statements have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2016 and of the state of affairs as at that date.


Chief Executive Officer
Mr. Tulsi Ram

Date: 12/9/17


Manager Finance
Ms. Mohini Nair

Date: 12/9/17

**SIGATOKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		1,298,807	1,433,518
Payments to suppliers and employees		(1,289,128)	(1,482,964)
Net cash provided / (used) by operating activities		<u>9,679</u>	<u>(49,446)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(202,515)	(101,419)
Net cash flows used in investing activities		<u>(202,515)</u>	<u>(101,419)</u>
Cash flows from financing activities			
Receipt of Government grant		771,273	-
Lease repayments		(15,258)	(15,258)
Loan repayments		(68,177)	(63,459)
Net cash flows used in financing activities		<u>687,838</u>	<u>(78,717)</u>
Net increase in cash and cash equivalents		495,002	(229,582)
Cash and cash equivalent at the beginning of the year		<u>350,241</u>	<u>579,823</u>
Cash and cash equivalent at the end of the year	18(a)(i)	<u>845,243</u>	<u>350,241</u>

The statement of cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 17.

**SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: BASIS OF PREPARATION

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuations of non-current assets. The financial statements are presented in Fijian dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accrual basis of accounting is adopted for all financial transactions.

Statement of compliance

The financial statements of Sigatoka Town Council have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") issued by the International Accounting Standards Board and the Local Government Act.

Comparatives

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(b) Investments and other financial assets

Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit and loss, any directly attributable incremental costs of acquisition or issue.

Receivables

Rates receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognised as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains or losses are recognised in the income statement when the receivables are derecognised or impaired, as well as through the amortisation process. Bad debts are written-off as incurred.

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

(c) Revenue

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

(d) Income tax

Under Section 17(4) of the Income Tax Act, the Council is exempt from tax on its income.

(e) Employee entitlements

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits and the cost is included in the Statement of Comprehensive Income.

(f) Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of overheads.

Depreciation

Depreciation has been provided using straight line method so as to write off the assets over estimated useful lives.

The principal rates adopted are:

Computers	33%
Furniture & fittings	7%
Motors vehicle	20%
Office equipment	7%
Plant & machinery	7%
Land & building	2.5%

(g) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

(h) Impairment

The carrying amount of the Council's assets is reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated at each balance date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairments losses are recognised in the Statement of Comprehensive Income.

(i) Trade and other payables

Trade and other payables are stated at their cost

(j) Deferred income

Grants relating to assets are included as deferred income and are credited to the Statement of Comprehensive Income on a straight line basis over expected useful lives of the related assets.

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 3. CASH AND CASH EQUIVALENTS		
(a) Bank of South Pacific:		
General fund	(99,865)	(105,039)
Capital Fund	205,419	378,117
Nayawa Project Account	1,241	3,603
Grants & Donation Account	738,248	73,360
	<u>845,043</u>	<u>350,041</u>
(b) Investments		
Term deposit	<u>63,688</u>	<u>62,424</u>
Term deposit relates to a fixed deposit with Bank of South Pacific for a term of 12 months earning an interest of 2.25 % per annum where the interest is added to the principal upon maturity.		
NOTE 4. DEBTORS		
Rates	76,611	65,320
Bus stand	625	308
Business licence	669	618
Commercial vehicle	2,106	1,012
Garbage fees	34415	39,045
Rental properties	1,654	7,111
Taxi base	1,447	2,721
Fiji Sugar Corporation	3,230	-
Mini van	3,395	2,863
WAF / education / labour	7,172	7,172
Taxi, carrier, mini van others	2,477	700
Wheel barrow	20	25
Other debtors	<u>8,552</u>	<u>6,575</u>
	<u>142,373</u>	<u>133,470</u>
Less allowance for doubtful debts	<u>(13,578)</u>	<u>(7,172)</u>
	<u>128,795</u>	<u>126,298</u>
NOTE 5. SUNDRY ADVANCES		
Other advances	3,159	3,159
Mayoral advances	1,486	1,486
Telephone	200	200
Electricity	22	22
Land	10	10
Post box key	<u>2</u>	<u>2</u>
	<u>4,879</u>	<u>4,879</u>
NOTE 6. PREPAYMENTS AND ELECTRICITY DEPOSITS		
Electricity deposit	5,527	6,533
Insurance prepayments	<u>3,947</u>	<u>4,650</u>
	<u>9,474</u>	<u>11,183</u>

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 7.	PROPERTY, PLANT AND EQUIPMENT	2016 \$	2015 \$
	GENERAL FUND		
	Computers	13,590	13,590
	Additions	4,745	-
	less accumulated depreciation	(13,700)	(10,933)
		<u>4,635</u>	<u>2,657</u>
	Furniture & fittings	24,083	24,083
	Additions	13,394	-
	less accumulated depreciation	(10,498)	(8,550)
		<u>26,979</u>	<u>15,533</u>
	Land & building	1,871,937	1,871,937
	less accumulated depreciation	(473,069)	(426,270)
		<u>1,398,868</u>	<u>1,445,667</u>
	Motor vehicle - lease liability	169,148	169,148
	less accumulated depreciation	(101,398)	(67,566)
		<u>67,750</u>	<u>101,582</u>
	Office equipment	56,394	56,394
	Additions	12,880	-
	Disposal	(2,520)	-
	less accumulated depreciation	(24,574)	(20,379)
		<u>42,180</u>	<u>36,015</u>
	Plant & machinery	220,150	220,150
	Additions	50,797	-
	less accumulated depreciation	(96,842)	(80,547)
		<u>174,105</u>	<u>139,603</u>
	Beginning balance	8,278	-
	Additions:		
	Work in progress – Nayawa Children's Park	89,495	8,278
	Work in progress – Riverbank Retaining Wall	39,319	-
		<u>137,092</u>	<u>8,278</u>
	Net written down value	<u>1,851,609</u>	<u>1,749,335</u>
	PARKING METER FUND		
	Plant & machinery	33,284	33,284
	Additions	9,211	-
	less accumulated depreciation	(28,104)	(23,839)
		<u>14,391</u>	<u>9,445</u>
	Office equipment	3,059	3,059
	less accumulated depreciation	(1,853)	(1,638)
		<u>1,206</u>	<u>1,421</u>
	Net written down value	<u>15,597</u>	<u>10,866</u>
	Total proptery, plant and equipment	<u><u>1,867,206</u></u>	<u><u>1,760,201</u></u>

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	2016	2015
	\$	\$
Land & building		
Carrying amount at beginning	1,445,667	1,492,466
Depreciation expense	(46,799)	(46,799)
Balance as at 31 December	<u>1,398,868</u>	<u>1,445,667</u>
Motor vehicle		
Carrying amount at beginning	101,582	43,527
Additions	-	87,391
Depreciation expense	(33,832)	(29,336)
Balance as at 31 December	<u>67,750</u>	<u>101,582</u>
Computers		
Carrying amount at beginning	2,657	4,088
Additions	4,745	736
Depreciation expense	(2,767)	(2,167)
Balance as at 31 December	<u>4,635</u>	<u>2,657</u>
Furniture and fittings		
Carrying amount at beginning	15,533	17,136
Additions	13,393	78
Depreciation expense	(1,947)	(1,681)
Balance as at 31 December	<u>26,979</u>	<u>15,533</u>
Office equipment		
Carrying amount at beginning	36,015	38,296
Additions	12,880	1,651
Disposals	(2,520)	-
Depreciation expense	(4,195)	(3,932)
Balance as at 31 December	<u>42,180</u>	<u>36,015</u>
Plant & equipment		
Carrying amount at beginning	139,603	144,727
Additions	50,797	10,219
Depreciation expense	(16,295)	(15,343)
Balance as at 31 December	<u>174,105</u>	<u>139,603</u>
Work in progress		
Opening balance	8,278	-
Work in progress – Nayawa Children's Park	89,495	8,278
Work in progress – Riverbank Retaining Wall	39,319	-
	<u>137,092</u>	<u>8,278</u>
Net written down value	<u>1,851,609</u>	<u>1,749,335</u>

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	2016	2015
PARKING METER FUND	\$	\$
Plant and machinery		
Carrying amount at beginning	9,445	8,973
Additions	9,211	2,786
Depreciation expense	(4,265)	(2,314)
Balance as at 31 December	14,391	9,445
Computers		
Carrying amount at beginning	1,421	1,635
Additions	-	-
Depreciation expense	(215)	(214)
Balance as at 31 December	1,206	1,421
Net written down value	15,597	10,866
Total property, plant and equipment	1,867,206	1,760,201

NOTE 8. ACCUMULATED FUNDS

This consists of:		
General fund account	(992,466)	(803,638)
Special loan fund account	144,749	38,146
Parking meter fund account	14,817	11,023
Asset revaluation reserve	816,597	816,597
Adjustment – debtors	229,857	229,857
Adjustment – Property, plant and equipment	8,275	-
Adjustment [VAT & debtors]	6,452	6,452
Net accumulated funds	228,281	298,437

The Council adopted accrual basis of accounting in 2003. An adjustment was made to accumulated funds to record debtors balances relating to prior year that still owe at the current balance date.

NOTE 9. LOAN FUNDS

BSP Life (Fiji) Limited		
Balance at 1 January	1,200,638	1,264,097
Add: interest and other fees	87,823	92,541
	1,288,461	1,356,638
Less: loans repaid	(156,000)	(156,000)
Balance as at 31 December	1,132,461	1,200,638

Loans raised by the Council bear interest charges at the rate of 7.5% per annum and are repayable over a period of twenty years. All loans are raised under the provisions of the Local Government Act and are secured on the assets of the Council.

Analysed as :

Current	156,000	156,000
Non-current	976,461	1,044,638
	1,132,461	1,200,638

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 10. SUNDRY DEPOSITS

Car park development	34,007	34,007
Council properties	24,893	22,693
Security deposit	1,747	1,747
Nomination fee	1,240	1,240
Market stall	500	500
Unknown deposit	100	100
Ticket booth	30	30
	<u>62,517</u>	<u>60,317</u>

NOTE 11. LEASE LIABILITY

Credit Corporation (Fiji) Limited		
Opening balance	22,878	38,136
Less: repayments	<u>(15,258)</u>	<u>(15,258)</u>
Closing balance	<u>7,620</u>	<u>22,878</u>

Finance lease from Credit Corporation (Fiji) Limited was undertaken to finance the purchasing of motor vehicle registration number FY489 at an interest rate of 8.5% per annum for a term of 5 years.

Analysed as:

Current finance lease	7,620	15,258
Non-current finance lease	<u>-</u>	<u>7,620</u>
	<u>7,620</u>	<u>22,878</u>

NOTE 12. DEFERRED INCOME

The amount represents Back Hoe Digger which was donated by the Japanese Government in 2008 and capital grant contribution by government for the Nayawa Children's Park in 2015.

Balance as at 1 January 2016	536,618	415,835
Add: Government grant – Back Hoe Digger	-	67,390
Less: amortisation charge	<u>(18,176)</u>	<u>(18,176)</u>
	518,442	465,049
Add Government grant – capital works and clean up campaign	<u>789,449</u>	<u>71,569</u>
Balance as at 31 December 2016	<u>1,307,891</u>	<u>536,618</u>

Analysed as:

Current	18,176	18,176
Non-current	<u>1,289,715</u>	<u>518,442</u>
	<u>1,307,891</u>	<u>536,618</u>

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 13. INCOME RECEIVED IN ADVANCE	2016	2015
	\$	\$
Income received in advance comprises of the following:		
Lease space - Tramline Tappoo Limited	11,552	13,376
Parking space – Tappoo Limited duty free conc, retailers & wholesalers	9,702	11,088
Parking space – Jack’s Retail Limited	14,500	16,000
Rates received in advance	2,998	3,407
Taxis, business license and bus station fees received in advance	2,287	4,638
	<u>41,039</u>	<u>48,509</u>

- (a) The amount represents leasing of an open space between the tramline and the Council's garden to Tappoo Limited effective for the next 10 years and is treated in accordance with Section 20 of the IFRS for SMEs’:

Tappoo Limited

Balance as at 1 January (2013: 25 April)	13,376	15,200
Less : lease income realised up to 31 December	<u>(1,824)</u>	<u>(1,824)</u>
Balance as at 31 December	<u>11,552</u>	<u>13,376</u>

- (b) The amount represents reservation of parking space to Tappoo Limited and Jack’s Retail Limited effective for the next 10 and 15 years respectively and is treated in accordance with Section 20 of the IFRS for SMEs’:

Tappoo Limited

Balance as at 1 January	11,088	12,474
less: parking space income realised up to 31 December	<u>(1,386)</u>	<u>(1,386)</u>
Balance as at 31 December	<u>9,702</u>	<u>11,088</u>

Jack’s Retail Limited

Balance as at 1 January	16,000	17,500
less: parking space income realised up to 31 December	<u>(1,500)</u>	<u>(1,500)</u>
Balance as at 31 December	<u>14,500</u>	<u>16,000</u>

NOTE 14. DISCOUNT ON RATES

No Discount on rates was granted in the Council’s 2016 budget.

NOTE 15. CAPITAL COMMITMENT

Capital expenditure commitments as at 31 December 2016 amounted to \$Nil (2015: \$Nil)

NOTE 16. CONTINGENT LIABILITIES

Contingent liabilities exist with respect to legal claim of \$55,000.

Other than the matter disclosed as contingent liabilities, the Council is of the opinion that there is no material claim that required provisions or disclosure in the financial statements.

NOTE 17. EVENT SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18. NOTES TO THE STATEMENT OF CASH FLOWS

	2016	2015
	\$	\$
(a) General fund account		
(i) Reconciliation of net cash provided by operating activities to net deficit		
Net (deficit) / surplus for the year	(72,026)	6,000
Depreciation	111,738	99,268
Net cash provided by operating activities before changes in assets and liabilities	<u>39,712</u>	<u>105,268</u>
Increase in debtors	(8,903)	(8,523)
(Increase) / decrease in prepayments and electricity deposits	1,709	(430)
Decrease in creditors and other accruals	(33,015)	(248,050)
Increase / (decrease) in VAT payable/receivable	1,534	(3,485)
Decrease in employee entitlements	(472)	(210)
Increase in deferred income	-	120,783
Decrease in income received in advance	(7,470)	(7,521)
Increase in sundry deposits	2,200	1,000
Increase / (decrease) in other assets	14,384	(8,278)
Net cash inflows from operating activities	<u><u>9,679</u></u>	<u><u>(49,446)</u></u>
(ii) Cash and Cash Equivalents		
For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand and at bank	<u><u>845,243</u></u>	<u><u>350,241</u></u>

SIGATOKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
The income for the year was derived from:		
General rates	121,883	121,860
General rates on state land	2,577	2,577
Local rates	28,616	28,729
Interest on overdue rates	13,822	14,920
Fees and charges		
Interest earned	2,204	1,902
Advertisement	1,376	23,177
Business licence	116,462	115,454
Building fees	2,776	7,175
Bus stand charges	13,731	13,204
Commercial vehicle	10,546	8,424
Taxi	50,069	52,610
Cemetery	2,225	2,159
Garbage	110,020	117,337
Illegal parking fines	5,689	5,947
Interest others	4,794	5,742
Library	624	1,557
Legal action	20	395
Market fees	205,498	237,595
Miscellaneous	41,245	18,167
Rental properties	101,814	91,191
Car parking contribution	-	3,264
Car parking fees	46,814	40,130
Loading & unloading zone	7,825	7,826
Mini van	14,920	17,503
Amortisation of deferred income	18,176	18,176
Special traffic operation	564	165
5% gate takings - Sports Council	-	808
Revenue - others (new taxis, carrier, minivan, garbage)	21,612	19,352
Jack's Retail Limited - income realised	4,710	4,710
3R project	599	495
Tipping fees – outsiders	4,922	4,079
Wheel barrow	275	400
Donation - Fijian Resort	-	8,695
Ladies accommodation	5,652	7,164
Public convenience	86,543	62,307
Sale of rubbish bins	-	870
STC events	13,350	86,491
Gain on sale	1,152	-
Total income	1,063,105	1,152,557

SIGATOKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

The expenditure for the year incurred on:	2016	2015
	\$	\$
Audit fees	9,000	9,000
Uniforms	13,177	8,691
Depreciation	107,260	99,258
Doubtful debts	13,578	7,172
Garbage service	54,137	49,842
Legal expenses	5,015	1,435
Mayoral, Councillors allowance & civic reception	52	2,303
Office expenses	8,419	6,108
Printing, stationery & advertising	26,576	25,637
Salaries & related payments	497,366	455,914
Telecom/fax/internet/courier	13,980	15,250
Travelling expenses	23,346	14,505
3R project	2,439	4,330
Electricity	21,389	24,263
NPTC levy	2,716	2,455
Insurance	12,408	14,360
Market	5,646	7,295
Miscellaneous	32,835	12,837
Public convenience	24,281	27,532
Upkeep of roads, drains, paths and verges	203,190	119,316
Water	25,552	20,857
Total re-current expenditure	1,102,362	928,360
Capital expenditure		
Footpath, road marking/patching	-	3,621
General maintenance	10,092	44,243
Mataqali - Market Negotiation	6,703	-
Maintenance of mini bus stand	954	17,292
River bank upgrade	-	16,648
Maintenance of office furniture/equipment	2,519	2,654
Children's park	-	8,736
Rubbish dump/digger maintenance	26,877	30,970
Streetlights	-	6,702
Upgrade administration building	19,637	3,407
Beautification of town	15,413	6,707
Accounting convergence cost	-	3,000
Capital projects	1,290	1,717
Security Services	16,638	-
Ladies accommodation	101	11,519
Maintenance of rubbish bins	-	2,527
Office space lease	8,249	29,893
Police post	-	4,100
Local Government forum	437	1,303
STC events - carnival/Stka day	38,073	95,182
Total capital expenditure	146,983	290,221

**SIGATOKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
Financial expenses	\$	\$
Bank charges & interest	2,589	2,550
Discount allowed	-	27,273
Total financial expenditure	<u>2,589</u>	<u>29,823</u>
Total expenditure	<u>1,251,934</u>	<u>1,248,404</u>
Net deficit for the year	<u>(188,829)</u>	<u>(95,847)</u>

**SIGATOKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE - SPECIAL LOAN ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
The income for the year was derived from:		
Special loan rate	183,532	183,504
Special loan rate on State land	10,894	10,894
Total income	194,426	194,398
The expenditure for the year was incurred on:		
Interest – BSP Life (Fiji) Limited	87,823	92,541
Total expenditure	87,823	92,541
Net surplus for the year	106,603	101,857