



# SIGATOKA TOWN COUNCIL

## Annual Report for the Year 2007

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## **SIGATOKA TOWN COUNCIL**

# Annual Report AND Financial Statements 2007





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**SIGATOKA TOWN COUNCIL**  
**ANNUAL REPORT FOR THE YEAR ENDED 2007**

**1. Elected Members Of The Council From**

**Lawaga Ward**

Councillor Jone Simiko Nadredre	-	Unopposed
Councillor Ratu Tevita Makutu	-	Unopposed
Councillor Adriu Nasamila	-	Unopposed

**Lase Lase Ward**

Councillor Ratu Isikeli Tasere, JP	-	Unopposed
Councillor Saimoni Raiwalui	-	unopposed

**Vunasalu Ward**

Councillor Vijay Narayan	
Councillor Ilaisa Joji	
Councillor Mahendra Patel	
Councillor Jone Namaloku	
Councillor Sailesh Patel	

**Election of the Mayor**

The Annual Election of the Mayor was held on 2<sup>nd</sup> November, 2006 at the Council Chambers, Chabildas Building, Sigatoka. Cr. Ratu Isikeli Tasere, JP was elected unanimously as Mayor for the ensuing year 2007

**Election of Deputy Mayor**

Cr. Tevita Makutu, JP was elected as the Deputy Mayor for the ensuing year 2007.

**Meetings Of The Council**

Annual Council	-	1
Ordinary Council	-	11
Special Council	-	4
Emergency Council	-	3
Town Planning, Building & Health Committee	-	12
Finance, Tender & Parking Meter Committee	-	12
Market, Traffic & Public Transport Committee	-	2
Human Resource, Industrial Relation, Information System & General Purpose Committee	-	12
Development, Infrastructure & Works Committee	-	1
Civic Amenities, Property Management & Tourism Promotion Committee	-	1
Relation Activities & Sports Promotion Committee	-	-

**Total Number of Meetings**

**58**

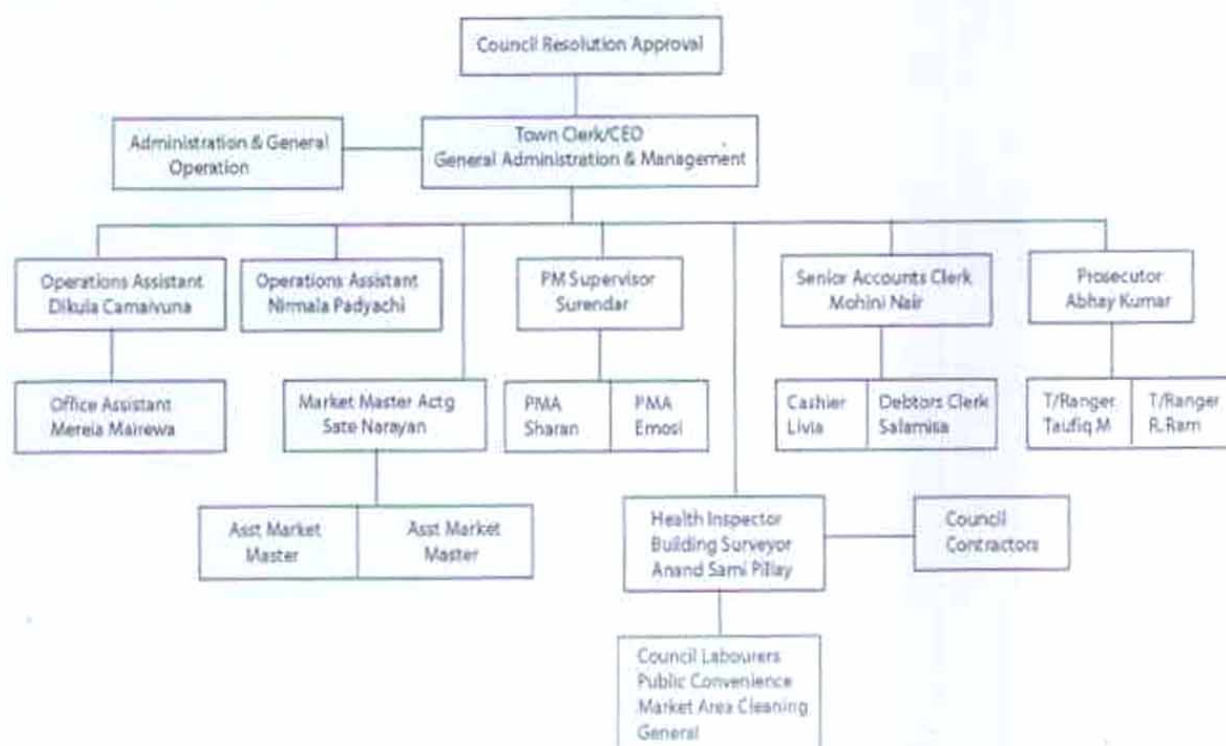
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2. **Staff Details****Established Staffs**

No.	Name	Position
1.	Azam Azmat Khan	Town Clerk/Chief Executive Officer
2.	Mereoni Camaivuna	Operations Assistant 1
3.	Nirmala Pariachi	Operations Assistant II
4.	Surandar	Parking Meter Supervisor
5.	Sate Narayan	Market Master [Actg]
6.	Salamisa Waqa	Debtors Clerk
7.	Mohini Nair	Senior Accounts Clerk
8.	Livia Vereivalu	Cashier
9.	Sharan Dip Singh	Parking Meter Attendant
10.	Abhay Kumar	Prosecutor
11.	Taufiq Ameer Mohammed	Town Ranger
12.	Rajesh Ram	Town Ranger
13.	Anand Sami Pillay	AHI/Building Surveyor
14.	Emosi Nayabe	Parking Meter Attendant
15.	Mereia Mairewa	Office Assistant

**Un-established Staffs**

No.	Name	Position
1.	Epeli Tamanivalu	Gardener
2.	Mutthu Sami	Carpenter
3.	Dewan Dass	Labourer
4.	Sushil Kumar	Labourer
5.	Sireli Naoba	Assistant Gardener
6.	Limanivali	Assistant Gardener

**Staff Structure 2007**



### Council's Service Delivery

Our Council provides a wide range of services to our ratepayers and the inhabitants of town. Services provided to them include:

1. Solid Waste Collection and Disposal Management
2. Public Areas Upkeep & Upgrade
3. Market Services
4. Street Light Services, Maintenance of Roads/Footpaths/Drains/Parks
5. Health and Building Inspections
6. Finance Management
7. General Administration of the Town
8. Parking Meter Services/Maintenance

### 3. Visiting Dignitaries

A list of Visitors who made courtesy visits to the Council Office during the ensuing year 2007 are as per the table down below:

No.	Name	Organisation
1.	Peter Murphy	Fiji Rugby
2.	Pio Bosco Tikolsuva	Fiji Rugby
3.	Ili Tabua	Fiji Rugby
4.	Mohamed Yusuf	Fiji Football
5.	Roy Krishna	Fiji Soccer
6.	Alvin Avinesh	Fiji Soccer
7.	Simione Tamanisau	Fiji Soccer
8.	Taniela Waqa	Fiji Soccer
9.	Jone Vesikula	Fiji Soccer
10.	Krishna Samy	Fiji Soccer
11.	Nicholas Lawrence	Fiji Soccer
12.	Maciu Dunadamu	Fiji Soccer
13.	Waisea Vakatalesau	Fiji Soccer
14.	Ben Amino	Fiji Soccer
15.	Peter Bola Toga	Fiji Soccer
16.	Lorima D.	Fiji Soccer
17.	Bukalidi	Fiji Soccer
18.	Peni Finau	Fiji Soccer
19.	Dr. Mohammed Yunus	Nadi Dental Centre – PSC Member
20.	Rishi Ram	Chairman – PSC
21.	Robin Storck	Commissioner – PSC
22.	Alumita L. Durutalo	USP Laucala Campus
23.	Taina Cagicakibau	Permanent Secretary – Public Service
24.	Filipe Nagera	Public Service Commission
25.	Nazra Khan	Town Planning Office
26.	Kolinio Bola	Department of Town and Country Planning
27.	Cr. Rohit Kumar	Mayor – Lautoka City
28.	Mr. Pushp Raj	Town Clerk/CEO, Lautoka City Council
29.	M.S. Sahukhan	Hill View Street, Ba
30.	Bob Kennedy	Sandy Point, Sigatoka
31.	Abe Simpson	LTA, Valelevu
32.	Aseri Vakaloloma	LTA, Valelevu
33.	John Jock Sillespie	Australia/Fiji Community Justice Program, Ltka
34.	M. Shahil Shah	-
35.	Graham Goodsell	Australia

36.	Greg Murdoch	Australia
37.	Megan Murdoch	Victoria, NSA
38.	Sahpneel Chandra	Habitat Designs, Lautoka
39.	Joseva Gavid	NFA Head Office
40.	Ms Kaneko	Japan Embassy
41.	Mr. Sharma	Embassy of Japan

4. **HEALTH REPORT – 2007**  
**Health Summary**

	License Type	Total Number
1.	Catering Premises	22
2.	Catering Premises (School)	4
3.	Mobile or Temporary Small Scale Catering	20
4.	Bake House	4
5.	Butcher Shop	4
6.	Retail and Catering (e.g. Retailer with fast food counter)	12

Total Number of Insanitary Condition Notice Served:	-	19
Total Number Statutory Notice Served:	-	1
Total No. of Condemnation Certificate Issued:	-	7
Total no. of House to House inspection	-	207

The house to house was conducted at the 3 wards of the Sigatoka Town similar to year 2007. In year 2007 mosquito spraying was done within the town boundary to ensure that town is free from Dengue Fever. The quarterly clean-up campaigns were conducted within the town boundary to allow the ratepayers and business houses to live in healthy environment. The ratepayers and business houses were to took advantage to clean and clear the overgrowth of grasses, white goods and discarded all items which can hold the water for the mosquitoes breeding's.

The health department was fully engaged to carry out the quarterly inspection of the eating outlets in Sigatoka Town. At the same time food condemnation were carried out at the eating outlets and the retail shops. Those eating outlets, butcher shops, retail and bake house were failed to comply with the standards were served with intimation notices.



## 5. Building / Development Permit Summary Report

### Number of Inspection Certificate Issued

- Total Certificate of Inspection: - Nil

### Certificate Issued before Occupy

- Total No. of Completion Certificate issued - 4

### Town Planning Management

- Total No. Rezoning Application - Nil
- Total No. Subdivision application - Nil

### Building Development Permit Summary Report

Item	Types of Building	Number	Value	Approval	Rejected	Remarks
1	Residential	-	-	Approved	-	-
2	Commercial	16	\$250,600.00	Approved	-	-
3	Civic	6	\$441,847.88	Approved	-	-
4	Industrial	-	-	Approved	-	-
5	Others	-	-	Approved	-	-

In the year 2007 there was a total of 22 building applications which were from Commercial and Civic development applications. Commercial was noted to have the higher number of applications which totaled up to the value of \$ 250,600.00. It was also noted that also at this year there were no subdivision and rezoning application received by the council.

## 6. Environment Report

The faith base group were supported the council to conduct clean campaign with in the town boundary. That the same time council tend to create awareness on the litter to the general public by means of the school kids.

That the council were engaged the night security at the dump site to ensure that no one can put open fire in the land –fill. Council was very concerned about the villagers and settlements close to the dump –site.

Most of the earth drain was up- graded in town to ensure that all drains shall have proper openings to allow proper flow of rain water. It was done through disilting.

## 7.0 Engineering / Works Report

Basically small maintenance and beautification works were carried out by the Council's un-established staffs. Other major works were contracted out.

### Service Delivery:

Works carried out are as follows: Grass cutting at the Koromumu Cemetery, Streetlight maintenance, Footpath maintenance, Public Convenience maintenance, road markings / road signs maintenance and market maintenance.

### Beautification Projects:

General beautification works were carried out around town in all the wards; Vunasalu Ward, Lawaqa Ward and Laselase Ward. These works are planting of new flowers, painting of flower beds, trimming and pruning of hedges.

### Capital Projects

Footpaths upgrade Lawaqa end,

### General Contractual Works

Works that were contracted out are; Grass cutting, Drain Cleaning, Street Sweeping, tree pruning and Street light maintenance.

## 8. Annual Accounts Audit - 2007

<u>No. of Ratepayers</u>	<u>Amount Charged per year (in a dollar on U.C.Value)</u>	<u>Collection per year</u>
<u>2007</u> 275	Genera Rate – 0.84 c Special Loan Rate – 1.16c	\$73,007 \$129,510

Sigatoka Town Council had 275 rate payers in year 2007. It provides services such as Garbage Collection, Town sweeping, street cleaning, streetlight repairs and road maintenance to the ratepayers.

### Reason Rates Charged by STC.

1. General Rates – Council provides services such as Garbage collection, streetlight and road maintenance.
2. Special Loan Rates - is to service Loan repayments for the borrowings pre year 2000 by the Council.

### Business Licence

<u>Year</u>	<u>No. of Business License Holders</u>	<u>Amount Collected</u>
2007	573	64,690



### Council Properties Management

Sigatoka Town Council doesn't have a Property Manager but instead all the properties are managed by the Council in house and the day to day operations is the responsibility of the Finance Department. Council has currently 6 Tenants in its premises.

### Auditor General Opinion - 2007

Sigatoka Town Council was provided the Audit Opinion – Qualified Audit Opinion in year 2007. The Audit opinion expressed in this report has been formed on the basis below:

- A provision was not made for debts recovery of arrears and fees amounting to \$400,711 may be doubtful.
- Property, Plant and Equipment totaling \$1,234,208 have not been accounted for and depreciated in accordance with Fiji Accounting Standards 16.
- Records to substantiate Other Administration Expenses of \$47,572 were not provided.

Council Measures – A provision was made for debts recovery arrears. Property, Plant and Equipment had been accounted for and depreciated in accordance with FAS in year 2008.

## 9. Appreciation

The Council wishes to record its appreciation to the ratepayers and citizens of the town for their co-operation.

The Council also acknowledges the dedicated services rendered by the Staffs and Employees and the support and co-operation of the Ministry of Local Government, Housing and Environment.

  
Tulsi Ram  
CHIEF EXECUTIVE OFFICER



REPUBLIC OF THE FIJI ISLANDS  
OFFICE OF THE AUDITOR GENERAL



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 970/1

3 May 2010

The Special Administrator  
Sigatoka Town Council  
P O Box 118  
**SIGATOKA**

Dear Sir

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**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

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Audited financial statements of the Sigatoka Town Council for the year ended 31 December 2007 together with my audit report on them are enclosed.

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

I apologise for the delay in issuing the Audit Report.

Tevita Bolanavanua  
**ACTING AUDITOR GENERAL**

Encl.

SIGATOKA TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007

SIGATOKA TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007

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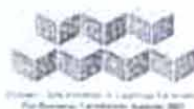
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REPUBLIC OF THE FIJI ISLANDS  
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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

SIGATOKA TOWN COUNCIL  
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007  
INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of Sigatoka Town Council for the year ended 31 December 2007 in accordance with the provisions of the Local Government Act and section 13 of the Audit Act. The Sigatoka Town Council is responsible for the preparation and presentation of the financial statements and the information they contain.

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

My audit has been conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatement. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and its cashflows.

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

Qualifications

1. A provision was not made for debts of which recovery of arrears of rates and fees amounting to \$400,711 maybe doubtful.
2. Property, Plant and Equipment totaling \$1,234,208 as at December 2007 have not been accounted for and depreciated in accordance with *Fiji Accounting Standards 16 – Property, Plant and Equipment*.
3. Records to substantiate Other Administration Expenses of \$47,572 were not provided for audit.

Qualified Audit Opinion

In my opinion, because of the effects of the matters referred to in the qualification paragraphs, the financial statements do not present fairly the financial position of the Sigatoka Town Council as at 31 December 2007 and the results of its operation and cashflows for the year then ended.

Tevita Bolanavanua  
ACTING AUDITOR-GENERAL



Suva, Fiji  
03 May 2010

**SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION**

	NOTES	2007 \$	2006 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash on Hand and at Bank	2	15,878	-
Debtors	3	400,711	412,578
Prepayments		20,000	-
Sundry Advance	4	8,587	8,587
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	1,234,208	1,277,016
<b>TOTAL ASSETS</b>		<b>1,679,384</b>	<b>1,698,181</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Accumulated Funds</b>	6	224,123	321,904
<b>Current Liabilities</b>			
Bank Overdraft	2	-	5,595
VAT Payable		33,550	14,603
Creditors and Other Accruals		49,067	37,098
Loan Funds less Repayments		-	26,010
Sundry Deposits	8	54,395	48,729
Lease Liability - Credit Corporation		10,745	22,493
<b>Non-Current Liabilities</b>			
Loan Funds less Repayments	7	1,307,504	1,221,749
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,679,384</b>	<b>1,698,181</b>

*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 11 to 18.*

**COUNCIL'S STATEMENT**

In our opinion, the financial statements have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2007 and of the state of affairs and cash flows as at that date.



Administrator

Mr. Aisea Tuidraki

Date: 21. 12. 09



Town Clerk/CEO

Mr. Azam Azmat Khan

Date: 21. 12. 09



SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE

	2007 \$	2006 \$
The Revenue for the year was derived from:		
General rates	74,644	74,644
General rates on state land	5,449	5,449
Interest on overdue rates	23,540	19,652
<b>Fees and Charges</b>		
Business licence	64,690	65,438
Building fees	6,733	10,519
Bus stand charges	11,280	11,008
Commercial vehicle	8,267	5,916
Taxi	49,021	51,369
Cemetery	1,725	1,647
Garbage	30,003	28,633
Illegal parking	3,080	16,368
Interest others	1,837	3,718
Legal action	1,213	645
Market fees	190,599	1,140
Miscellaneous	20,101	173,125
Rental properties	109,938	27,637
Billboards	5,778	95,393
Challenge fund	40,000	6,000
<b>TOTAL REVENUE</b>	<b>647,898</b>	<b>598,301</b>

The Expenditure for the year was incurred on:

<b>Recurrent</b>		
Audit fees	5,156	9,956
Fiji Local Government Association	1,153	2,393
Garbage service	29,333	28,152
Legal expenses	9,563	7,702
Mayoral, Councillors allowance & civic reception	34,207	20,301
Office expenses	3,394	1,947
Printing, stationery & advertising	15,620	13,928
Salaries & related payments	184,556	199,573
Travelling expenses	21,234	0
Telecommunication/courier	7,513	8,373

SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE (CONT'D)

	2007	2006
	\$	\$
Electricity	23,932	22,061
Fiji National Training Council	1,895	776
Insurance	15,068	13,485
Market	4,166	7,654
Miscellaneous	15,869	15,424
Office rental	16,500	16,500
Public convenience	18,722	6,476
Roads, drains, paths & verges	140,741	149,218
Water	670	2,821
Bad debts	-	1,692
Desludging	-	550
<b>Capital Expenditure</b>		
Footpath, road marking/patching	24,468	5,877
General maintenance	8,562	42,882
Loop road & duabale	511	2,880
Koromumu cemetery	2,316	-
Railings	6,929	14,544
Rubbish dump	5,649	8,209
Streetlights	24,673	30,545
Upgrade - administration building	1,294	-
Maintenance - office furniture/equipment	-	-
<b>Special Expenditure</b>		
2008 creditors payment	-	-
<b>Financial Expenses</b>		
Discount allowed	14,096	8,352
Bank charges & interest	1,316	1,178
Depreciation	47,569	48,575
Lease liability interest - EG537	278	-
<b>TOTAL EXPENDITURE</b>	<b>686,953</b>	<b>692,024</b>
<b>NET DEFICIT FOR THE YEAR</b>	<b>(39,055)</b>	<b>(93,723)</b>
Prior year adjustment	-	-
Deficit balance at 1 January	(604,287)	(510,564)
<b>LEAVING A DEFICIT BALANCE AT 31 DECEMBER</b>	<b>(643,342)</b>	<b>(604,287)</b>

SIGATOKA TOWN COUNCIL  
SPECIAL LOAN FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE

	2007	2006
	\$	\$
The Revenue for the year was derived from:		
Special Loan Rate	112,167	112,167
Special Loan Rate on Stateland	9,042	9,042
<b>TOTAL REVENUE</b>	<b>121,209</b>	<b>121,209</b>
The Expenditure for the year was incurred on:		
Interest - Colonial	179,935	102,519
<b>TOTAL EXPENDITURE</b>	<b>179,935</b>	<b>102,519</b>
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>	<b>(58,726)</b>	<b>18,690</b>
Deficit balance at 1 January	(178,591)	(197,281)
<b>LEAVING A DEFICIT BALANCE AT 31 DECEMBER</b>	<b>(237,317)</b>	<b>(178,591)</b>



SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION

	NOTES	2007	2006
		\$	\$
<b>Current Assets</b>			
Cash at Bank		-	(560)
<b>Non-Current Assets</b>			
Property, Plant & Equipment	5	24,743	27,469
<b>TOTAL ASSETS</b>		<u>24,743</u>	<u>26,909</u>
<b>Current Liabilities</b>			
Creditors and Accruals		5,348	1,040
VAT Payable		-	1,061
<b>TOTAL LIABILITIES</b>		<u>5,348</u>	<u>2,101</u>
<b>NET ASSETS</b>		<u>19,395</u>	<u>24,808</u>
<b>ACCUMULATED FUNDS</b>		<u>19,395</u>	<u>24,808</u>

*The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 11 to 18.*

**COUNCIL'S STATEMENT**

In our opinion, the financial statement have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operation for the year ended 31 December 2007 and of the state of affairs and cash flows as at that date.



Administrator  
Aisea Tuidraki  
Date:



Town Clerk/CEO  
Mr Azam Azmat Khan  
Date:

SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE

	2007	2006
	\$	\$
The Revenue for the year was derived from:		
Infringement fines	21,484	22,797
Parking meter tolls	56,051	54,726
Miscellaneous	8,219	7,995
<b>TOTAL REVENUE</b>	<b>85,754</b>	<b>85,518</b>
The Expenditure for the year was incurred on:		
Bank charges	113	8
Contingency	55	753
Depreciation	2,725	2,632
Maintenance of parking bays	949	3,128
Printing & stationery	409	3,266
PNTC levy	302	-
Rental and road marking to General Fund	-	6,000
Salaries & related payments	35,797	42,251
Computer maintenance	667	2,977
Verification of parking meters	2,578	2,484
Other administration expenses	47,572	-
<b>TOTAL EXPENDITURE</b>	<b>91,167</b>	<b>63,499</b>
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>	<b>(5,413)</b>	<b>22,019</b>
Prior year adjustment	-	-
Add surplus balance at 1 January	24,808	2,789
<b>LEAVING A SURPLUS BALANCE AS AT 31 DECEMBER</b>	<b>19,395</b>	<b>24,808</b>

SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF CASH FLOWS

	2007	2006
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash was provided from:		
Rates and other revenue	617,242	541,063
Interest	23,540	19,652
Net VAT received/(paid)	-	15,060
	<u>640,782</u>	<u>575,775</u>
Cash was applied to:		
Payments to suppliers & employees	<u>(550,886)</u>	<u>(537,194)</u>
<b>Net Cash Flows from Operating Activities</b>	<u>89,896</u>	<u>38,581</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash was applied to:		
Payments/(Proceeds) for property, plant and equipment	(4,760)	(4,955)
Payment for capital purchases	(74,402)	(104,937)
Advance to parking meter fund	-	30,472
<b>Net Cash Flows from Investing Activities</b>	<u>(79,162)</u>	<u>(79,420)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash was provided from:		
Loan raised	-	-
Loan Rate	<u>121,209</u>	<u>129,510</u>
Cash was applied to:		
Lease Liability	(11,749)	(11,702)
Loan repayments	59,735	15,804
Interest	<u>(179,935)</u>	<u>(102,519)</u>
<b>Net Cash Flows from Financing Activities</b>	<u>10,740</u>	<u>31,093</u>
 Net increase/decrease in cash held	 21,474	 (9,746)
(Overdraft)/cash at the beginning of the year	<u>(5,596)</u>	<u>4,150</u>
<b>Cash/(Overdraft) at the end of year</b>	<u><u>15,878</u></u>	<u><u>(5,596)</u></u>

SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF CASH FLOWS

	2007	2006
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash was provided from:		
Rates and other revenue	89,002	85,518
	<u>89,002</u>	<u>85,518</u>
Cash was applied to:		
Payments to suppliers & employees	(88,442)	(91,540)
<b>Net Cash Flows from Operating Activities</b>	<u>560</u>	<u>(6,022)</u>
 Net Cash Flows from Investing Activities	 -	 (838)
Net Cash Flows from Financing Activities	-	-
 Net decrease in cash held	 <u>560</u>	 <u>(6861)</u>
Cash at the beginning of the year	(560)	6301
 <b>Cash at the end of the year</b>	 <u><u>-</u></u>	 <u><u>(560)</u></u>

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICY**

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2007 unless otherwise stated similar policies were followed in the previous year.

**a) Basis of Accounting**

The accrual basis of accounting is adopted for all financial transactions. The Council has adopted the cash basis of accounting up to the financial year ended 31 December 2003.

**b) Revenue**

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

**c) Income Tax**

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

**d) 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 annual principal rates adopted are:

Computers	33%
Furniture & Fittings	7%
Motors Vehicle	20%
Office Equipment	7%
Plant & Machinery	7%
Land & Building	2.5%

e) **Employee Entitlements**

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

f) **Trade and Other Receivables**

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

g) **Impairment**

The carrying amount of the Council's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated at each balance sheet 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 Revenue and Expenditure.

h) **Trade and Other Payables**

Trade and other payables are stated at their cost.

i) **Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

**NOTE 2 CASH AT BANK / BANK OVERDRAFT**

	2007	2006
	\$	\$
Parking Meter Fund	-	(560)
Cash on Hand	200	200
Colonial Bank - General Fund	6,322	(5,927)
- Capital Fund	9,356	(132)
	<u>15,878</u>	<u>(5,595)</u>



SIGATOKA TOWN COUNCIL  
NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
YEAR ENDED 31 DECEMBER 2007

	2007	2006
	\$	\$
<b>NOTE 3 DEBTORS</b>		
Bus Stand	1,630	1,168
Business Licence	1,982	8,495
Commercial Vehicle	4,846	2,648
Garbage Fees	8,581	(426)
Rates	374,243	386,919
Rental Properties	2,914	8,680
Taxi Base	6,515	5,094
	<u>400,711</u>	<u>412,578</u>

**NOTE 4 SUNDRY ADVANCES**

Other Advances	3,159	3,159
Mayoral Appeal	1,486	1,486
Dishonored Cheques	3,708	3,708
Telephone	200	200
Electricity	22	22
Land	10	10
Post Box Key	2	2
	<u>8,587</u>	<u>8,587</u>

**NOTE 5 PROPERTY, PLANT AND EQUIPMENT - GENERAL FUND**

Computers - at cost	13,556	12,178
less provision for depreciation	<u>(12,230)</u>	<u>(9,552)</u>
	<u>1,326</u>	<u>2,626</u>
Furniture & Fittings - at cost	7,536	6,417
less provision for depreciation	<u>(1,078)</u>	<u>(601)</u>
	<u>6,458</u>	<u>5,816</u>
Land & Building - at cost	520,441	520,441
- at valuation 2004	816,597	816,597
less provision for depreciation	<u>(133,704)</u>	<u>(100,278)</u>
	<u>1,203,334</u>	<u>1,236,760</u>
Motor vehicle - at cost (EF537)	50,000	50,000
less provision for depreciation	<u>(40,000)</u>	<u>(30,000)</u>
	<u>10,000</u>	<u>20,000</u>
Office Equipment - at cost	12,147	11,457
less provision for depreciation	<u>(1,825)</u>	<u>(993)</u>
	<u>10,322</u>	<u>10,464</u>
Plant & Equipment - at cost	2,942	1,369
less provision for depreciation	<u>(174)</u>	<u>(19)</u>
	<u>2,768</u>	<u>1,350</u>
<b>NET WRITTEN DOWN VALUE</b>	<u>1,234,208</u>	<u>1,277,016</u>

SIGATOKA TOWN COUNCIL  
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 YEAR ENDED 31 DECEMBER 2007

	2007 \$	2006 \$
<b>PROPERTY, PLANT AND EQUIPMENT - PARKING METER FUND</b>		
Plant & Machinery - at cost	30,501	30,501
less provision for depreciation	(6,583)	(4,448)
	<u>23,918</u>	<u>26,053</u>
Computers - at cost	1,671	1,671
Less provisions for depreciation	(1,326)	(774)
	<u>345</u>	<u>897</u>
Office Equipment - at cost	545	545
Less provision for depreciation	(65)	(26)
	<u>480</u>	<u>519</u>
<b>NET WRITTEN DOWN VALUE</b>	<u><b>24,743</b></u>	<u><b>27,469</b></u>

Pacific Valuation carried out the market valuation of land & buildings on 28th October 2003.

- (i) Movements in carrying amounts for each class of property, plant and equipment.

**GENERAL FUND:**

Land and Building

Carrying amount at beginning	1,236,760	1,270,186
Additions	-	-
Disposal	-	-
Depreciation Expense	(33,426)	(33,426)
Balance as at 31 December	<u>1,203,334</u>	<u>1,236,760</u>

Motor Vehicles -EG537

Carrying amount at beginning	20,000	30,000
Depreciation expense	(10,000)	(10,000)
Balance as at 31 December	<u>10,000</u>	<u>20,000</u>

Computers

Carrying amount at beginning	2,626	6,645
Additions	1,378	-
Depreciation expense	(2,678)	(4,019)
Balance as at 31 December	<u>1,326</u>	<u>2,626</u>

Furniture and Fittings

Carrying amount at beginning	5,816	3,828
Additions	1,119	2,338
Revaluation	-	-
Depreciation expense	(477)	(350)
Balance as at 31 December	<u>6,458</u>	<u>5,816</u>



SIGATOKA TOWN COUNCIL  
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 YEAR ENDED 31 DECEMBER 2007

Movement in carrying amounts (cont'd)	2007	2006
	\$	\$
<u>Office Equipment</u>		
Carrying amount at beginning	10,464	9,978
Additions	690	1,248
Depreciation Expense	(833)	(762)
Balance as at 31 December	10,321	10,464
<u>Plant &amp; Equipment</u>		
Carrying amount at beginning	1,350	-
Additions	1,573	1,369
Depreciation Expenses	(155)	(19)
Balance as at 31 December	2,768	1,350
NET WRITTEN DOWN VALUE	1,234,207	1,277,016
 PARKING METER FUND:		
<u>Plant and Machinery</u>		
Carrying amount at beginning	26,053	28,188
Additions	-	-
Depreciation expense	(2,135)	(2,135)
Balance as at 31 December	23,918	26,053
<u>Computers</u>		
Carrying amount at beginning	897	1,075
Additions	-	293
Depreciation expense	(552)	(471)
Balance as at 31 December	345	897
<u>Office Equipment</u>		
Carrying amount at beginning	519	-
Additions	-	545
Depreciation	(38)	(26)
Balance as at 31 December	481	519
NET WRITTEN DOWN VALUE	24,744	27,469

SIGATOKA TOWN COUNCIL  
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 YEAR ENDED 31 DECEMBER 2007

	2007	2006
	\$	\$
<b>NOTE 6 ACCUMULATED FUNDS</b>		
General Fund Account	(643,342)	(604,287)
Loan Repayment Account	(237,317)	(178,591)
Asset Revaluation Reserve	816,597	816,597
Adjustment - Debtors	288,185	288,185
	<u>224,123</u>	<u>321,904</u>

The Council adopted accrual basis of accounting in 2004. An adjustment was made to accumulated funds to record debtors balances relating to prior year that are still owing at the current balance date.

**NOTE 7 LOAN FUNDS**

<u>Colonial Life Fiji</u>		
Balance at 1 January	1,247,769	1,232,217
Add: Interest	179,935	102,257
	<u>1,427,704</u>	<u>1,334,474</u>
Less: Loans repaid	(120,200)	(86,705)
Balance as at 31 December	<u>1,307,504</u>	<u>1,247,769</u>
Total Loan Funds	<u>1,307,504</u>	<u>1,247,769</u>

Loans raised by the Council bear interest charges at the rate of 7.5 per cent 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	-	26,010
Non-Current	1,307,504	1,221,749
	<u>1,307,504</u>	<u>1,247,759</u>

SIGATOKA TOWN COUNCIL  
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 YEAR ENDED 31 DECEMBER 2007

	2007	2006
	\$	\$
<b>NOTE 8 SUNDRY DEPOSITS</b>		
Car Park Development	34,007	34,007
Council Properties/ Shop - Security	16,771	11,205
Security Deposit	1,747	1,747
Nomination Fee	1,240	1,240
Market Stall	500	500
Unknown deposit	100	-
Ticket Booths	30	30
	<u>54,395</u>	<u>48,729</u>

**NOTE 9 DISCOUNTS ON RATES**

The Council in its 2007 budget granted discount on rates as follows:

Rates paid in full on or before 31/1/07 - 10%

Rates paid in full on or before 1/2/07 to 31/3/07 - 7%

**NOTE 10 CAPITAL COMMITMENT** at balance date

EX MH subdivision (Council has invested \$1,080,063 and is awaiting for the Title transfer of the said land in total being 6.5 acres freehold land in the Central Business District.

**NOTE 11 CONTINGENT LIABILITIES** at balance date - Nil (2006 - Nil)

Contingent liabilities at balance date, not otherwise provided for in these financial statements, include the following law.

(i) The Council is a defendant in a legal action by P.A. Lai, who is claiming approximately \$36,000 in costs for the repair of fire tender purchased by the Council.

(ii) The Council is a defendant in a legal action by Fiji Forest Sawmilling, which is claiming approximately \$360,000 in rental compensation. Judgement has delivered in favour of the Council during 2007.

SIGATOKA TOWN COUNCIL  
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
 YEAR ENDED 31 DECEMBER 2007

	2007	2006
	5	5
<b>NOTE 12 CASH FLOW RECONCILIATION</b>		
a) Reconciliation of the Net Deficit from Operations		
General Fund	(39,055)	(102,024)
Add: Capital Purchases	74,402	104,937
Gain on Sale	-	-
Depreciation	47,569	48,575
	<u>82,916</u>	<u>51,488</u>
Changes in Assets and Liabilities		
(Increase) in Debtors	11,867	(29,295)
Increase in Creditors and Other Accruals	9,447	3,305
Increase in Sundry Deposit	5,666	-
(Increase) in VAT Receivable	-	15,060
(Increase) in Current Assets	(20,000)	-
(Increase)/decrease in Sundry Advance	-	(1,987)
<b>Net Cash Inflows from Operating Activities</b>	<u><u>89,896</u></u>	<u><u>38,581</u></u>
b) <b>Reconciliation of cash</b>		
For the purpose of the statement of cash flows, cash includes cash at bank and on hand net of outstanding bank overdraft. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in balance sheet as follows:		
Cash on Hand and at the Bank	15,878	(5,595)
	<u>15,878</u>	<u>(5,595)</u>
a) Net cash flows from operations		
Net Surplus from Operations	(5,413)	22,019
Add: Depreciation	2,725	2,632
Changes in Assets and Liabilities		
Increase in VAT payable to General Fund	-	(30,470)
Increase in Creditors	3,248	(241)
Increase/(Decrease) in VAT receivable	-	38
<b>Net Cash Inflows from Operating Activities</b>	<u><u>560</u></u>	<u><u>(6,022)</u></u>
b) <b>Reconciliation of cash</b>		
on hand net of outstanding bank overdraft. Cash at the end of the year as		
Cash at bank	<u>-</u>	<u>(560)</u>