



SIGATOKA TOWN COUNCIL

Annual Report for the Year 2008





SIGATOKA TOWN COUNCIL

Annual Report AND Financial Statements 2008

SIGATOKA TOWN COUNCIL
ANNUAL REPORT FOR THE YEAR ENDED 2008

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

There was no Annual Meeting held in 2008, therefore no Council Elections done, hence, Cr. Ratu Isikeli Tasere, JP remained as Mayor for the ensuing year 2008.

Election of Deputy Mayor

There was no Annual Meeting held in 2008, therefore no Council Elections done, hence, Cr. Tevita Makutu, JP remained the Deputy Mayor for the ensuing year 2008.

Meetings Of The Council

Annual Council	-	1
Ordinary Council	-	10
Special Council	-	2
Emergency Council	-	1
Town Planning, Building & Health Committee	-	1
Finance, Tender & Parking Meter Committee	-	1
Human Resource, Industrial Relation, Information System & General Purpose Committee	-	1
Administrative Committee	-	10
Finance Committee	-	10
Operations Committee	-	10
Management Committee	-	3

Total Number of Meetings 50

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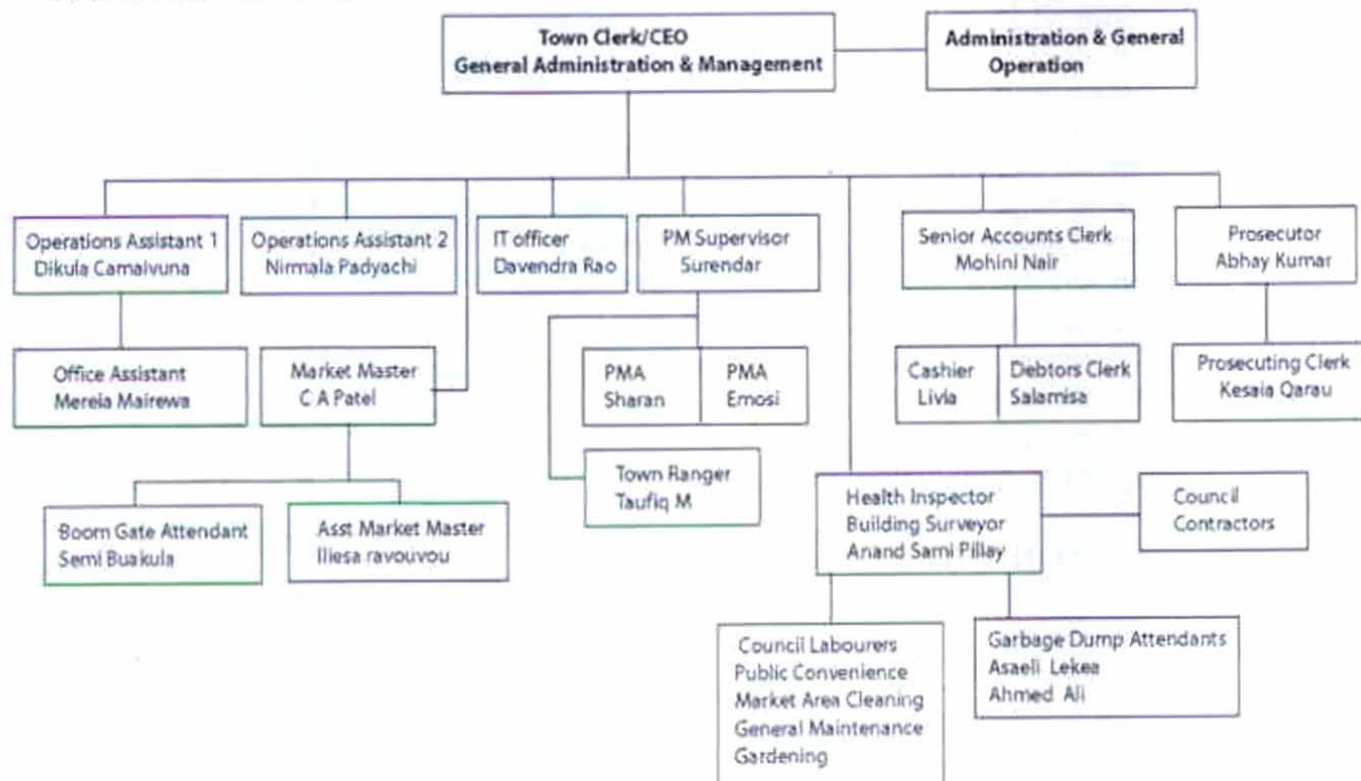
1.5 Staff Details

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.	Limanival	Assistant Gardener

Staff Structure 2008

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

Visiting Dignitaries

A list of Visitors who made courtesy visits to the Council Office during the ensuing year 2008 are as per the table down below:

No.	Name	Organisation
1.	Lekh Ram Vayeshnoi	Minister for Local Government
2.	Eiji Kobayashi	Takenazawa, Japan
3.	Fazlat Sharoon Ali	Japanese Embassy
4.	Sachiyo Kobayashi with 8 Delegates	Japanese Embassy
5.	Maraia Ubitau	Department of Town and Country Planning
6.	Mere Naulumatua	Department of Town and Country Planning
7.	Dr. Arjun Singh	Sigatoka
8.	Robin K. Ali	Nadi Town Council
9.	Timoci Koroigica	Mayor – Nadi Town Council
10.	Maikeli Lalabalavu	Deputy Mayor, Nadi Town Council
11.	Jocelyn Mackey	USA
12.	Laurie Mellsop	Managing Director, Colonial Fiji
13.	Shalendra Roy	Manager, Colonial National Bank, Sigatoka
14.	Mosese Ratakele	GM, Properties, Colonial Fiji
15.	Ed Peek	Australia
16.	Graham Sansom	Australia
17.	Aslam Khan	Vodafone, Suva
18.	Filipe Bole	Ministry – Local Government, FFA Bldg. Suva
19.	Jonthon Fitz Patrick	Digicel, Suva
20.	Hamen Lodhia	Nadi
21.	Paul B Yee	Fiji Sports Council
22.	Jaswant Kumar	Fiji Sports Council
23.	Vijay Chand, JP	Fiji Sports Council
24.	Rupeni Silimaibau	Fiji Sports Council
25.	Samuela Yavala	Fiji Sports Council
26.	Dan Lobendan	Fiji Sports Council
27.	Losalini W.	Fiji Sports Council
28.	Selwyn Williams	Fiji Sports Council
29.	Dwarka Prasad	Fiji Sports Council
30.	Vijendra Kumar Sundar	Fiji Sports Council
31.	John Samy	TASS/NCBBF
32.	Are Wakowako	HRDP
33.	Jeremy Duxbury	Digicel, Nadi

34.	Bhaskaran Nair	Ragg Avenue, Tamavua
35.	Manu D. Korovulavula	Public Accounts Committee
36.	Matayasi Kotobalavu	Public Accounts Committee
37.	Jayant Ram	Office of the Auditor General of Fiji
38.	Graham Hasrat	USP School of Governors
39.	Haruo Nakagawa	USP School of Governors
40.	Feue Tipu	USP School of Governors

4. Health Summary Table

	License Type	Total Number
1.	Catering Premises	22
2.	Catering Premises (School)	4
3.	Mobile or Temporary Small Scale Catering	22
4.	Bake House	4
5.	Butcher Shop	4
6.	Retail and Catering (e.g. Retailer with fast food counter)	15

Total Number of Insanitary Condition Notice Served:	-	25
Total Number Statutory Notice Served:	-	3
Total No. of Condemnation Certificate Issued:	-	8
Total no. of House to House inspection	-	231

The house to house inspection was conducted at the 3 Wards of the Sigatoka

Town similar to previous years. In year 2007 mosquito spraying was done within the town boundary to ensure that town is free from Dengue Fever. The quarterly clean- up campaign 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.

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: - 3

Certificate Issued before Occupy

- Total No. of Completion Certificate issued - 8

Town Planning Management

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

Building Development Permit Summary

Item	Types of Building	Number	Value	Approval	Rejected	Remarks
1	Residential	3	\$216,393.50	Approved	-	-
2	Commercial	21	\$761,648.00	Approved	-	-
3	Civic	2	\$98,651.75	Approved	-	-
4	Industrial	1	\$26,460.00	Approved	-	-
5	Others	-	-	-	-	-

In the year 2008 there were a total of 27 building application received by the Council in which it was noted that commercial development application was high compared to rest of the zones that totaled up to the value of \$761,648.00. It was also noted that during this year there were no application received for rezoning and subdivision 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 Sigatoka Town Council was working very closely with the 7 villagers around town in order to promote healthy environment in the villagers. That Council was actively involving them for when need arises pertaining to environmental issues such drain cleaning and digging/ cleaning which is passes through the village land.

7. **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; Vunasa Ward, Lawaqa Ward and Laselase Ward. These works are planting of new flowers, painting of flower beds, trimming and pruning of hedges.

Capital Projects:

Listed here are some of capital projects for the year; Upgrading of the Koromumu cemetery

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 - 2008

<u>No. of Ratepayers</u>	<u>Amount Charged per year (in a dollar on U.C.Value)</u>	<u>Collection per year</u>
2008		
275	General Rate – 0.84 c Special Loan Rate – 1.16c	\$96,144 \$129,714

Sigatoka Town Council had 275 rate payers in year 2008. 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>
2008	543	\$65,283

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 **6 Tenants** in its premises.

Auditor General Opinion

Sigatoka Town Council was provided the Audit Opinion – **Qualified Audit Opinion** in year 2008. The qualification was due to the following reasons:

The audit opinion expressed in this report has been formed on the basis of:

- Council didn't provided a provision for doubtful debts for the Rates debtors.
- Council did not provide a Fixed Asset Register for audit.

Council Measures – Council had provided the provision for doubtful debts for rates in year 2009 and also provided a Fixed Asset Register.

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

15 July 2010

Mr. Aisea Tuidraki
The Administrator
Sigatoka Town Council
PO Box 118
SIGATOKA

Dear Mr. Tuidraki

AUDIT OF THE ACCOUNTS OF THE SIGATOKA TOWN COUNCIL FOR THE YEAR ENDED 31
DECEMBER 2008

Two copies of the audited financial statements of the Sigatoka Town Council for the year ended 31 December 2008 together with an audit report on them are enclosed.

A copy of the audit report is being sent to the Minister for Local Government, Urban Development, Housing and Environment in accordance with section 53 of the Local Government Act.

Particulars of errors and omissions arising from the audit have been forwarded to the Acting Chief Executive Officer for necessary action.

Yours sincerely

Tevita Bolanavanua
ACTING AUDITOR GENERAL

cc: Minister for Local Government, Urban Development, Housing & Environment
Mr. Anand Sami Pillay, Acting Chief Executive Officer for Sigatoka Town Council

Encl.

REPUBLIC OF THE FIJI ISLANDS
OFFICE OF THE AUDITOR GENERAL



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

SIGATOKA TOWN COUNCIL

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of the Sigatoka Town Council for the year ended 31 December 2008 in accordance with Section 57 (2) 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 was conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the Fiji Accounting Standards and the statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the result of its operations, and its cash flows.

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

Qualifications

1. The Council did not provide a provision for doubtful debts for its Rates Debtors totaling \$375,316 as at 31 December 2008. If a charge for doubtful debt was recorded, it would result in a decrease of net surplus in the Statement of Income and Expenditure of General Fund.
2. The Council did not provide a Fixed Assets Register for audit; therefore Property, Plant and Equipment totaling \$1,397,359 and Depreciation Expense totaling \$46,601 could not be substantiated.

In my opinion, because of the effect of the matter discussed in the qualification paragraphs, the financial statements do not present fairly the financial position of the Sigatoka Town Council as at 31 December 2008 and the result of its operations for the year then ended.

Tevita Bolanavanua

ACTING AUDITOR GENERAL

Suva, Fiji

15 July 2010



SIGATOKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION

	NOTES	2008 \$	2007 \$
ASSETS			
<u>Current Assets</u>			
Cash on hand	2	500	200
Cash at bank	2	25,479	15,678
Debtors	3	489,911	400,711
Prepayments		-	20,000
Sundry Advance	4	9,138	8,587
VAT Receivable from Parking Meters		3,099	-
<u>Non Current Assets</u>			
Property, Plant and Equipment	5	1,372,907	1,234,208
TOTAL ASSETS		1,901,034	1,679,384
<u>EQUITY AND LIABILITIES</u>			
Accumulated Funds	6	296,844	224,123
<u>Current Liabilities</u>			
Vat payable		35,606	33,550
Employee Entitlement		6,843	-
Creditors and Other Accruals		41,010	49,067
Loan Funds less Repayments	7	149,736	-
Sundry Deposits	10	56,233	54,395
Lease Liability - Credit Corporation	9	19,810	10,745
Deferred Income	8	123,132	-
<u>Non Current Liabilities</u>			
Loan Funds less Repayments	7	1,171,820	1,307,504
TOTAL EQUITY AND LIABILITIES		1,901,034	1,679,384

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 20.

COUNCIL'S STATEMENT

In our opinion, the financial statement has been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31st December 2008 and of the state of affairs and cash flows as at that date.

.....
Special Administrator

Mr. Aisea Tuidraki

Date: 13/07/2010

.....
Acting Town Clerk/CEO

Mr. Anand Sami Pillay

Date: 13/07/2010

SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF REVENUE AND EXPENDITURE

	NOTES	2008 \$	2007 \$
The Revenue for the year was derived from:			
General rates		73,533	74,644
General rates on state land		22,611	5,449
Interest on overdue rates		23,290	23,540
Fees and Charges			
Business Licence		65,283	64,690
Building Fees		6,253	6,733
Bus stand charges		10,776	11,280
Commercial vehicle		7,565	8,267
Taxi		59,196	49,021
Cemetery		1,309	1,725
Garbage		40,251	30,003
Illegal Parking Fines		3,538	3,080
Interest others		2,156	1,837
Legal Action		1,391	1,213
Market Fees		208,510	190,599
Miscellaneous		19,209	20,101
Rental Properties		109,184	109,938
Billboards		-	5,778
Challenge Fund		-	40,000
Relaxation of Parking Meters		18,667	-
Loading & Unloading Zone		29,440	-
Mini Van		16,079	-
Gain on Sale		5,845	-
Amortisation of Deferred Income	8	1,313	-
Director of Lands - Upkeeping River Bank		98,537	-
TOTAL REVENUE		823,936	647,898

The Expenditure for the year was incurred on:

Recurrent

Audit fees	-	5,156
Fiji Local Government Association	2,223	1,153
Garbage Service	36,667	29,333
Legal Expenses	34,933	9,563
Mayoral, Councillors Allowance & Civic reception	24,112	34,207
Office Expenses	3,969	3,394
Printing, Stationery & Advertising	17,872	15,620
Salaries & related payments	211,910	184,556
Travelling Expenses	13,283	21,234
Telecom/Fax/Internet/courier	10,413	7,513

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

	NOTES	2008 \$	2007 \$
Electricity		27,487	23,932
Fiji National training Council		1,357	1,895
Insurance		12,853	15,068
Market		1,262	4,166
Miscellaneous		17,110	15,869
Office rental		17,045	16,500
Public Convenience		18,705	18,722
Roads, drains, paths & verges		116,554	140,741
Water		1,331	670
Valuation		2,000	-
Capital Expenditure			
Footpath, Road marking/Patching		21,459	24,468
General Maintenance		4,713	8,562
Loop Road & Duabale		8,311	511
Koromumu Cemetry		4,166	2,316
Railings		-	6,929
Rubbish Dump		37,333	5,649
Streelights		35,876	24,673
Upgrade admin building		3,069	1,294
Maint. Of office Furniture/Equipment		415	-
Financial Expenses			
Discount Allowed		9,987	14,096
Bank Charges & Interest		1,594	1,594
Depreciation		44,088	47,569
TOTAL EXPENDITURE		742,097	686,953
Net surplus/(deficit) for the year was		81,839	(39,055)
Deficit balance at 1 January was		(643,342)	(604,287)
Leaving a deficit balance at 31 December of		(561,503)	(643,342)

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

The Revenue for the year was derived from	NOTES	2008 \$	2007 \$
Special Loan Rate		120,171	112,167
Special Loan Rate on Stateland		9,543	9,042
TOTAL REVENUE		<u>129,714</u>	<u>121,209</u>
The Expenditure for the year was incurred on			
Interest - Colonial		138,832	179,935
TOTAL EXPENDITURE		<u>138,832</u>	<u>179,935</u>
Net deficit for the year was		(9,118)	(58,726)
Deficit balance at 1 January was		(237,317)	(178,591)
Leaving a deficit balance at 31 December of		<u>(246,435)</u>	<u>(237,317)</u>

SIGATOKA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION

	NOTES	2008 \$	2007 \$
<u>Current Assets</u>			
Cash at bank		3,099	-
<u>Non Current Assets</u>			
Property, Plant & Equipment	5	24,452	24,743
TOTAL ASSETS		<u>27,551</u>	<u>24,743</u>
<u>Current Liabilities</u>			
Employee Entitlement		1,958	5,348
Vat Payable to General Fund		3,099	-
Total Current Liabilities		<u>5,057</u>	<u>5,348</u>
TOTAL LIABILITIES		<u>5,057</u>	<u>5,348</u>
Net Assets		<u>22,494</u>	<u>19,395</u>
Accumulated Funds		<u>22,494</u>	<u>19,395</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 20.

COUNCIL'S STATEMENT

In our opinion, the financial statement has been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operation for the year ended 31st December 2008 and of the state of affairs and cash flows as at that



Special Administrator

Aisea Tuidraki

Date: 13/07/2010



Acting Town Clerk/CEO

Mr Anand Sami Pillay

Date: 13/07/2010

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

	NOTES	2008 \$	2007 \$
The Revenue for the Year was derived from			
Infringement Fines		31,036	21,484
Parking Meter Tolls		52,212	56,051
Miscellaneous		11,262	8,219
Parking Permit		5,512	-
TOTAL REVENUE		100,022	85,754
The Expenditure for the Year was Incurred from			
Office Rental		2,280	-
Bank Charges		-	113
Road, Footpath marking/patching		7,000	-
Depreciation		2,513	2,725
Maintenance of Parking Bays		-	949
Printing & Stationery		-	409
FNTC Levy		238	302
Road, Drains, Paths & Verges		21,446	-
Salaries & Related payments		55,356	35,797
Computer Maintenance		-	667
Other Administration Cost		-	47,572
Parking Meter Maintenance		6,270	2,578
Miscellaneous		-	55
Civic Reception		300	-
Office Expenses		480	-
Travelling Cost		-	-
Electricity		1,040	-
TOTAL EXPENDITURE		96,923	91,167
Net surplus/(deficit) for the year was		3,099	(5,413)
Surplus balance at 1 January was		19,395	24,808
Leaving a surplus balance as at 31 December of		22,494	19,395

SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF CASH FLOWS

	NOTES	2008 \$	2007 \$
Cash Flows From Operating Activities			
Cash was provided from:			
Rates and other revenue		824,848	617,242
Interest		<u>1,764</u>	<u>23,540</u>
		826,612	640,782
Cash was applied to:			
Payments to suppliers & employees		<u>(643,754)</u>	<u>(550,886)</u>
Net Cash Flows provided by Operating Activities	14(a)(i)	<u>182,858</u>	<u>89,896</u>
Cash Flows From Investing Activities			
Cash was applied to:			
Payments/(Proceeds) for property, plant and equipment		(34,482)	(4,760)
Payment for capital purchases		<u>(115,342)</u>	<u>(74,402)</u>
Net Cash Flows used by Investing Activities		<u>(149,824)</u>	<u>(79,162)</u>
Cash Flows From Financing Activities			
Cash was provided from:			
Loan Rate		105,423	121,209
Cash was applied to:			
Lease Liability		(4,076)	(11,749)
Loan repayments		14,052	59,735
Interest		<u>(138,832)</u>	<u>(179,935)</u>
Net Cash Flows used by Financing Activities		<u>(23,433)</u>	<u>10,740</u>
Net increase/decrease in cash held		9,601	21,474
(Overdraft)/cash at the beginning of the year		<u>15,878</u>	<u>(5,596)</u>
Cash at the end of year	14(a)(ii)	<u>25,479</u>	<u>15,878</u>

SIGATOKA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF CASH FLOWS

	NOTES	2008 \$	2007 \$
Cash Flows From Operating Activities			
Cash was provided from			
Meter Tolls and other revenue		100,022	89,002
		<u>100,022</u>	<u>89,002</u>
Cash was Applied to:			
Payments to suppliers & employees		(96,923)	(88,442)
Net Cash Flows from Operating Activities	14(b)(i)	<u>3,099</u>	<u>560</u>
Net increase/decrease in cash held		<u>3,099</u>	<u>560</u>
Cash at the begininig of the year		-	(560)
Cash at the end of the year	14(b)(ii)	<u><u>3,099</u></u>	<u><u>-</u></u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Note 1 Statement of Significant Accounting Policies

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2008. Unless otherwise stated similar policies were followed in the previous year.

a) Basis of preparation of the financial statements

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

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 principal rates adopted are:

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

SIGATOKA TOWN COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$

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

Cash on Hand	500	200
Colonial Bank - General Fund	21,529	6,322
- Capital Fund	7,049	9,356
	<u>28,578</u>	<u>15,678</u>
Disclosed as:		
General Fund		
Cash at Bank - General Fund	25,479	15,678
Cash at Bank - Parking Meter	3,099	-
	<u>28,578</u>	<u>15,678</u>

SIGATOKA TOWN COUNCIL
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 YEAR ENDED 31 DECEMBER 2008

		2008	2007
		\$	\$
Note 3	<u>Debtors</u>		
	Rates	375,316	374,243
	Bus Stand	1,718	1,630
	Business Licence	1,302	1,982
	Commercial Vehicle	643	4,846
	Garbage Fees	7,347	8,581
	Rental Properties	3,141	2,914
	Taxi Base	1,907	6,515
	Director of lands	98,537	-
		<u>489,911</u>	<u>400,711</u>
Note 4	<u>Sundry Advances</u>		
	Other Advances	3,159	3,159
	Mayoral Appeal	1,486	1,486
	Dishonored Cheques	4,259	3,708
	Telephone	200	200
	Electricity	22	22
	Land	10	10
	Post Box Key	2	2
		<u>9,138</u>	<u>8,587</u>

SIGATOKA TOWN COUNCIL
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 YEAR ENDED 31 DECEMBER 2008

	2008	2007
Note 5 <u>Property, Plant and Equipment - General Fund</u>	\$	\$
Computers - at cost	9,314	13,556
less provision for depreciation	(5,609)	(12,230)
	<u>3,705</u>	<u>1,326</u>
Furniture & Fittings - at cost	7,536	7,536
Valuation 2008		
less provision for depreciation	(1,606)	(1,078)
	<u>5,930</u>	<u>6,458</u>
Land & Building - at cost	1,364,318	520,441
- at valuation 2004	-	816,597
- at valuation 2008		
less provision for depreciation	(167,812)	(133,704)
	<u>1,196,506</u>	<u>1,203,334</u>
Motor vehicle - at cost (EF537)	69,221	50,000
less provision for depreciation	(45,807)	(40,000)
	<u>23,414</u>	<u>10,000</u>
Office Equipment - at cost	12,920	12,147
less provision for depreciation	(2,728)	(1,825)
	<u>10,192</u>	<u>10,322</u>
Plant & Equipment - at cost	134,875	2,942
less provision for depreciation	(1,715)	(174)
	<u>133,160</u>	<u>2,768</u>
Net Written Down Value	<u>1,372,907</u>	<u>1,234,208</u>

SIGATOKA TOWN COUNCIL
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
<u>Property, Plant and Equipment - Parking Meter Fund</u>		
Plant & Machinery - at cost	30,501	30,501
less provision for depreciation	(8,718)	(6,583)
	<u>21,783</u>	<u>23,918</u>
 Computers - at cost	1,671	1,671
Less provisions for depreciation	(1,588)	(1,326)
	<u>83</u>	<u>345</u>
 Office Equipment - at cost	2,767	545
Less provision for depreciation	(181)	(65)
	<u>2,586</u>	<u>480</u>
 Net Written Down Value	<u>24,452</u>	<u>24,743</u>

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

General Fund

Land and Building

Carrying amount at beginning	1,203,334	1,236,760
Additions	27,280	-
Depreciation Expense	(34,108)	(33,426)
Balance as at 31st December	<u>1,196,506</u>	<u>1,203,334</u>

Motor Vehicles -EG537

Carrying amount at beginning	10,000	20,000
Additions	24,221	-
Disposals	(5,000)	-
Depreciation expense	(5,807)	(10,000)
Balance as at 31st December	<u>23,414</u>	<u>10,000</u>

Computers

Carrying amount at beginning	1,326	2,626
Additions	3,580	1,378
Depreciation expense	(1,201)	(2,678)
Balance as at 31st December	<u>3,705</u>	<u>1,326</u>

Furniture and Fittings

Carrying amount at beginning	6,458	5,816
Additions	-	1,119
Depreciation expense	(528)	(477)
Balance as at 31st December	<u>5,930</u>	<u>6,458</u>

SIGATOKA TOWN COUNCIL
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 YEAR ENDED 31 DECEMBER 2008

	2008 \$	2007 \$
Movement in Carrying Amounts (cont'd)		
<u>Office Equipment</u>		
Carrying amount at beginning	10,321	10,464
Additions	773	690
Depreciation Expense	(902)	(833)
Balance as at 31st December	<u>10,192</u>	<u>10,321</u>
 <u>Plant & Equipment</u>		
Carrying amount at beginning	2,768	1,350
Additions	131,933	1,573
Depreciation Expenses	(1,541)	(155)
Balance as at 31st December	<u>133,160</u>	<u>2,768</u>
 Net Written Down Value	<u>1,372,907</u>	<u>1,234,207</u>
 <u>Parking Meter Fund</u>		
<u>Plant and machinery</u>		
Carrying amount at beginning	23,918	26,053
Depreciation expense	(2,135)	(2,135)
Balance as at 31st December	<u>21,783</u>	<u>23,918</u>
 <u>Computers</u>		
Carrying amount at beginning	345	897
Depreciation expense	(262)	(552)
Balance as at 31st December	<u>83</u>	<u>345</u>
 <u>Office equipment</u>		
Carrying amount at beginning	480	519
Additions	2,222	-
Depreciation	(116)	(38)
Balance as at 31st December	<u>2,586</u>	<u>481</u>
 Net Written Down Value	<u>24,452</u>	<u>24,744</u>

SIGATOKA TOWN COUNCIL
NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
Note 6 <u>Accumulated Funds</u>		
This consists of:		
General Fund Account	(561,503)	(643,342)
Loan Repayment Account	(246,435)	(237,317)
Asset Revaluation Reserve	816,597	816,597
Adjustment - Debtors	288,185	288,185
Net accumulated funds	296,844	224,123

(a) 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 are still owing at the current balance date.

Note 7 <u>Loan Funds</u>		
<u>Colonial Life Fiji</u>		
Balance at 1st January	1,307,504	1,247,769
Add: Interest	138,832	179,935
	1,446,336	1,427,704
Less: Loans repaid	(124,780)	(120,200)
Balance as at 31st December	1,321,556	1,307,504
Total Loan Funds	1,321,556	1,307,504

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	149,736
Non Current	1,171,820
	1,321,556

Note 8 New Back Hoe Digger

The amount represents Back Hoe Digger which was donated by the Japanese Government in 2008, which is treated in accordance to FAS 20:

Cost of Digger	124,445	-
Less: Depreciation charge	(1,313)	-
Written Down Value	123,132	-

SIGATOKA TOWN COUNCIL
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$

Note 9 Finance Lease Repayments

The amount shown below represents the balance of repayment due to the purchase of motor vehicles under finance lease in 2008 at a repayment term of three years.

Opening Balance	20,376	-
Less Repayments	(566)	-
Closing at 31 December	<u>19,810</u>	-

Note 10 Sundry Deposits

Car Park Development	34,007	34,007
Council Properties/ Shop - Security	18,609	16,771
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>56,233</u>	<u>54,395</u>

Note 11 Discount on Rates

The Council in its 2008 budget granted discount on rates as follows:

Rates paid in full on or before 31/01/08 - 7%
 Rates paid in full on or before 28/02/08 - 4%
 Rates paid in full on or before 31/03/08 - 2%

Note 12 Capital Commitment at balance date

EX MH subdivision - Council has invested \$1,101,600 and is awaiting for the Title

Note 13 Contingent Liabilities at balance date (2008 : Nil)

SIGATOKA TOWN COUNCIL
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
Note 14 <u>Cash Flow Reconciliation</u>		
(a) <u>Cash Flow Reconciliation - General Fund Account</u>		
(i) Reconciliation of the Net Surplus to		
Net deficit from Operations		
General Fund	81,839	(39,055)
Add : Capital Purchases	115,343	74,402
Depreciation	44,088	47,569
	<u>241,270</u>	<u>82,916</u>
Changes in Assets and Liabilities		
(Increase) in debtors	(89,200)	11,867
Increase in creditors and other accruals	(5,364)	9,447
Increase in VAT Payable	2,056	-
Increase in Sundry deposit	1,838	5,666
Increase in Vat receivable	(3,099)	-
Increase in Employee Entitlement	6,843	-
(Increase) in Current Assets	20,000	(20,000)
(Increase)/decrease in sundry advance	(551)	-
Increase in Lease Liability	9,065	-
Net Cash Inflows (used in) from Operating Activities	<u>182,858</u>	<u>89,896</u>
(ii) Reconciliation of cash		
For the purpose of 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 at Bank		
Cash at Bank	25,479	15,878
	<u>25,479</u>	<u>15,878</u>

SIGATOKA TOWN COUNCIL
 NOTES TO FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
 YEAR ENDED 31 DECEMBER 2008

	2008	2007
	\$	\$
(b) <u>Cash Flow Reconciliation - Parking Meter Fund Account</u>		
(i) Net cash flows from operations		
Net Surplus from Operations	3,099	(5,413)
Add: Depreciation	-	2,725
Changes in Assets and Liabilities		
Increase in VAT payable to General Fund		
Increase in Creditors	-	3,248
Increase/(Decrease) in VAT receivable		
Net Cash Inflows from Operating Activities	<u>3,099</u>	<u>560</u>

(ii) Reconciliation of cash

For the purpose of 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 at bank	<u>3,099</u>	<u></u>
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