



SIGATOKA TOWN COUNCIL

Annual Report for the Year 2010





TAUNI HEWA, YALO VINA
CHOTA SHAHAR, BADA DIL

SIGATOKA TOWN COUNCIL

ANNUAL REPORT & FINANCIAL STATEMENTS 2010

SIGATOKA TOWN COUNCIL
ANNUAL REPORT FOR THE YEAR ENDED 2010

1.0 Appointment of Special Administrator

Mr. Aisea Tuidraki was appointed by the Government as the Special Administrator as in line with the amended Local Government Act, Cap. 125 from February, 2009 to June 13, 2013.

Election of Mayor

No Council Election for the Mayor was done due to the appointment of the Special Administrator by the Government in line with the amended Local Government Act, Cap. 125.

Election of Deputy Mayor

No Council Election for the Deputy Mayor was done due to the appointment of the Special Administrator by the Government in line with the amended Local Government Act, Cap. 125.

Meetings Of The Council

Annual Council	-	-
Ordinary Council	-	12
Special Council	-	1
Emergency Council	-	-
Standing Working Committee – Finance, Human Resources & Town Planning	-	23
Stakeholders Meeting – Essential Services Nadroga/Navosa	-	1
STC/Local Government	-	1
Total Number of Meetings		38
		=====

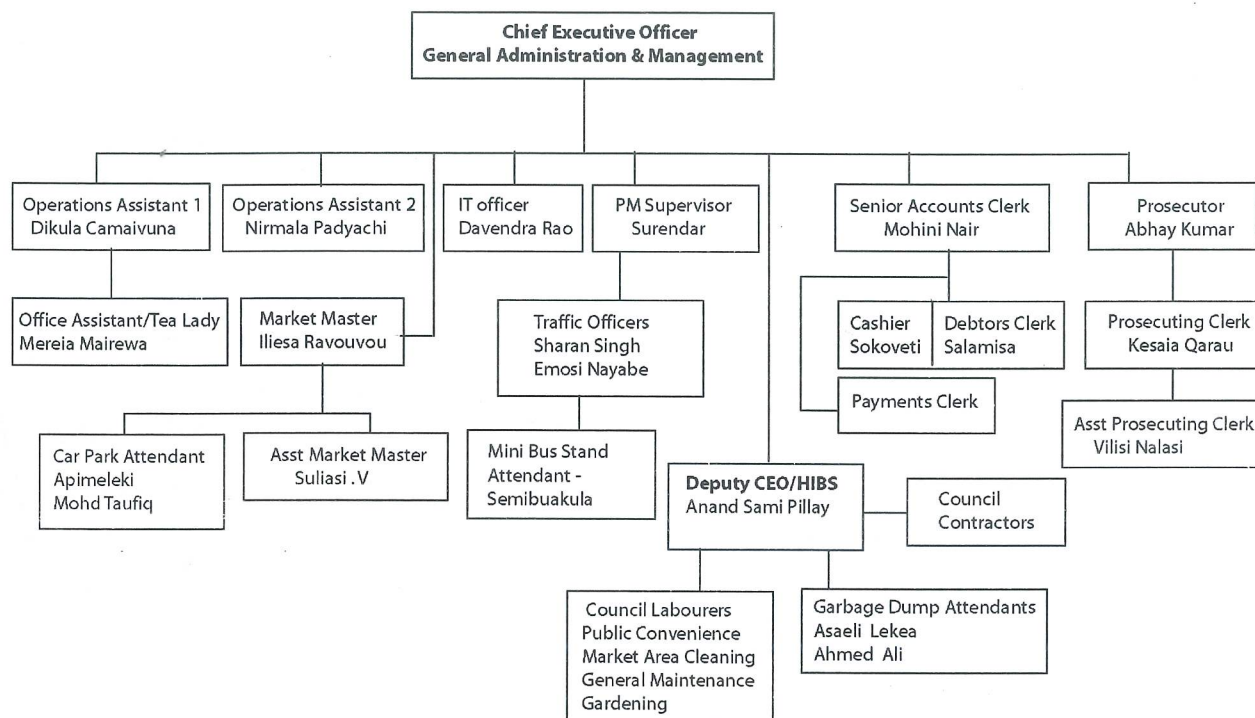
1.5 Staff Details

Established Staffs

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	Azam Azmat Khan	Town Clerk/Chief Executive Officer
2.	Mereoni Camaivuna	Operations Assistant 1
3.	Nirmala Pariachi	Operations Assistant II
.	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.	Limanivai	Assistant Gardener

Staff Structure 2010**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 Dignatories

A list of Visitors who made courtesy visits to the Council Office during the ensuing year 2010 are as per the table down below:

No.	Name	Organisation
1.	Samu Saumatua	Ministry of Local Government
2.	Rev. Sireli Turaganiqali	Nayawa Mission Compound
3.	Rajendra Prasad	Foodhall Supermarket
4.	Talei Rokotuibau	Department of Town & Country Planning
5.	Paul Apoi	Department of Town & Country Planning
6.	Timoci Bainimarama	Department of Town & Country Planning
7.	Taniela S. Wacokecoko	Ministry of Lands
8.	Netani Sukanaivalu	Ministry of Lands Mineral Resources
9.	Peter Hopgood	Outrigger On the Lagoon
10.	Wallace Rogers	Kiribati
11.	Romano R.	"
12.	Jim Taekiti	"
13.	Josefa Sunia	Ministry of Education, Marela House, Suva
14.	Albert Wise	SEO, Nadroga/Navosa
15.	Peni Seniasi	Ministry of Health
16.	Atalanta Paul	WHO, Manila
17.	Anthony Hazzard	WHO, Western Pacific Regional
18.	Lliane Brady	Mayor – Cobarshire Council
19.	Naibuka T. Seruvatu	PSC, Suva
20.	Jo Fuata	PSC, Suva
21.	Kelera Tukana	FBEA Evaluator
22.	Artika Sen	FBEA Evaluator
23.	Vika Fong Toy	FBEA Evaluator
24.	Taina Tagicakibau	PS, local Government
25.	Kolinio Bola	DTCP, Suva
26.	Paul Apoi	DTCP, Suva
27.	Luke Qionibaravi Jnr	DTCP, Suva
28.	Alisi Pulini	Department of Environment
29.	Samu A. Saumatua	Ministry for Local Government
30.	Noel Rajan	WR Carpenter, PNG
31.	Roger Powell	Carpenters Fiji Limited

4. **Health Summary Table**

	License Type	Total Number
1.	Catering Premises	23
2.	Catering Premises (School)	4
3.	Mobile or Temporary Small Scale Catering	30
4.	Bake House	4
5.	Butcher Shop	5
6.	Retail and Catering (e.g. Retailer with fast food counter)	22

Total Number of Insanitary Condition Notice Served: - 21
 Total Number Statutory Notice Served: - Nil
 Total No. of Condemnation Certificate Issued: - 4
 Total no. of House to House inspection - 248

The house to house inspection was conducted at the 3 wards of the Sigatoka Town similar to previous years. In year 2009 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.

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: - 1
- Certificate Issued before Occupy**
- Total No. of Completion Certificate issued - 1
- 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	1	\$10,000	Approved	-	-
2	Commercial	12	\$1,016,650.00	Approved	-	-
3	Civic	5	\$100,000.00	Approved	-	-
4	Industrial	-	-	-	-	-
5	Others	-	-	-	-	-

In the year 2010, there were a total of 18 building application received by the Council which by they were all approved. These 18 applications came from Residential, Commercial and civic development applications. It was noted that commercial development application was high compared to rest of the zones. It should also be noted that 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. In the same year Council has received backhoe from Japanese Government through grant. Council has improved the dump site a lot by full time engaging the backhoe at the dump site.

That the JICA volunteer joined the council in year 2010 to assist the council to reduce the green waste in the market and promote composting, recycling and conduct clean school program in the school.

It was initiated in same year were nearby schools were took advantage at large. that the market environment committee were also formed to look after the affairs of the green waste and separate bins were provided after proper handsaw trainings.

The same was done in the schools were environmental students were appointed by the schools to look after the waste management in terms of recycling and composting in the schools.

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, Dog trapping, Mosquito spraying, Footpath maintenance, Public Convenience maintenance, road markings / road signs maintenance and general 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

Capital projects that were executed are; the refurbishing of the Civic Building, Installing of New Rubbish Bins around Town, Upgrade of footpaths and roads, Market and Bus Stand upgrade and major maintenance

General Contractual Works

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

8. Annual Accounts Audit - 2010

Rates

No. of Ratepayers	Amount Charged per year (in a dollar on U.C Value)	<u>Collection per year</u>
<u>2010</u>	General Rate – 0.86c	\$126,343
290	Special Loan Rate – 1.25c	\$155,085

Sigatoka Town Council had 290 rate payers in year 2010. It provides services such as Garbage Collection, Town sweeping, street cleaning, streetlight repairs and road maintenance to the ratepayers.

(Note: 41 properties were unalienated for STC in year 2010).

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

Year	No. of Business License Holders	Amount Collected
2010	478	\$62,207

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** which has occupied space in the Market area.

Auditor General Opinion

Sigatoka Town Council was provided the Audit Opinion –**Unqualified Audit Opinion** in year 2010.

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
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16 December 2011

Mr. Special Administrator
Sigatoka Town Council
P O Box 184
SIGATOKA

23/12/11

Dear Sir

**AUDIT OF SIGATOKA TOWN COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2010**

The audit of the accounts of the Council for the year ended 31 December 2010 has been completed.

The audited accounts are forwarded for signing. Please return the signed accounts at your earliest to facilitate the issue of independent audit report on them.

A draft copy of the independent audit report is also enclosed for your perusal.

Yours sincerely

Mere Waqanicagica
for AUDITOR GENERAL

Encl.

SIGATOKA TOWN COUNCIL

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 INDEPENDENT AUDIT REPORT

Scope

I have audited the financial statements of Sigatoka Town Council for the year ended 31 December 2010 in accordance with Section 57 (2) of the Local Government Act and Section 13 of the Audit Act. 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.

Unqualified Audit Opinion

In my opinion, the financial statements present fairly in accordance with the Fiji Accounting Standards and statutory provisions, the financial position of the Council and the results of its operations and cashflows for the year then ended.

Tevita Bolanavanua

AUDITOR GENERAL

Suva, Fiji

Date:

SIGATOKA TOWN COUNCIL

GENERAL FUND ACCOUNT

STATEMENT OF FINANCIAL POSITION

	NOTES	2010 \$	2009 \$
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash on hand	2	500	500
Cash at bank	2	124,900	55,159
Debtors	3	199,905	442,569
Sundry Advance	4	11,945	9,902
VAT Receivable from Parking Meters		-	1,099
<u>Non Current Assets</u>			
Property, Plant and Equipment	5	1,287,374	1,335,731
TOTAL ASSETS		<u>1,624,624</u>	<u>1,844,960</u>
<u>EQUITY AND LIABILITIES</u>			
Accumulated Funds	6	(32,897)	227,243
<u>Current Liabilities</u>			
Vat Payable		27,660	30,759
Employee Entitlement		13,844	3,907
Creditors and Other Accruals		74,241	48,298
Loan Funds less Repayments	7	149,736	149,736
Sundry Deposits	10	57,121	57,121
Lease Liability - Credit Corporation	9	6,226	13,018
Deferred Income	8	104,750	113,941
<u>Non Current Liabilities</u>			
Loan Funds less Repayments	7	1,223,943	1,200,937
TOTAL EQUITY AND LIABILITIES		<u>1,624,624</u>	<u>1,844,960</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 operations for the year ended 31 December 2010 and of the state of affairs and cash flows as at that date.

.....
Special Administrator

Mr. Aisea Tuidraki

Date:

.....
Chief Executive Officer

Mr. Anand Sami Pillay

Date: 28/12/10

SIGATOKA TOWN COUNCIL

GENERAL FUND ACCOUNT

STATEMENT OF REVENUE AND EXPENDITURE

	NOTES	2010 \$	2009 \$
The Revenue for the year was derived from:			
General rates		95,326	99,778
General rates on state land		31,017	20,350
Interest on overdue rates		790	3,537
Fees and Charges			
Advertisement		9,653	-
Business Licence		62,207	63,049
Building Fees		2,287	3,008
Bus stand charges		8,538	9,763
Commercial vehicle		9,550	7,826
Taxi		69,556	43,570
Cemetery		2,330	1,562
Garbage		140,170	144,544
Illegal Parking Fines		5,435	1,801
Interest others		3,462	3,460
Insect Control Fees		4,762	0
Legal Action		2,540	6,998
Market Fees		240,995	213,506
Miscellaneous		24,377	5,094
Rental Properties		111,695	123,557
Rezoning fees		3,211	-
Car Parking Contribution		7,389	36,477
Car Parking Fees		56,040	7,636
Loading & Unloading Zone		39,967	44,000
Mini Van		42,746	36,083
Amortisation of Deferred Income	8	9,191	9,191
Proposed Tramline Development		-	4,000
Director of Lands - Upkeeping River Bank		4,199	4,199
Total Revenue		987,433	892,989
The Expenditure for the year was incurred on:			
Recurrent			
Audit Fees		26,489	-
Bad Debts		259,125	-
Depreciation		53,415	52,274
Fiji Local Government Association		284	951
Garbage Service		40,048	42,738
Legal Expenses		9,917	23,487
Mayoral, Councillors Allowance & Civic reception		29,732	23,090
Office Expenses		8,212	5,450
Printing, Stationery & Advertising		28,712	18,524
Salaries & related payments		323,875	255,856
Telecom/Fax/Internet/courier		14,947	9,685
Travelling Expenses		20,725	22,342

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

	NOTES	2010	2009
		\$	\$
Electricity		33,325	24,326
Fiji National Training Council		4,111	1,451
Insurance		11,553	12,646
Market		11,583	23,523
Mini Bus Stand Rental		13,467	14,986
Miscellaneous		8,274	20,267
Office rental		20,267	17,987
Public Convenience		3,610	10,024
Roads, drains, paths & verges		134,233	149,879
Valuation		-	222
Water		4,391	3,427
<u>Capital Expenditure</u>			
Footpath, Road Marking/Patching		32,112	40,167
General Maintenance		17,797	20,775
Koromumu Cemetery		9,388	4,889
Loop Road & Duabale		3,257	13,596
Maint. of Bridge		21,721	12,318
Maint. of Mini Bus Stand		5,343	5,986
Maint. of MH Carpark		1,068	-
Maint. of Office Furniture/Equipment		2,174	3,312
Maint. of Rubbish Bin/Chambers		242	22,017
Rubbish Dump		31,689	37,395
Searchfees		2,027	-
Streelights		28,490	17,025
Upgrade admin building		2,360	3,216
<u>Financial Expenses</u>			
Bank Charges & Interest		1,315	1,308
Discount Allowed		12,638	12,993
Total Expenditure		<u>1,231,916</u>	<u>928,132</u>
Net (deficit) for the year was		(244,483)	(35,143)
Deficit balance at 1 January was		<u>(596,646)</u>	<u>(561,503)</u>
Leaving a deficit balance at 31 December of		<u>(841,129)</u>	<u>(596,646)</u>

SIGATOKA TOWN COUNCIL

SPECIAL LOAN FUND ACCOUNT

STATEMENT OF REVENUE AND EXPENDITURE

The Revenue for the year was derived from	NOTES	2010 \$	2009 \$
Special Loan Rate		145,661	140,320
Special Loan Rate on Stateland		9,424	11,296
Total Revenue		<u>155,085</u>	<u>151,616</u>
The Expenditure for the year was incurred on			
Interest - Colonial		170,742	127,746
Total Expenditure		<u>170,742</u>	<u>127,746</u>
Net (deficit)/surplus for the year was		(15,657)	23,870
Deficit balance at 1 January was		(222,565)	(246,435)
Leaving a deficit balance at 31 December of		<u>(238,222)</u>	<u>(222,565)</u>

SIGATOKA TOWN COUNCIL

PARKING METER FUND ACCOUNT STATEMENT OF FINANCIAL POSITION

	NOTES	2010 \$	2009 \$
<u>Current Assets</u>			
Funds for Parking Meter		12,125	1,177
<u>Non Current Assets</u>			
Property, Plant & Equipment	5	20,013	22,512
Total Assets		<u>32,138</u>	<u>23,689</u>
<u>Current Liabilities</u>			
Employee Entitlement		618	2,018
Vat Payable to General Fund		-	1,099
Total Current Liabilities		<u>618</u>	<u>3,117</u>
Total Liabilities		<u>618</u>	<u>3,117</u>
Net Assets		<u>31,520</u>	<u>20,572</u>
Accumulated Funds		<u>31,520</u>	<u>20,572</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 operations for the year ended 31 December 2010 and of the state of affairs and cash flows as at that date.


.....
Special Administrator

Mr. Aisea Tuidraki

Date:


.....
Chief Executive Officer

Mr. Anand Sami Pillay

Date: 28/12/2011

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

	NOTES	2010	2009
		\$	\$
The Revenue for the Year was derived from			
Infringement Fines		20,146	24,449
Parking Meter Tolls		63,315	75,710
Miscellaneous		2,100	2,388
Parking Permit		4,309	5,633
Total Revenue		89,870	108,180
The Expenditure for the Year was Incurred from			
Office Rental		2,280	2,280
Bank Charges		50	50
Road, Footpath marking/patching		15,884	15,884
Depreciation		2,499	2,371
Printing & Stationery		1,340	2,902
FNTC Levy		277	0
Salaries & Related payments		46,592	68,963
Other Administration Cost		2,000	1,232
Parking Meter Maintenance		5,260	14,480
Civic Reception		300	300
Office Expenses		280	480
Travelling Cost		200	200
Electricity		1,960	960
Total Expenditure		78,922	110,102
Net surplus/(deficit) for the year was		10,948	(1,922)
Add surplus balance at 1 January of		20,572	22,494
Leaving a surplus balance at 31 December of		31,520	20,572

SIGATOKA TOWN COUNCIL

GENERAL FUND ACCOUNT

STATEMENT OF CASH FLOWS

	NOTES	2010 \$	2009 \$
Cash Flows From Operating Activities			
Cash was provided from:			
Rates and other revenue		1,096,872	1,004,738
Interest		790	893
		<u>1,097,662</u>	<u>1,005,631</u>
Cash was applied to:			
Payments to suppliers & employees		(803,364)	(826,270)
Net Cash provided by Operating Activities	14(a)(i)	<u>294,298</u>	<u>179,361</u>
Cash Flows From Investing Activities			
Cash was applied to:			
(Payments) for property, plant and equipment		(1,780)	(15,181)
Payment for capital projects		(180,190)	(180,695)
Net Cash used by Investing Activities		<u>(181,970)</u>	<u>(195,876)</u>
Cash Flows From Financing Activities			
Cash was provided from:			
Loan Rate		155,085	151,616
Cash was applied to:			
Lease Liability		(6,792)	(6,792)
Loan repayments		(23,006)	29,117
Interest		(167,874)	(127,746)
Net Cash used by Financing Activities		<u>(42,587)</u>	<u>46,195</u>
Net increase in cash held		69,741	29,680
Cash at the beginning of the year		55,159	25,479
Cash at the end of year	14(a)(ii)	<u>124,900</u>	<u>55,159</u>

SIGATOKA TOWN COUNCIL**PARKING METER FUND ACCOUNT
STATEMENT OF CASH FLOWS**

	NOTES	2010 \$	2009 \$
Cash Flows From Operating Activities			
Cash was provided from			
Rates and other revenue		<u>89,870</u>	<u>108,180</u>
		89,870	108,180
Cash was Applied to:			
Payments to suppliers & employees		<u>(78,922)</u>	<u>(110,102)</u>
Net Cash Flows from Operating Activities	14(b)(i)	<u>10,948</u>	<u>(1,922)</u>
Net increase/(decrease) in cash held		<u>10,948</u>	<u>(1,922)</u>
Cash at the begininig of the year		1,177	3,099
Cash at the end of the year	14(b)(ii)	<u><u>12,125</u></u>	<u><u>1,177</u></u>

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010. 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.

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT'D)

2010

\$

2009

\$

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
Motor Vehicle	20% p.a
Office Equipment	7% p.a
Plant & Machinery	7% p.a
Land & Building	2.5% p.a

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 impairment 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

Cash on Hand	500	500
Colonial Bank - General Fund	127,980	53,825
- Capital Fund	9,045	2,511
	<u>137,025</u>	<u>56,336</u>

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT'D)

		2010 \$	2009 \$
note 2 (cont'd)	Disclosed as		
	Cash at Bank - General Fund	124,900	55,159
	Funds for Parking Meter	12,125	1,177
		<u>137,025</u>	<u>56,336</u>
Note 3	<u>Debtors</u>		
	Rates	53,663	320,584
	Bus Stand	987	1,099
	Business Licence	236	281
	Commercial Vehicle	852	284
	Garbage Fees	21,488	10,260
	Rental Properties	7,689	4,069
	Taxi Base	4,274	698
	Director of lands	106,935	102,736
	Mini Van	3,781	2,558
		<u>199,905</u>	<u>442,569</u>
Note 4	<u>Sundry Advances</u>		
	Other Advances	3,159	3,159
	Mayoral Appeal	1,486	1,486
	Dishonored Cheques	4,259	5,023
	Telephone	200	200
	Electricity	22	22
	Land	10	10
	Post Box Key	2	2
	Staff wages and salaries advance	2,807	-
		<u>11,945</u>	<u>9,902</u>
Note 5	<u>Property, Plant and Equipment - General Fund</u>		
	Computers - at cost	8,884	11,900
	less provision for depreciation	(5,932)	(7,755)
		<u>2,952</u>	<u>4,145</u>
	Furniture & Fittings - at cost	10,140	9,046
	less provision for depreciation	(2,857)	(2,169)
		<u>7,283</u>	<u>6,877</u>
	Land & Building - at cost	1,364,318	1,364,318
	less provision for depreciation	(236,028)	(201,920)
		<u>1,128,290</u>	<u>1,162,398</u>
	Motor vehicle - at cost (EF537)	24,221	24,221
	less provision for depreciation	(10,496)	(5,651)
		<u>13,725</u>	<u>18,570</u>
	Office Equipment - at cost	22,206	21,718
	less provision for depreciation	(5,578)	(4,055)
		<u>16,628</u>	<u>17,663</u>

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT'D)

	2010	2009
	\$	\$
note 5 (cont'd)		
Plant & Equipment - at cost	139,216	137,079
less provision for depreciation	(20,720)	(11,001)
	<u>118,496</u>	<u>126,078</u>
Net Written Down Value	<u>1,287,374</u>	<u>1,335,731</u>
<u>Property, Plant and Equipment - Parking Meter Fund</u>		
Plant & Machinery - at cost	30,501	30,501
less provision for depreciation	(12,988)	(10,853)
	<u>17,513</u>	<u>19,648</u>
Computers - at cost	514	514
Less provisions for depreciation	(212)	(42)
	<u>302</u>	<u>472</u>
Office Equipment - at cost	2,767	2,767
Less provision for depreciation	(569)	(375)
	<u>2,198</u>	<u>2,392</u>
Net Written Down Value	<u>20,013</u>	<u>22,512</u>

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

General Fund

Land and Building

Carrying amount at beginning	1,162,398	1,196,506
Additions	-	-
Depreciation Expense	(34,108)	(34,108)
Balance as at 31st December	<u>1,128,290</u>	<u>1,162,398</u>

Motor Vehicles -EG537

Carrying amount at beginning	18,570	23,414
Additions	-	-
Disposals	-	-
Depreciation expense	(4,845)	(4,844)
Balance as at 31st December	<u>13,725</u>	<u>18,570</u>

Computers

Carrying amount at beginning	4,145	3,705
Additions	1,340	2,586
Depreciation expense	(2,533)	(2,146)
Balance as at 31st December	<u>2,952</u>	<u>4,145</u>

Furniture and Fittings

Carrying amount at beginning	6,877	5,930
Additions	1,093	1,510
Depreciation expense	(687)	(563)
Balance as at 31st December	<u>7,283</u>	<u>6,877</u>

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT'D)

	2010	2009
	\$	\$
note 5 (cont'd) Movement in Carrying Amounts (cont'd)		
<u>Office Equipment</u>		
Carrying amount at beginning	17,663	10,192
Additions	488	8,798
Depreciation Expense	(1,523)	(1,327)
Balance as at 31st December	<u>16,628</u>	<u>17,663</u>
 <u>Plant & Equipment</u>		
Carrying amount at beginning	126,078	133,160
Additions	2,138	2,204
Depreciation Expenses	(9,720)	(9,286)
Balance as at 31st December	<u>118,496</u>	<u>126,078</u>
 Net Written Down Value	<u>1,287,374</u>	<u>1,335,731</u>
 <u>Parking Meter Fund</u>		
<u>Plant and machinery</u>		
Carrying amount at beginning	19,648	21,783
Depreciation expense	(2,135)	(2,135)
Balance as at 31st December	<u>17,513</u>	<u>19,648</u>
 <u>Computers</u>		
Carrying amount at beginning	472	-
Additions	-	514
Depreciation expense	(170)	(42)
Balance as at 31st December	<u>302</u>	<u>472</u>
 <u>Office equipment</u>		
Carrying amount at beginning	2,392	2,586
Additions	-	-
Depreciation	(194)	(194)
Balance as at 31st December	<u>2,198</u>	<u>2,392</u>
 Net Written Down Value	<u>20,013</u>	<u>22,512</u>
 Note 6		
<u>Accumulated Funds</u>		
This consists of:		
General Fund Account	(841,129)	(596,646)
Loan Repayment Account	(238,222)	(222,565)
Asset Revaluation Reserve	816,597	816,597
Adjustment - Debtors	229,857	229,857
Net accumulated funds	<u>(32,897)</u>	<u>227,243</u>

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.

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT'D)

	2010	2009
	\$	\$
Note 7		
<u>Loan Funds</u>		
Colonial Life Fiji		
Balance at 1st January	1,350,673	1,321,556
Add: Interest	170,742	127,746
	1,521,415	1,449,302
Less: Loans repaid	(147,736)	(98,629)
Balance as at 31st December	1,373,679	1,350,673
Total Loan Funds	1,373,679	1,350,673
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	149,736
Non Current	1,223,943	1,200,937
	1,373,679	1,350,673
Note 8		
<u>Back Hoe Digger</u>		
The amount represents Back Hoe Digger which was donated by the Japanese Government in 2008, which is treated in accordance with FAS 20:		
Balance as at 1 Jan 2010	113,941	123,132
Less: Depreciation charge	(9,191)	(9,191)
Balance as at 31 Dec 2010	104,750	113,941
Note 9		
<u>Finance Lease Repayments</u>		
Opening Balance	13,018	19,810
Less Repayments	(6,792)	(6,792)
Closing Balance	6,226	13,018
Note 10		
<u>Sundry Deposits</u>		
Car Park Development	34,007	34,007
Council Properties/ Shop - Security	19,497	19,497
Security Deposit	1,747	1,747
Nomination Fee	1,240	1,240
Market Stall	500	500
Unknown deposit	100	100
Ticket Booth	30	30
	57,121	57,121

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT'D)

2010
\$

2009
\$

Note 11 Discount on Rates

The Council in its 2010 budget granted discount on rates as follows:

Rates paid in full on or before 31/01/10 - 7%

Rates paid in full on or before 28/02/10 - 4%

Rates paid in full on or before 31/03/10 - 2%

Note 12 Capital Commitment at balance date

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

Note 13 Contingent Liabilities

There were no contingent liabilities at as balance date (2009:Nil)

Note 14 Cash Flow Reconciliation

(a) General Fund Account

(i) Reconciliation of the Net Surplus to

Net deficit from Operations

General Fund

(248,423)

(35,143)

Depreciation

53,415

52,274

Bad debts written off

259,125

-

64,117

17,131

Changes in Assets and Liabilities

Decrease/(increase) in debtors

242,664

47,342

(Decrease) /increase in creditors and other accruals

(29,042)

159,873

(Decrease) / increase in VAT payable

3,099

(3,959)

Increase in Sundry deposit

-

2,000

(Decrease)/increase in other liabilities

48,228

-

(Decrease)/increase in employee entitlements

9,937

-

(Increase)/decrease in deposits and prepayments

(944)

-

Decrease/(increase) in deferred income

9,191

9,191

Decrease/(Increase) in sundry advance

-

(764)

Debtor adjustment from previous years

(52,952)

(52,952)

VAT adjustment on debtors for previous years

-

1,499

Net Cash Inflows (used in) from Operating Activities

294,298

179,361

(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

124,900

55,159

124,900

55,159

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT'D)

2010

\$

2009

\$

(b) Parking Meter Fund Account

(i) Net cash flows from operations

Net Surplus from Operations	10,948	(1,922)
Add: Depreciation	2,498	-
Changes in Assets and Liabilities		
Increase in VAT payable to General Fund		
Increase in Creditors	(1,098)	-
Increase/(decrease) in employee entitlements	(1,400)	
Net Cash Inflows from Operating Activities	10,948	(1,922)

(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	12,125	1,177
	<u>12,125</u>	<u>1,177</u>