



**SIGATOKA
TOWN COUNCIL**

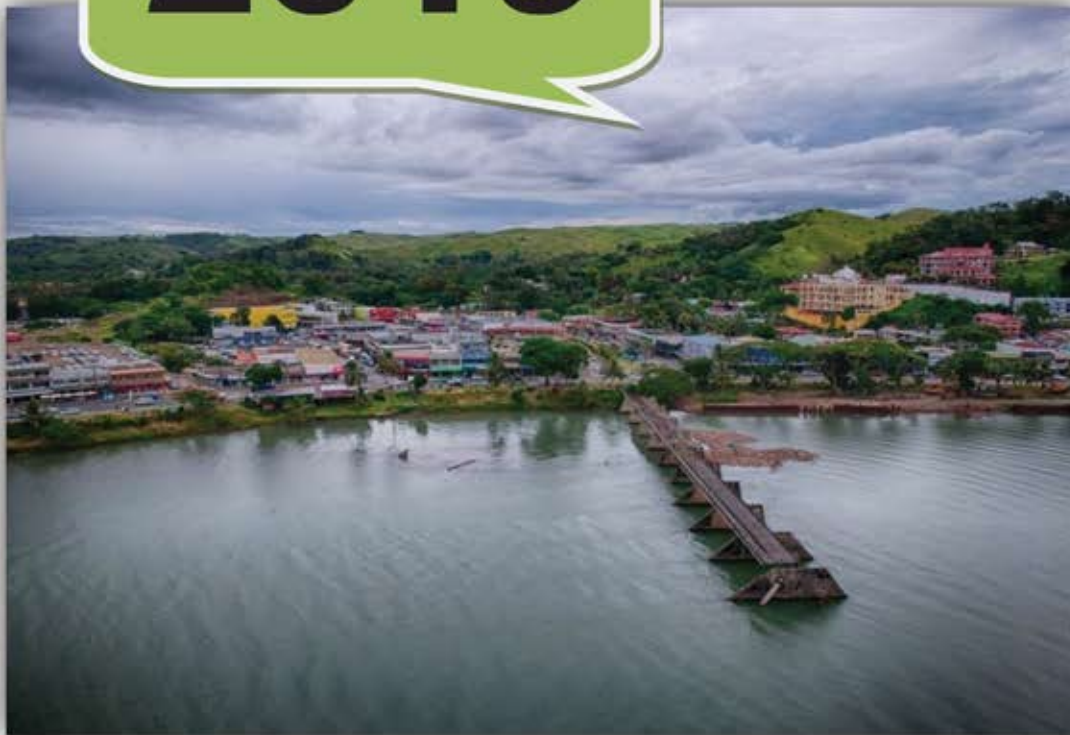
small town, BIG 

TAUNI HEWA, YALO VINA

CHOTA SHAHAR, BADA DIL

SIGATOKA TOWN COUNCIL ANNUAL REPORT

2019



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 76 OF 2021





SIGATOKA TOWN COUNCIL

Annual Report for the Year 2019



SIGATOKA TOWN COUNCIL

ANNUAL REPORT FOR THE YEAR ENDED 2019

In the year 2019, Mr. Tulsi Ram was the SA/ Chief Executive Officer for the Council. Changes came around and new Board Members were elected in September, 2019.

SPECIAL ADMINISTRATORS BOARD

Mrs. Debra Sadranu	-	Special Administrator Chairlady
Mr. Adish Naidu	-	Special Administrator
Mr. Anil Chandra	-	Special Administrator
Mr. Romil Patel	-	Special Administrator
Mrs. Norma Khan	-	Special Administrator

1.0 PRINCIPAL OFFICERS

Chief Executive Officer	-	Mr. Tulsi Ram
Executive Secretary	-	Mrs. Executive Secretary
Manager Finance	-	Mrs. Mohini Nair
Human Resource/Administration Officer	-	Mrs. Mereoni Camaivuna
Health Inspector/B. Surveyor	-	Mr. Anand Sami Pillay
Traffic Manager	-	Mr. Sharan Dip Singh
Market Manager	-	Mr. Illiesa Ravouvou
Works Supervisor	-	Mr. Amenio Neiburetau

1.2 SOLICITORS FOR THE COUNCIL - 2019

None

1.3 AUDITORS FOR THE COUNCIL

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

1.4 MEETING OF THE COUNCIL

Ordinary Council Meeting	-	12
Special Committee Meeting	-	1
Finance, & IT Committee Meeting	-	12
Market Committee Meeting	-	12
Traffic Committee Meeting	-	12
Prosecution Committee Meeting	-	12
Works, Parks & Gardens Committee Meeting	-	12
Health, Building & 3R Project Committee Meeting	-	12
Staff & Tender Committee Meeting	-	12
Meeting with the Minister & Permanent Secretary for Local Government, Housing & Environment	-	1
Meeting with Sigatoka Taxi Association	-	3
Meeting with Ministry of Labour	-	1
Meeting of the Coral Coast Carnival Association	-	4
Meeting with Fiji Roads Authority	-	8
Meeting of the OHS Committee	-	4
Total Number of Meetings		116

====

2.0 RATES AND FINANCE REPORT – 2019

2.1 Capital Projects:

Some of capital works for 2019 were: Landfill upgrade, Market maintenance at Ajit's Kiosk, Children's Park upgrade, Town Beautification, Public Toilets at riverside, Upgrade of footpath.

2.2 General Contractual Works:

Works that were contracted out were: Grass cutting, drain cleaning, street sweeping, tree pruning, market cleaning and Garbage collection services within Sigatoka Town Council boundary.

2.3 Capital Projects

Capital projects that were executed are: Landfill upgrade, Market kiosk upgrade, children's park upgrade and planting trees in Town.

3.0 Annual Accounts Audit

Rates

No of Ratepayers	Amount Charged per year (in dollar on U.C.Value)	Collection per year
2019	General Rates – 0.0086c	\$124,460
	Special Loan Rates - 0.0125c	\$194426
248	Local Rate – 0.037c	\$ 28616

Sigatoka Town Council had 248 ratepayers in year 2019. It provides services such as Garbage Collection and Grass cutting, drain cleaning, market sweeping, street sweeping and tree pruning in Sigatoka Town.

Note:

- (i) 41 properties were un-alienated for STC in 2019)
- (ii) Under Cap125 of Local Government Act the valuation exercise was due in 2019 which was then deferred to year 2020.

3.1 Reasons Rates Charged by Sigatoka Town Council

1. General Rates - Council provides services such as Garbage collection and upkeep of streets.
2. Special Loan Rates - is to service Loan repayments for the borrowing pre-year 2000 by the Council to upgrade roads.

3.2 Business Licence

<u>Year</u>	<u>No. of Business License Holders</u>	<u>Amount Collected</u>
2019	690	\$112,868

3.3 Council Properties Management

Sigatoka Town Council doesn't have a Property Manager but instead all the properties are managed by Council has **14 Tenants** which has occupied space in the Market area and at Duabale Road.

3.4 Auditor General Opinion

Sigatoka Town Council was provided the Audit Opinion – Qualified Audit Opinion in year 2018.

3.0 PARKING METER

This Section is run by 7 Enforcement Officers: 3 Car Park Attendants, 3 LTA Authorized Booking Officers and 1 Supervisor.

Bus stands survey report 2019

Bus stand survey was done for a week and found out actual number of trips made by each operator.

<u>Company Name</u>	<u>Trips per week</u>
Coastline buses	938
Nikhil buses	60
Classic	36
Sunbeam buses	182
Sunset buses	60
Pacific buses	192

BREAK DOWN OF BOOKING FOR TRAFFIC SECTION

NUMBER OF BOOKING FROM JANUARY TO DECEMBER – TINS ISSUED

NUMBER OF TINS ISSUED PER MONTH FOR BOTH PARKING METER OFFENCE AND OTHER OFFENCE.

MONTH	TOTAL # OF TINS	PARKING METER OFFENCE	OTHER OFFENCE	PAID TINS FOR BOTH OFFENCE
JANUARY	358	188	170	87
FEBRUARY	384	211	173	93
MARCH	330	173	157	138
APRIL	254	161	93	54
MAY	279	181	98	50
JUNE	387	258	129	54
JULY	413	227	186	63
AUGUST	406	266	140	76
SEPTEMBER	325	207	118	73
OCTOBER	389	209	180	52
NOVEMBER	333	150	183	50
DECEMBER	278	139	139	41

PARKING METER TOLLS COLLECTION REVENUE FOR THE YEAR FROM JANUARY TO DECEMBER 2019 IS \$39,553.95

**TOTAL FINES FOR PARKING METER BOOKING RECEIVED FOR THE YEAR FROM JAN-DEC = \$5630
TOTAL FINES FOR OTHER OFFENCE BOOKING RECEIVED \$5520**

PARKING METER

Parking meter parts were purchase from reset Australia Amounting \$2500

PARKING METER VERIFICATION

Parking meter verification were done by weight and measures

TRAFFIC SIGN BOARDS

Additional sign boards have been installed in street for motorist to know for parking which are for taxi stand and carrier stand and no parking zone.

Parking meter signs have been upgraded for easy for tourist to understand the parking meter law and what coins to be used

TRAFFIC OPERATION WITHIN TOWN BOUNDRY

This was carried out every day from 5.00pm to 6.00pm on illegal operations for private cars operating as taxis.

JOINT MEETING WITH LTA AND POLICE AND BUS AND TAXI OPERATORS

Attended 4 meeting with Police and bus operators

Attended 3 meeting with police LTA and taxi operators on different locations

Attended 2 meeting with LM operators and Police

Attended meeting in Valelevu LTA with other councils on software use which LTA wants to implement

Attended meeting in Valelevu Nasinu LTA with CEO regarding fines collection

Venue for these meeting were STC OFFICE, LTA OFFICE, POLICE STATION AND SUVA

OTHER MEETING ATTENDED

Attended 4 meetings with Fiji road authority regarding road up grades road marking and street light issues.

Joint day and night inspection were done with FRA on roads and street light issue.

4.0 LEGAL AND PROSECUTION DEPARTMENT

In the year 2019 Sigatoka Town Council took assistance from Nadi Town Council whenever need arises for legal issues or traffic cases.

Court Activity Report

For 2019, the department has successfully prosecuted:

424 traffic cases

7 Business Licence cases

2 Civil cases

Executed 49 Committal Warrants.

The department has been actively involved in following duties:

Traffic – Assisted in complaints/ PSV issues and on field assistance.

Public Health- Assisted Health Staff in issuance of Sanitary and Statutory Notices.

Finance- Provided support and assistance in collection of due revenue such as base fees and rental properties.

Limitations / Weakness

The Legal and Prosecution department faces problems in collecting the anticipated revenue from Traffic cases. Presently the fines awarded to Council is collected by means of execution of Committal Warrants, however it is a costly exercise.

It is highly recommended that a simple workable MOU be drafted and entered into by the Councils with LTA in order to create an effective revenue collection mechanism.

NOTE: This is now looked at the Ministerial level.

5.0 HEALTH & BUILDING DEPARTMENT

Introduction:

The Health and Building Department is an arm of the Sigatoka Town Council. The Health Inspector / Building Surveyor are appointed under the Part VI Section 35[1] of the Local Government Act Cap 125 at all times.

5.1 BUILDING STATISTICS

	Type Of Application	Received	Approved	Rejected	Total Value
1	Building application within town boundary	16	13	Pending for further information	\$ 736,505.5
	Building application received extended town boundary	91	67	Pending for further information	\$281,105,001.5
2	Subdivision application received extended town boundary	35	33		2 subdivision application still under process.
	Subdivision application received for inside town boundary	1	-		1 still under process.

3	Rezoning application within town boundary	Nil			
	Rezoning application outside town boundary	13	4		9 rezoning application still under process.

5.2 CERTIFICATE ISSUED BEFORE OCCUPANCY

Total No. of completion certificate issued - 34

5.3 TOWN PLANNING MANAGEMENT

Town No. Rezoning application -13

5.4 HEALTH REPORT

5.5 Total Number of Insanitary Condition Notice Served: - 26

5.6 Total Number Statutory Notice Served: - 134

5.7 Total No. of Condemnation Certificate Issued: - 16

5.8 Total No. of Health License Issued: - 40

5.9 Total No. of Litter Decree Notice Served - 6

5.11 Total No. of House to House Inspection - 112

5.12 MOSQUITOE SPRAYING

The mosquito spraying was carried out throughout the year on quarterly basis this is during the clean-up campaign. Mosquito spraying was also done during the outbreak of dengue in Sigatoka.

5.13 DOG LICENSING EXERCISE

The dog trapping exercise was carried out with the assistance of the Ministry of Agriculture. There were 9 dogs trapped during the time frame of trapping exercise.

5.14 CONTRACTUAL WORKS

The Health/Building Department is monitoring the contractual works including grass-cutting, drain cleaning, street sweeping, paper collection and garbage collection services in town. Payment is released once the Health Inspector/ Building Surveyor justified the work that has been carried out on a fortnightly and monthly basis respectively. The contractual works for the year 2019 was carried out to satisfaction.

5.15 CLEAN UP – CAMPAIGN

That the Health & Building Department oversees the clean-up campaign that is scheduled quarterly, the clean-up campaign is only schedule for the people residing or operating business within the town boundary. The clean-up campaign is for the duration of 2 weeks; where by the collection of rubbish is done within three days. At the clean-up campaign waste such as white goods or old electrical appliance is also acceptable for collection. The 2019 clean –up campaign was carried out successfully with the help of the contractors.

5.16 3R REPORT

Home Composting

The home composting was introduced in Sigatoka Town in year 2011, through the technical assistance from JICA. The 3R Officer is engaged fulltime to monitor and promote 3R to the ratepayers and citizens in the extended town boundary as well. In the year 2019, the Health/3R department managed to sell out 52/100 Home Compost Bins.



5.17 Market Green Waste

The Council has renewed green waste contract with OISCA for another period of 1 year. The green waste is taken to Oisca twice a week and the Council is receiving 30% of composted waste once processed. The Council is selling compost to interested buyers at \$1.00 per kg. The total cash collected in 2019 is \$648.00.

5.18 Clean School Program

The primary schools in the Nadroga district continued to show case their talent and ideas in using what we call wastes as a resource in schools. Monitoring of schools participating for the program was done by the 3R officer. In the year 2019, about 16 schools were invited for the program but 13schools participated so far. Continuous awareness to the schools was done while monitoring their 3r activities. It has clearly somehow clearly reveal in the activities the students does in their various school that is in terms of the use of composts in their gardens in schools. The department manages to carry out 2 monitoring and one final judging to respective schools. In the month of October we manage to carry out the awards ceremony at the Sigatoka Town Council Chamber. The list of school that participated was as follows:

1. Sigatoka Special School
2. Sigatoka Methodist Primary School.
3. Sigatoka District School
4. Korotogo Andhra Primary School.
5. Cuvu District Primary School
6. Naidovi Primary School
7. Nadroumai Primary School
8. Nadroga Sangam Primary School
9. Kulukulu Primary School
10. Nadralla Sangam School
11. Conua District School
12. Tuva Primary School
13. Nalagi Public School





5.19 Environmental Awareness

The Sigatoka Town Council Health/3R department managed to conduct a combine Awareness on 3R activities, with the Market department on Market By-Laws, Litter and other general matter together with the Police department from the Lawaqa Police Station to the Sigatoka Market Vendors Executives from various sections in the market.



Rubbish Separation and Recycling Method

- The Sigatoka Town Council started with the collection as from the month of July, 2019.
- In addition, in partnership with Mission Pacific Fiji, which comes under the Coca Cola Fiji Limited, they in return give free bags for collection and free pick up at the Council depot.
- Collection of P.E.T bottles have done by the landfill attendant at the landfill, thus on the other hand it helps lessen non-biodegradable items like plastic bottles in the landfill and help increase the lifespan of landfill.

Details are as follows from the collection of recyclable items at Council:

Month	No of bags collected	Revenue Collected
July	4	\$84.00
August	12	\$147.85
September	13	\$178.20
October	6	\$83.35
November	6	\$128.35
December	4	\$63.40
Total	45bags	\$685.15



6.0 - 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.

6.1 - Service Delivery:

Works carried out are as follows: Grass cutting at the Koromumu Cemetery, Footpath maintenance, Public Convenience maintenance, Gardens and Parks maintenance, Car Parking maintenance, Market and Bus Stand maintenance, Rubbish Bins maintenance and installation.

6.2 - 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.

6.3 - Capital Projects

Some of the capital works for 2019 are; the upgrade of the Children's Park (i.e. the construction of Washroom facility at the Kedrakulu and Mission Rd Parks), Footpaths and Installing of new Rubbish bins.

6.4 - Riverbank Sheet Pile Project: (FUNDED PROJECT) – The project was on hold due to the shift in the sheet piles. A second Opinion was then taken for the initial design. A proposed attentive Concept plan was made showing the following features:

1. A sheet pile wall that retains soil up to street level and can be used for car parking;
2. An amphitheatre for spectators to sit on in order to watch the river events such as Bilibili race.

6.5 - Etuba Land New Bus Stand and Market Site: (FUNDED PROJECT) – The Sigatoka Town Council was liaising with the Mataqali Etuba Trustee for the identification of the proper access to the site. Once this is identified the consultant will then move forward in getting the Vetting and Scheme approval from relevant authorities. Only then the contractor will be able to peg the site.

6.6 - General Contractual Works

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

7.0 Market Department

7.1- History

Sigatoka Market is located in Sigatoka Town in Southern VitiLevu. A demarcated open area was established in the town in 1939 to replace the Saturday selling of produce along the Sigatoka River and although it only functions on Saturdays, it quickly proved popular. The market at its current site was not established until 1970.

7.2 - Market Opening Hours

Sigatoka Municipal Market opening hours are;

- 7.00am to 5.00pm
Monday to Saturday
- Closed on Sundays and Public Holidays

7.3 - Types of Vendors

- Vegetables
- Groceries
- Wholesale
- Sweet cart
- Handicraft
- Fish
- Seaweed
- Kai
- Juice
- Florists
- Cooked food/tea
-

7.4 - Total Number of Stalls = 530

- Vegetable Inside = 114
- Groceries = 145
- Handicraft = 19
- Sweet cart = 6

Casual Farmers Stall

- Green wing – Wooden/concrete = 55
- Orange wing – Farmers/casual = 73

7.5 - Casual/Farmers Outside

- Frontage market = 8
- Nadro hardware = 15
- R.B.Patel = 15
- Car Park = 80

7.6 - Total Number of Vendors

- Registered = 195
- Casual = 150

7.8 - Challengers

- Lack of space
- Theft
- No election of market vendors association
- Drunkards
- Personal issues
- Lack of public amenities

7.9 - Meetings and Workshops

- Attending UN Women workshop
- Agriculture survey
- Workshop between UN Women with MVA,
- Supply of wash kit, supply of mattress and pillows, rubbish bins and tools for farmers, tents.

7.9 - Up-grade

- Installation of LED lights
- Installation fans
- Installation of new market gates at main entrance, yellow wing, orange wing,
- marking of stalls at the car park to cater for Saturday vendors
- Installation of 2 x 2 mesh to replace rusted chain links
- Upgrade of Public convenience
- Installation of ice machine
- Upgrade of Kiosk
- Replace of damaged chamber lid at Orange wing farmers section
- Installation two gates at fish market

7.10 - Accommodation Upgrade

- Repair of gutter
- Repair of bathroom floor leaking

8.0 VISITING DIGNATORIES

	<u>Name</u>	<u>Organisation</u>	<u>Date</u>
1.	Hon. Praveen Kumar Bala	Minister for Local Government, Housing & Environment	03.01.2019
2.	Mr. Tevita Ratulevu	FICAC	19.01.2019
3.	Miss. Ashna Singh	FICAC	19.01.2019
5.	Mr. Tevita	FRA	22.01.2019
6.	Mr. Sudesh Chand	Contractor	12.02.2019
7.	Mr. Krishneel	FICAC Office	21.03.2019
8.	Auditors	Office of Auditor General	21.03.2019
9.	Hon. Premila Kumar	Ministry of Local Govt.	
	Permanent Secretary	Ministry of Local Govt.	
	SA Board	Sigatoka Council	30.10.2019
10.	Mrs. Ruth Atu	PA Nadroga/Navosa	26.11.2019

9.0 EMPLOYEES

9.1 Establishment

An employment policy guideline was prepared and implemented by the Council during the year 2015. At the end of the year, the following employees were on the Council payroll:

<u>Department</u>	<u>Staff</u>	<u>Unestablished</u>	<u>TOTAL</u>
Administration	3		3
Health & Building	2	17	19
Parking Meter & Traffic	7	-	7
Finance & IT	4	-	4
Prosecution		-	
Market	3	-	3
<hr/>			
	19	17	36
<hr/> <hr/>			

9.2 Other Activities Held During the Year

- a. Council handed over the Coral Coast Carnival to the new committee formed in 2019 with full support from Council and staffs.
- b. New Special Administrators Board was selected for Sigatoka Town Council.
- b. Council also organized Diwali Celebrations by having a Diwali Mela for two [2] nights next to the Council Office.
- d. Carol singing and Christmas and New Year decoration were installed in town. The Council is planning to organize the above activities annually.
- e. Council organized three (3) clean up campaigns within the Town Boundary.

10.0 APPRECIATION

Council wishes to record its appreciation to the ratepayers, business and citizens of the Town for their co-operation and acknowledges the services rendered by staffs of the Council.

We take this opportunity to acknowledge the support and co-operation of the Ministry of Local Government, Housing & Environment.

Tulsi Ram

CHIEF EXECUTIVE OFFICER

SIGATOKA TOWN COUNCIL

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



6-8th Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 970/1

12 March 2021

Mr. Adish Naidu
Chairman Special Administrators
Sigatoka Town Council
P O Box 118
SIGATOKA

Dear Mr. Naidu

SIGATOKA TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The audited financial statements for Sigatoka Town Council for the year ended 31 December 2019 together with my audit report on them are enclosed.

Particulars of errors and omission arising from the audit have been forwarded to the management of the Council for necessary action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

cc: Mr. Anand Pillay, Acting Chief Executive Officer, Sigatoka Town Council.

Encl.

SIGATOKA TOWN COUNCIL

FINANCIAL STATEMENTS

31 DECEMBER 2019

SIGATOKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Contents

Independent auditor's report.....	3 - 6
Statement of comprehensive income.....	7
Statement of changes in equity.....	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11 - 21
Detailed statement of income and expenditure	22 - 25

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



6-8th Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

To the Special Administrators of Sigatoka Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Sigatoka Town Council ("the Council"), which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Qualified Opinion

1. The Council recorded sundry deposits of \$64,317 and sundry advances of \$4,879 in the statement of financial position as at 31 December 2019. The Council was unable to provide detail listings and receipts to support the sundry deposit of \$57,817 and sundry advances of \$4,879. As a result, I am unable to ascertain whether the sundry deposits and sundry advance have been fairly stated in the financial statements.
2. There was an unreconciled variance of \$53,144 between the VAT payable amount reflected in the financial statements and independent reconciliation performed from the Statement of VAT account. The Council was unable to provide details and reconciliations to substantiate the variance. As a result, I am unable to ascertain whether the VAT payable balance of \$53,907 has been fairly stated in the financial statements.
3. The Council has not commenced a full review on impairment of assets with zero written down value totaling \$135,463. These assets with zero written value are recorded under furniture and fittings, plant and machinery, office equipment, office computers, and motor vehicle classes. As a result, I was unable to determine the remaining economic useful life and the correct carrying amount and whether these assets are overstated and to determine whether any adjustments might have been necessary in respect of the Property, Plant and Equipment at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.
4. The Council did not comply with the requirements of *IFRS for SMEs Paragraph 24 – Government Grants* by not recognizing government grant totaling \$533,712 when performance conditions are met. In addition, the accounting policy on deferred income as disclosed on Note 2(j) to the financial statements is not in accordance with paragraph 24 of the IFRS for SMEs. Furthermore, the Council has not disclosed the nature and amounts and unfulfilled conditions of government grants received during the year. Consequently, I was not able to satisfy myself on the accuracy of the deferred income of \$1,860,316 stated in the financial statements.

Basis for Qualified Opinion (con't)

5. The Council did not comply with the requirements of *IFRS for SME's Paragraph 10 - Accounting Policies, Estimates and Errors* by not restating opening balances of assets and equity to accounts for prior years arrears relating to the transfer of Lawaqa Park amounting to \$125,200 owed by Fiji Sports Council and garbage fees amounting to \$24,010 owed by Government Quarters occupants from 2012 to 2018. The amount owed by Fiji Sports Council and garbage fees from prior years has been booked as income in current financial year. As a result, total income balance of \$1,755,168 is overstated by \$149,210.

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

Emphasis of Matter

I draw attention to the following matters:

1. By excluding cash at bank government grant balance of \$450,763 as reported in Note 5 to the financial statements, the Council would have incurred a negative working capital of \$357,203. This indicate that the Council may not be generating adequate cash inflows to be able to pay its debts as and when they fall due.
2. Note 20(b) to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2019 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 20, no adjustments have been made to the financial statements as at 31 December 2019. However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in the financial year 2020 and beyond.
3. Note 5 to the financial statements reflect capital fund cash at bank balance of \$797 which was insufficient for loan repayment of \$500,000 as approved by the Ministry in 2013. The Council had used the fund for general operations of the Council instead of loan repayment as approved by the Ministry.
4. Note 10 to the financial statements shows work in progress for the riverbank retaining wall of \$507,128 which was not successfully implemented during the financial year 2019 due to structural failure defects noted. The project was funded through government grant of \$845,000 which is included in the deferred income balance of \$1,860,316 as reported in the Statement of Financial Position. The balance of fund of \$225,291 is included in the grants and donation cash balance of \$450,763 as reported in Note 4 to the financial statements.
5. Note 3.1 to the financial statements recorded special loan rates of \$194,426 as the Council charged \$1.25 cents in the dollar instead of \$0.05 cents in the dollar as stipulated in the Local Government Act. In addition, the Council used the balance of funds of \$64,426 to meet the operational cost instead of the purpose for which it was levied, which is not in accordance with the requirements of the Local Government Act.

My opinion is not modified in respect of these matters.

Other Matters

1. The Council is yet to put in place a Risk Management Policy.
2. Note 20(a) to the financial statements notes the recent amendment made to the Local Government Act 1972 through Local Government (Budget Amendment) Act 2020 which will require all Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in an English language newspaper in Fiji by 31 March 2021. As a result of the amendment, the Council will need to prepare and submit for audit, accounts for the seven-month period from 1 January to 31 July 2020.
3. The internal controls, system, and process and procedures of recording transactions in the books of accounts are generally found to be weak. Monthly bank reconciliations were not prepared, assets were not tagged, the Council did not maintain a detailed standard operating procedures, double postings, general journal system of recording transactions was not maintained, and there was no audit trail for some transactions posted in the general ledger.
4. A total of 47 audit findings were noted during the audit of which 26 or 55% were recurring issues from prior years. The oversight responsibility of the Special Administrators, Chief Executive Officer and senior officers of the Council needs to be strengthened to effectively implement the audit recommendations in a timely manner.

Responsibilities of the management and those charged with governance for financial statements

The management and Special Administrators are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and the Local Government Act 1972, and for such internal control as the management and Special Administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

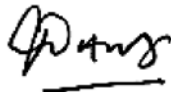
As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
12 March, 2021

**SIGATOKA TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

INCOME	Notes	2019 \$	2018 \$
Rates	3.1	360,427	360,494
Parking meter	3.2	49,114	55,359
Other fees and charges	3.3	1,345,627	1,006,389
Total income		1,755,168	1,422,242
EXPENSES			
General fund			
Administrative and operating costs	4.2	815,811	618,438
Depreciation		107,090	101,545
Personnel expenses	4.3	678,364	617,648
Other operating costs	4.1	321	5,951
Total expenses		1,601,586	1,343,582
Net surplus before finance cost		153,582	78,660
Finance cost	4.4	65,997	88,622
Net surplus/(deficit) for the year		87,585	(9,962)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		87,585	(9,962)

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 22.

**SIGATOKA TOWN COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

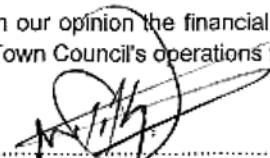
	2019 \$	2018 \$
General fund		
Balance at the beginning of the year	(256,041)	(130,157)
Deficit for the year	(53,238)	(125,884)
Balance at the end of the year	<u>(309,279)</u>	<u>(256,041)</u>
Special loan fund		
Balance at the beginning of the year	385,236	256,881
Surplus for the year	148,487	128,355
Balance at the end of the year	<u>533,723</u>	<u>385,236</u>
Parking meter fund		
Balance at the beginning of the year	10,300	22,733
Deficit for the year	(7,664)	(12,433)
Balance at the end of the year	<u>2,636</u>	<u>10,300</u>
Total equity	<u><u>227,080</u></u>	<u><u>139,495</u></u>

**SIGATOKA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

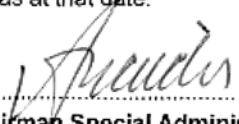
	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	5	474,147	303,929
Term deposits	6	68,711	66,992
Debtors	7	224,137	141,473
Sundry advances	8	4,879	4,879
Prepayments and electricity deposits	9	13,264	9,412
Total current assets		785,138	526,685
NON CURRENT ASSETS			
Property, plant and equipment	10	2,657,224	2,622,226
Total non current assets		2,657,224	2,622,226
TOTAL ASSETS		3,442,362	3,148,911
EQUITY AND LIABILITIES			
Council municipal fund			
Accumulated funds	11	227,080	139,495
Total equity		227,080	139,495
CURRENT LIABILITIES			
Bank overdraft	12	77,452	55,657
VAT payable		53,907	58,097
Employee entitlement		10,556	19,942
Loan funds	13	156,000	156,000
Creditors and other accruals		201,235	96,391
Sundry deposits	14	64,317	63,917
Deferred income	15	39,377	37,269
Income received in advance	16	62,734	30,379
Total current liabilities		665,578	517,652
NON-CURRENT LIABILITIES			
Loan funds	13	728,765	812,826
Deferred income	15	1,820,939	1,678,938
Total non-current liabilities		2,549,704	2,491,764
TOTAL EQUITY AND LIABILITIES		3,442,362	3,148,911

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 22.

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 2019 and of the state of affairs as at that date.


Acting Chief Executive Officer
Anand Sami Pillay

Date: 8/3/2021


Chairman Special Administrator
Adish Naidu

Date: 8/3/2021

**SIGATOKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		1,542,880	1,349,147
Payments to suppliers and employees		(1,279,855)	(1,165,585)
Interest paid		(45,939)	(66,071)
Net cash provided by operating activities	25(i)	<u>217,086</u>	<u>117,491</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(142,088)	(938,513)
Net cash flows used in investing activities		<u>(142,088)</u>	<u>(938,513)</u>
Cash flows from financing activities			
Receipt of Government grant		183,486	463,761
Net loan repayments		(110,061)	(89,929)
Net cash flows provided by financing activities		<u>73,425</u>	<u>373,832</u>
Net increase/(decrease) in cash and cash equivalents		148,423	(445,190)
Cash and cash equivalent at the beginning of the year		<u>246,272</u>	<u>693,462</u>
Cash and cash equivalent at the end of the year	25(ii)	<u><u>396,695</u></u>	<u><u>248,272</u></u>

The statement of cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 22.

NOTE 1: BASIS OF PREPARATION

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

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

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

Statement of compliance

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

Comparatives

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Cash and cash equivalents

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

(b) Investments and other financial assets

Initial recognition of financial instruments

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

Receivables

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

(c) Revenue

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income tax

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

(e) Employee entitlements

Provision is made for benefits accruing to employees in respect of salaries, wages and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using remuneration rate expected to apply at the time of settlement.

(f) Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate 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	33.0%
Furniture and fittings	7.0%
Motors vehicle	20.0%
Office equipment	7.0%
Plant and machinery	7.0%
Land and building	2.5%

(g) Trade and other receivables

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

(h) Impairment

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

(i) Trade and other payables

Trade and other payables are stated at their cost.

(j) Deferred Income

Government and other grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match them with the related costs for which the grant are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.

SIGATOKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance lease

Rights to assets held under finance leases are recognized as assets of the Council at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Operating lease

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

NOTE 3. REVENUE	2019	2018
	\$	\$
NOTE 3.1 Rates income		
General rates	121,883	121,883
General rates on state land	2,577	2,577
Local rates	28,616	28,616
Special loan rates	194,426	194,426
Interest on overdue rates	12,925	12,992
	<u>360,427</u>	<u>360,494</u>
NOTE 3.2 Parking meter income		
Infringement fines	5,163	7,764
Parking meter tolls	35,582	34,121
Parking permit	3,256	3,484
Illegal parking	5,113	9,990
	<u>49,114</u>	<u>55,359</u>
NOTE 3.3 Other fees and charges income		
Amortization of income	48,389	41,979
Government grant	108,109	40,093
Business license fees	117,429	126,576
Bus stand, commercial vehicle, mini-van and taxi fees	126,519	110,327
Fiji Sports Council	135,277	1,626
Garbage fees	114,277	93,796
Interest	7,003	6,875
Market fees	238,655	210,302
Car park fees	56,382	60,442
Public convenience	93,949	93,665
Rental properties	102,483	128,572
Others	197,154	92,136
	<u>1,345,627</u>	<u>1,006,389</u>

SIGATOKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 4. EXPENSES	2019	2018
	\$	\$
NOTE 4.1 Other operating costs		
Parking meter verification	-	3,000
Parking meters maintenance	321	2,951
	<u>321</u>	<u>5,951</u>
NOTE 4.2 Administrative and operating expenses		
Auditor's remuneration	16,043	9,340
Doubtful debts	121,283	33,471
Electricity and water expenses	58,204	56,939
Garbage service	66,337	65,256
Insurance	10,673	15,931
Legal expenses	541	-
Market	49,534	11,282
Office expenses	8,148	6,607
Printing, stationery and advertising	19,476	22,186
Public convenience	34,232	28,265
Repairs, maintenance and upgrade	80,128	54,793
Security Services	56,117	28,407
Telecom/fax/internet/courier	10,648	10,862
Travelling expenses	29,728	23,746
Upkeep of roads, drains, paths and verges	205,240	202,982
Other expenses	49,479	48,361
	<u>815,811</u>	<u>618,438</u>
NOTE 4.3 Personnel expenses		
Salaries, wages, and related expenses	564,233	550,092
Fiji National Provident Fund contribution	56,502	50,887
FNU levy	5,502	5,210
Staff benefit	5,102	4,767
Uniforms	12,161	6,692
Building surveyor	12,063	-
Residence officer salary and related expenses	22,801	-
	<u>678,364</u>	<u>617,648</u>
NOTE 4.4 Finance costs		
Bank charges	4,575	3,769
Discount allowed	15,483	18,782
Interest charge	45,939	66,071
	<u>65,997</u>	<u>88,622</u>
NOTE 5. CASH AND CASH EQUIVALENTS		
Cash on hand	200	200
Capital fund	797	65,627
Grants and donation account	450,763	234,089
New market/bus stand	10,776	187
Town Extended boundary	11,611	3,826
	<u>474,147</u>	<u>303,929</u>

The total cash at bank balance of \$473,150 is not available for use except for the purpose of the reclamation of the Sigatoka riverbank project, maintenance and upgrading of Municipal Council drains, new market/bus stand project, and extended town boundary project.

SIGATOKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 6. TERM DEPOSITS

	2019	2018
	\$	\$
Term deposit	<u>68,711</u>	<u>66,992</u>

Term deposit related to a fixed deposit with Bank of South Pacific for a term of 12 months earning an interest of 2.85 % per annum where the interest is added to the principal upon maturity.

NOTE 7. DEBTORS

Rates	121,448	83,095
Bus stand	28	2,928
Business license	1,415	1,573
Commercial vehicle	5,532	2,430
Garbage fees	43,004	38,483
Rental properties	17,379	17,106
Taxi base	5,548	5,170
Fiji Sugar Corporation	3,230	3,230
Mini van	3,562	5,480
WAF / education / labour	7,172	7,172
Taxi, carrier, mini van others	1,126	1,126
Staff Loan	281	281
Other debtors (Dishonoured Cheque)	6,870	6,870
Interest Receivable	220	-
Sereseni Kilivou	3,385	-
Fiji Sports Council	125,200	-
	<u>345,420</u>	<u>174,944</u>
Less: Allowance for doubtful debts	(121,283)	(33,471)
	<u>224,137</u>	<u>141,473</u>

NOTE 8. SUNDRY ADVANCES

Other advances	3,159	3,159
Mayoral advances	1,486	1,486
Telephone	200	200
Electricity	22	22
Land	10	10
Post box key	2	2
	<u>4,879</u>	<u>4,879</u>

NOTE 9. PREPAYMENTS AND ELECTRICITY DEPOSITS

Electricity deposit	9,266	5,527
Insurance prepayments	3,998	3,885
	<u>13,264</u>	<u>9,412</u>

SIGATOKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 10. PROPERTY, PLANT AND EQUIPMENT	2019	2018
	\$	\$
GENERAL FUND		
<u>Land and building</u>		
<i>Cost:</i>		
At 1 January	2,094,579	1,871,937
Additions	-	222,642
At 31 December	<u>2,094,579</u>	<u>2,094,579</u>
<i>Depreciation and impairment</i>		
At 1 January	569,890	519,866
Depreciation	52,364	50,024
At 31 December	<u>622,254</u>	<u>569,890</u>
Net book value	<u>1,472,325</u>	<u>1,524,689</u>
<u>Computers</u>		
<i>Cost:</i>		
At 1 January	27,071	23,707
Additions	8,304	3,364
At 31 December	<u>35,375</u>	<u>27,071</u>
<i>Depreciation and impairment</i>		
At 1 January	21,266	16,825
Depreciation	5,954	4,441
At 31 December	<u>27,220</u>	<u>21,266</u>
Net book value	<u>8,155</u>	<u>5,805</u>
<u>Furniture and fittings</u>		
<i>Cost:</i>		
At 1 January	45,069	40,509
Additions	5,316	4,560
At 31 December	<u>50,385</u>	<u>45,069</u>
<i>Depreciation and impairment</i>		
At 1 January	14,395	13,259
Depreciation	3,484	1,136
At 31 December	<u>17,879</u>	<u>14,395</u>
Net book value	<u>32,506</u>	<u>30,674</u>
<u>Motor vehicle</u>		
<i>Cost:</i>		
At 1 January	167,048	167,048
At 31 December	<u>167,048</u>	<u>167,048</u>
<i>Depreciation and impairment</i>		
At 1 January	133,892	116,214
Depreciation	17,478	17,478
At 31 December	<u>151,170</u>	<u>133,892</u>
Net book value	<u>15,878</u>	<u>33,356</u>

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)	2019	2018
	\$	\$
<u>Office equipment</u>		
<i>Cost:</i>		
At 1 January	75,387	66,892
Additions	5,449	8,495
At 31 December	<u>80,836</u>	<u>75,387</u>
<i>Depreciation and impairment</i>		
At 1 January	33,974	29,092
Depreciation	5,618	4,882
At 31 December	<u>39,592</u>	<u>33,974</u>
Net book value	<u>41,244</u>	<u>41,413</u>
<u>Plant and Machinery</u>		
<i>Cost:</i>		
At 1 January	277,869	273,778
Additions	11,717	4,091
At 31 December	<u>289,586</u>	<u>277,869</u>
<i>Depreciation and impairment</i>		
At 1 January	135,307	115,904
Depreciation	19,935	19,403
At 31 December	<u>155,242</u>	<u>135,307</u>
Net book value	<u>134,344</u>	<u>142,562</u>
<u>Work in Progress</u>		
Work in progress – Riverbank Retaining Wall	507,128	484,917
Work in progress – Bus stand/ Market	247,010	247,010
Work in progress – Lawaqa drains	175,475	86,384
	<u>929,613</u>	<u>818,311</u>
PARKING METER FUND		
<u>Plant and Machinery</u>		
<i>Cost:</i>		
At 1 January	59,685	42,495
Additions	..	17,190
At 31 December	<u>59,685</u>	<u>59,685</u>
<i>Depreciation and impairment</i>		
At 1 January	35,048	31,079
Depreciation	2,043	3,989
At 31 December	<u>37,091</u>	<u>35,048</u>
Net book value	<u>22,594</u>	<u>24,637</u>
<u>Computers</u>		
<i>Cost:</i>		
At 1 January	3,059	3,059
At 31 December	<u>3,059</u>	<u>3,059</u>
<i>Depreciation and impairment</i>		
At 1 January	2,280	2,066
Depreciation	214	214
At 31 December	<u>2,494</u>	<u>2,280</u>
Net book value	<u>565</u>	<u>779</u>
Net written down value	<u>2,657,224</u>	<u>2,622,226</u>

**SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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

	2019	2018
	\$	\$
Land and building		
Carrying amount at beginning	1,524,689	1,352,071
Additions	-	222,641
Depreciation expense	(52,364)	(50,023)
Balance as at 31 December	<u>1,472,325</u>	<u>1,524,689</u>
Motor vehicle		
Carrying amount at beginning	33,356	50,834
Depreciation expense	(17,478)	(17,478)
Balance as at 31 December	<u>15,878</u>	<u>33,356</u>
Computers		
Carrying amount at beginning	5,805	6,882
Additions	8,304	3,364
Depreciation expense	(5,954)	(4,441)
Balance as at 31 December	<u>8,155</u>	<u>5,805</u>
Furniture and fittings		
Carrying amount at beginning	30,674	27,250
Additions	5,316	4,560
Depreciation expense	(3,484)	(1,136)
Balance as at 31 December	<u>32,506</u>	<u>30,674</u>
Office equipment		
Carrying amount at beginning	41,413	37,800
Additions	5,449	8,494
Depreciation expense	(5,618)	(4,881)
Balance as at 31 December	<u>41,244</u>	<u>41,413</u>

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)	2019	2018
	\$	\$
Plant and equipment		
Carrying amount at beginning	142,562	157,874
Additions	11,717	4,090
Depreciation expense	(19,935)	(19,402)
Balance as at 31 December	<u>134,344</u>	<u>142,562</u>
Work in progress		
Opening balance	818,311	142,138
Addition: Work in progress – Riverbank Retaining Wall	22,211	440,552
Work in progress – Bus stand/ market	-	247,010
Work in progress – Lawaqa drains	89,081	86,384
Less: Capitalised to land and building.	-	(97,773)
	<u>929,613</u>	<u>818,311</u>
Net written down value - General fund account	<u>2,634,065</u>	<u>2,596,810</u>
PARKING METER FUND		
Plant and machinery		
Carrying amount at beginning	24,637	11,416
Additions	-	17,190
Depreciation expense	(2,043)	(3,969)
Balance as at 31 December	<u>22,594</u>	<u>24,637</u>
Computers		
Carrying amount at beginning	779	993
Depreciation expense	(214)	(214)
Balance as at 31 December	<u>565</u>	<u>779</u>
Net written down value - Parking meter account	<u>23,159</u>	<u>25,416</u>
Total property, plant and equipment	<u>2,657,224</u>	<u>2,622,226</u>
NOTE 11. ACCUMULATED FUNDS		
General fund account	(309,279)	(256,041)
Special loan fund account	533,723	385,236
Parking meter fund account	2,636	10,300
Net accumulated funds	<u>227,080</u>	<u>139,495</u>
NOTE 12. BANK OVERDRAFT		
General fund	<u>77,452</u>	<u>55,657</u>
The bank overdraft are secured by the term deposit account number 9675135 of \$60,000.		
NOTE 13. LOAN FUNDS		
<u>BSP Life (Fiji) Limited</u>		
Balance at 1 January	968,826	1,058,755
Add: interest and other fees	45,939	66,071
	<u>1,014,765</u>	<u>1,124,826</u>
Less: loans repaid	(130,000)	(156,000)
Balance as at 31 December	<u>884,765</u>	<u>968,826</u>

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 13. LOAN FUNDS (continued)	2019	2018
	\$	\$
Analysed as :		
Current	156,000	156,000
Non-current	728,765	812,826
	884,765	968,826

Loans raised by the Council bear interest charges at the rate of 5% per annum and are repayable over a period of twenty years. All loans are raised under the provisions of the Local Government Act and are secured on all of the Council's assets and income (current and future).

NOTE 14. SUNDRY DEPOSITS

Car park development	34,007	34,007
Council properties/ Shop - Security	26,693	26,293
Security deposit	1,747	1,747
Nomination fee	1,240	1,240
Market stall	500	500
Unknown deposit	100	100
Ticket booth	30	30
	64,317	63,917

NOTE 15. DEFERRED INCOME

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

Balance as at 1 January 2019	1,716,207	1,289,715
Less: amortization charge	(39,377)	(37,269)
	1,676,830	1,252,446
Add: Government grant	183,486	463,761
Balance as at 31 December 2019	1,860,316	1,716,207

Analysed as:		
Current	39,377	37,269
Non-current	1,820,939	1,678,938
	1,860,316	1,716,207

NOTE 16. INCOME RECEIVED IN ADVANCE

Income received in advance comprises of the following:

Jacks in front of shop - 3 meter space	38,721	-
Lease space - Tramline Tappoo Limited	8,084	7,904
Parking space – Tappoo Limited duty free conc, retailers & wholesalers	5,544	6,930
Parking space – Jack's Retail Limited	10,000	11,500
Rates received in advance	1,012	288
Taxis, business license and bus station fees received in advance	1,373	3,757
	62,734	30,379

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

Tappoo Limited		
Balance as at 1 January	7,904	9,728
Less : lease income realized up to 31 December	(1,820)	(1,824)
Balance as at 31 December	6,084	7,904

**SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 16. INCOME RECEIVED IN ADVANCE (continued)

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

	2019	2018
	\$	\$
Tappoo Limited		
Balance as at 1 January	8,930	8,316
Less: Parking space income realized up to 31 December	(1,386)	(1,386)
Balance as at 31 December	<u>5,544</u>	<u>6,930</u>
Jack's Retail Limited		
Balance as at 1 January	11,500	13,000
Less: Parking space income realized up to 31 December	(1,500)	(1,500)
Balance as at 31 December	<u>10,000</u>	<u>11,500</u>
Jack's Retail Limited		
Balance as at 1 January	43,023	-
Less: Parking space income realized up to 31 December	(4,302)	-
Balance as at 31 December	<u>38,721</u>	<u>-</u>

NOTE 17. DISCOUNT ON RATES

On the approval of the Ministry, Council allowed a discount of 7% on rates paid in full during the period from 1 January and 4% till 28 February 2019.

NOTE 18. CAPITAL COMMITMENT

Capital commitments as at 31 December 2019 amounted to \$425,291 (2018: \$535,697) for the reclamation of the Sigatoka river bank, and maintenance and upgrading of Municipal Council drains.

NOTE 19. CONTINGENT LIABILITIES

Contingent liabilities exist with respect to legal claim of \$25,400.

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

NOTE 20. EVENTS SUBSEQUENT TO BALANCE DATE

(a) Amendments to the Local Government Act 1972

A recent amendment made to the Local Government Act 1972 through Local Government (Budget Amendment) Act 2020 will require all Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in an English language newspaper in Fiji by 31 March 2021. As a result of the amendment, all Councils will need to prepare and submit for audit, accounts for the seven-month period from 1 January to 31 July 2020.

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2019 financial statements is not expected to be material.

However, in financial year 2020 and beyond, it is expected that the effect of the pandemic will be substantial on our major revenue streams such as general rates, market fees and rental income. This will eventually affect the Council's operations and cash flow.

(c) Business Licences

As announced in the 2020/2021 National Budget, effective from 01 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

**SIGATOKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 20. EVENTS SUBSEQUENT TO BALANCE DATE (continued)

Other than the above mentioned events, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

NOTE 21. GOVERNMENT GRANT

The Council received grant totalling VIF\$314,260 (VEP\$291,595) from the Government of Fiji. The grant were received and used for the following purpose:

- (i) \$183,486 VEP (\$200,000 VIF) were recognized in the deferred income liability account and were used for upgrading Drains in Lawaqa areas.
- (ii) \$68,349 VEP (\$74,500 VIF) were recognized in income and were used for maintenance and upgrading of drains.
- (iii) \$39,760 was recognized in income and were used for the recruitment of building surveyor by the Council, and establishment of the urban planner/resilience office at the Council.

NOTE 22. RELATED PARTIES

(a) Special Administrators

The Special Administrators who held office during the year from September 2019 were:

- Mr. Adish Naidu (Chairman)
- Mrs. Manorma Khan
- Mr. Anil Chandra

The Special Administrator's remunerations are paid by the Ministry of Local Government.

(b) Transactions with Related Parties

During the year, the Council entered into various transactions with related parties. The aggregate value of major transactions with related parties during the year is as follows:

	2019	2018
	\$	\$
<u>Government of Fiji</u>		
Government grant contribution	<u>291,595</u>	<u>503,854</u>

(c) Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly (whether executive or otherwise) of the Council.

During the year, the Chief Executive Officer was identified as the key management personnel.

The aggregate remuneration and compensation paid to key management personnel, for the financial year ended 31 December 2019 was:

Salary and allowances	<u>47,816</u>	<u>47,816</u>
-----------------------	---------------	---------------

NOTE 23. PRINCIPAL ACTIVITIES

The principal activity of the Council is to provide for the health, welfare and convenience of the inhabitants of Sigatoka Town Council and to preserve amenities or credit thereof.

SIGATOKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 24. COUNCIL DETAILS

Council Incorporation

The Council is a municipal council in Fiji established under the Local Government Act (cap 125 Rev. 1985) and section 5 of the Subsidiary Legislation.

Registered Office and Principal Place of Business

The registered office and principal place of business of the Council is located at:

Civic Building
 Queens Road
 Sigatoka

NOTE 25. NOTES TO THE STATEMENT OF CASH FLOWS	2019	2018
	\$	\$

(i) Reconciliation of net cash provided by operating activities to net surplus/(deficit):

Net surplus/(deficit) for the year	87,585	(9,962)
Depreciation	107,090	101,545
Deferred income	(48,389)	(37,269)
Interest on term deposits	(1,719)	(1,675)
Doubtful debts	121,283	-
Net cash provided by operating activities before changes in assets and	265,850	52,639
Increase in receivables	(207,799)	(4,229)
Increase in creditors and other accruals	130,844	44,149
Increase / (decrease) in other liabilities	(13,176)	24,932
Increase / (decrease) in other assets	41,367	-
Net cash inflows from operating activities	217,086	117,491

(ii) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	474,147	303,929
Bank overdraft	(77,452)	(55,657)
	396,695	248,272

**SIGATOKA TOWN COUNCIL
 DETAILED STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND
 FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
The income for the year was derived from:		
General rates	121,883	121,883
General rates on state land	2,577	2,577
Local rates	28,616	28,616
Interest on overdue rates	12,925	12,992
Fees and charges		
Interest earned	2,418	2,432
Advertisement	-	1,220
Business license	117,429	126,576
Building fees	6,906	6,545
Bus stand charges	14,121	14,884
Commercial vehicle	14,377	13,802
Taxi	47,655	47,132
Cemetery	2,872	1,934
Garbage	114,277	93,796
Interest others	4,585	4,443
Library	-	125
Legal action	-	40
Market fees	238,656	210,302
Miscellaneous	74,685	58,439
Rental properties	102,483	128,572
Multipurpose court hire	974	1,362
Car parking fees	56,382	60,442
Loading and unloading zone	5,217	7,999
Mini van	12,053	13,377
Amortization of deferred income	39,377	37,269
Government grant	68,349	40,093
Special traffic operation	-	357
5% gate takings - Sports Council	4,774	1,626
Revenue - others (new taxis, carrier, minivan, garbage)	38,313	21,332
Jack's Retail Limited - income realized	9,012	4,710
3R project	2,501	984
Tipping fees – outsiders	3,880	4,205
Insurance Claim	58,275	-
Ladies accommodation	8,148	4,948
Public convenience	93,949	93,885
Town extended boundary -Town planning fees	22,726	3,978
Resilience Officer/ Building Surveyor Grant	39,760	-
Sereseni Kilivou	3,585	-
Fiji Sports Council	130,503	-
Decoration Lights	7,385	-
Total income	1,511,628	1,172,457

SIGATOKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
The expenditure for the year incurred on:		
Audit fees	16,043	9,340
Depreciation	104,833	97,362
Doubtful debts	121,283	33,471
Electricity	21,703	22,505
Garbage service	86,337	65,256
Insurance	10,673	15,931
Legal expenses	541	-
Local Government forum	-	723
Mayoral, Councillors allowance and civic reception	1,277	2,336
Market	48,534	11,282
Mataqali - market negotiation	5,635	1,100
Miscellaneous	23,315	22,486
FNU levy	5,005	4,710
Office expenses	8,148	6,607
Printing, stationery and advertising	18,537	20,873
Public convenience	34,232	28,265
Salaries, wages, and related payments	516,498	499,256
Fiji National Provident Fund contribution	51,473	45,878
Staff benefit	5,102	4,767
Security services	56,117	28,407
Workshop	7,038	-
Telecom/fax/internet/courier	10,648	10,862
Travelling expenses	29,728	23,748
Reduce, reuse, and recycle project	144	241
Uniforms	12,161	6,692
Water	36,501	34,434
General maintenance	12,943	11,096
Maintenance of mini bus stand	830	-
Maintenance of office furniture/equipment	1,835	1,204
Children's park	19,740	-
Rubbish dump/digger maintenance	40,051	35,728
Building Surveyor	12,063	-
Upgrade administration building	1,464	6,763
Upkeep of roads, drains, paths and verges	205,240	202,992
Beautification of town	1,565	18,862
Land lease	3,265	-
Ladies accommodation	-	2,613
Resilience Officer salary and other related expenses	22,801	-
Town Planning Fees	10,505	-
Total administrative and operating expenditure	1,544,808	1,275,790
Financial expenses		
Bank charges and interest	4,575	3,769
Discount allowed	15,483	18,782
Total financial expenditure	20,058	22,551
Total expenditure	1,564,866	1,298,341
Net deficit for the year	(53,238)	(125,884)

**SIGATOKA TOWN COUNCIL
 DETAILED STATEMENT OF INCOME AND EXPENDITURE - SPECIAL LOAN ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
The income for the year was derived from:		
Special loan rate	183,532	183,532
Special loan rate on State land	10,894	10,894
Total income	<u>194,426</u>	<u>194,426</u>
The expenditure for the year was incurred on:		
Interest – BSP Life (Fiji) Limited	45,939	66,071
Total expenditure	<u>45,939</u>	<u>66,071</u>
Net surplus for the year	<u>148,487</u>	<u>128,355</u>

SIGATOKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE - PARKING METER
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
The income for the year was derived from:		
Infringement fines	5,163	7,764
Parking meter tolls	35,582	34,121
Illegal parking	5,113	9,990
Parking permit	3,256	3,484
Total income	<u>49,114</u>	<u>55,359</u>
The expenditure for the year was incurred on:		
Depreciation	2,257	4,183
Printing and stationery	939	1,313
FNU levy	497	500
Salaries, wages, and related expenses	47,735	50,836
Fiji National Provident Fund contribution	5,029	5,009
Parking meter verification	-	3,000
Parking meters maintenance	321	2,951
Total expenditure	<u>56,778</u>	<u>67,792</u>
Net deficit for the year	<u>(7,664)</u>	<u>(12,433)</u>