



# SIGATOKA TOWN COUNCIL

## Annual Report for the Year 2006

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## **SIGATOKA TOWN COUNCIL**

# Annual Report AND Financial Statements 2006





**SIGATOKA TOWN COUNCIL**  
**ANNUAL REPORT FOR THE YEAR ENDED 2006**

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

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

**Lase Lase Ward**

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

**Vunasalu Ward**

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

**Election of the Mayor**

The Annual Election of the Mayor was held on 2<sup>nd</sup> November, 2005 at the Council Chambers, Chabildas Building, Sigatoka. Cr. Ratu Isikeli Tasere, JP was elected unanimously as Mayor for the ensuing year 2006.

**Election of Deputy Mayor**

Cr. Tevita Makutu was elected as the Deputy Mayor for the ensuing year 2006.

**MEETINGS OF THE COUNCIL**

Annual Council	-	1
Ordinary Council	-	12
Special Council	-	2
Emergency Council	-	2
Town Planning, Building & Health Committee	-	8
Finance, Tender & Parking Meter Committee	-	13
Market, Traffic & Public Transport Committee	-	9
Human Resource, Industrial Relation, Information System & General Purpose Committee	-	9
Development, Infrastructure & Works Committee	-	8
Civic Amenities, Property Management & Tourism Promotion Committee	-	8
Relation Activities & Sports Promotion Committee	-	7

**Total Number of Meetings**

**78**

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Meeting between STC/Jacks of Fiji held on 28<sup>th</sup> July, 2006

A meeting between Sigatoka Town Council and Mr. Dilip Khatri of Jacks of Fiji was held on the 28<sup>th</sup> of July, 2006 in regards to the Upgrading and Beautifying the frontage of their shop in Sigatoka since Sigatoka is a tourist town.

Meeting between STC/Valley & RK & RK Taxi Operators held on 27<sup>th</sup> December, 2006

A meeting was held between Sigatoka Town Council and Valley/RK & RK Taxi Operators on 27<sup>th</sup> December, 2006 in regards to the Illegal Operation in town.

**Staff Details** – Please note that there was no Organization Structure in 2006. However listed below are the Employees of the Council

**Established Staffs**

No.	Name	Position
1.	Azam Azmat Khan	Town Clerk/Chief Executive Officer
2.	Mereoni Camaivuna	Operations Assistant 1
3.	Nirmala Pariachi	Operations Assistant II
4.	Surandar	Parking Meter Supervisor
5.	Poate Givaki	Market Master [Actg]
6.	Salamisa Waqa	Debtors Clerk
7.	Mohini Nair	Senior Accounts Clerk
8.	Viral Patel	Cashier
7.	Sharan Dip Singh	Parking Meter Attendant
8.	Mohammed Shamim	Bailiff/Town Ranger
9.	Neumi N.	Town Ranger
10.	Vilikesa Bola	Asst. Market Master
11.	Taufiq Ameer Mohammed	Bus Stand Attendant
12.	Anand Sami Pillay	AHI/Building Surveyor
13.	Emosi Nayabe	Parking Meter Attendant
14.	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

**Council's Service Delivery**

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

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

### Visiting Dignitaries

A list of Visitors who made courtesy visits to the Council Office during the ensuing year 2006 are as per the table down below:

No.	Name	Organisation
1.	Mr. Rohit Kumar	Mayor, Lautoka City Council
2.	Mr. Pushp Raj	Town Clerk, Lautoka City Council
3.	Etsuro Miyazawa	Fukuyama City, Hiroshima, Japan
4.	Hon. Saimon Tikonasau	Ministry of Public Utilities, Suva
5.	Hon. Udit Narayan	Minister for Primary and Preventative Health, Suva
6.	Mr. Etika Mesulame	Ministry of Health Head Quarters, Suva
7.	Mr. Poseci Bune	Minister for Environment, Suva
8.	Ms. Mere Naulumatua	Department. of Town and Country Planning, Suva
9.	Andreas Supper	Maui Bay Estate, Sigatoka
10.	Timote T. Rupeni	Rupeni Consultants, Suva

#### 4. Health Summary

	License Type	Total Number
1.	Catering Premises	22
2.	Catering Premises (School)	4
3.	Mobile or Temporary Small Scale Catering	17
4.	Bake House	4
5.	Butcher Shop	4
6.	Retail and Catering (e.g. Retailer with fast food counter)	9

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 was conducted at the 3 wards of the Sigatoka Town. In year 2006 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 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 failed to comply with the standards served with Intimation Notices.

5. **Building / Development Permit Summary**

**Number of Inspection Certificate Issued**

- Total Certificate of Inspection: - 4
- Certificate Issued before Occupy**
- Total No. of Completion Certificate issued: - nil
- Town Planning Management**
- Total No. Rezoning Application: - nil

**Building Development Permit Summary Report**

Item	Types of Building	Number	Value	Approval	Rejected	Remarks
1	Residential	4	\$67,500	Approved	-	-
2	Commercial	13	\$3,490,480	Approved	-	-
3	Civic	4	\$486,300	Approved	-	-
4	Industrial	1	\$5,000	Approved	-	-
5	Others	1	\$183.12	Approved	-	-

In the year 2006 there were a total of 23 building applications received whereby it was noted that commercial development application was high compared to rest of the zones. All applications were approved as noted above.

It was also noted that no subdivision and rezoning application was received by the Council.

6. **Environment Report**

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

That the trees were planted at the river bank and the open spaces in town. That the council tend to use energy saving lights at the market and other public amnesties.

That the Council also created the awareness on open fire been set by the ratepayers, which may create fire threat to the neighboring property. It happens most of the time during dry seasons.

**7. Engineering / Works Report**

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

**Service Delivery:**

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

**Beautification Projects:**

General beautification works were carried out around town in all the wards; 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**

Some of the capital works for 2006 are; the upgrade of the Municipal market, Landfill Upgrade, Footpaths and Installing of new Rubbish bins.

**General Contractual Works**

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

**8. Annual Accounts Audit - 2006**

**Rates**

<u>No. of Ratepayers</u>	<u>Amount Charged per year (in a dollar on U.C.Value)</u>	<u>Collection per year</u>
<b>2006</b>	General Rate – 0.84 c	\$80,093
274	Special Loan Rate – 1.16 c	\$121,209

Sigatoka Town Council had 274 rate payers in year 2006. It provides services such as Garbage Collection, Town sweeping, street cleaning , streetlight repairs and road maintenance to the ratepayers.

**Reason for Rates Charged by STC.**

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

**Business Licence**

<u>Year</u>	<u>No. of Business license Holders</u>	<u>Amount Collected</u>
2006	582	65,438

**Council Properties Management**

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

**Auditor General Opinion– 2006**

Sigatoka Town Council was provided the Audit Opinion – **Qualified Audit Opinion** in year 2006. The qualification was due to the following reasons:

- This was due to no provision for doubtful debts for debtors amounting \$412,578.
- Property, Plant and Equipment totaling \$1,277,016 had not been accounted for depreciation and Separate accounting records and bank statements were not maintained by the Council for Parking Meter.

**Council Measures** – Council provided the provision for doubtful debtors in year 2007. Separate accounting records were maintained for Parking Meter Accounts in year 2007.

9. **APPRECIATION**

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

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

  
 Tulsi Ram  
**CHIEF EXECUTIVE OFFICER**





**REPUBLIC OF THE FIJI ISLANDS**

**OFFICE OF THE AUDITOR GENERAL**



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File: 970/1

22 January 2008

Cr.Ratu Isikeli Tasere  
The Mayor  
Sigatoka Town Council  
PO Box 118  
**SIGATOKA**

Dear Cr.Tasere

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**AUDIT OF THE ACCOUNTS OF THE SIGATOKA TOWN COUNCIL FOR THE YEAR  
ENDED 31 DECEMBER 2006**

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Two copies of the audited financial statements of the Sigatoka Town Council for the year ended 31 December 2006 together with my audit report on them are enclosed.

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

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

Yours faithfully

  
\_\_\_\_\_  
Eroni Vatuloka  
**AUDITOR GENERAL**

cc. Minister for Local Government, Housing, Squatter Settlement and Environment

Encl.



**SIGATOKA TOWN COUNCIL**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2006**

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# REPUBLIC OF THE FIJI ISLANDS

## OFFICE OF THE AUDITOR GENERAL



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### INDEPENDENT AUDIT REPORT

#### Scope

I have audited the financial statements of the Sigatoka Town Council for the year ended 31 December 2006 in accordance with the provisions of the Local Government Act and section 13 of the Audit Act. The Sigatoka Town Council is responsible for the preparation and presentation of the financial statements and the information they contain.

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

My audit was conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are fairly stated 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 cash flows.

#### Qualification

1) At 31 December 2006, as detailed in Note 3, the Council has recorded Debtors of \$412,578 in the Balance Sheet. The Council has not provided a provision for doubtful debts for these Debtors. Our review of Debtors indicates that a provision for doubtful debts of \$376,337 is required. If a charge for doubtful debts of \$376,337 were taken to the General Fund, it would result in an increase in the net deficit of the General Fund by \$376,337 and reductions in current assets and net assets by the same amount.

2) Property, Plant and Equipment totalling \$1,277,016 as at December 2006 have not been accounted for and depreciated in accordance with Fiji Accounting Standards 16 *Property, Plant and Equipment*.

3) Separate accounting records and bank accounts were not maintained by the Council for Parking Meter Fund Account. All monies collected and payments relating to Parking Meter Fund Account were made through General Fund bank account contrary to Sections 47 (2) and 59 (3) of the Local Government Act.

#### Qualified Audit Opinion

In my opinion, due to the significant effects that the matters disclosed in the Qualification paragraph have on the financial position of the Council at 31 December 2006 and on the results for the year ended on that date, the accompanying financial statements of the Council do not give a true and fair view of the state of affairs of the Council as at 31 December 2006 and the result of the Council for the year ended on that date.

Eroni Vatuloka  
**AUDITOR GENERAL**

Suva, Republic of the Fiji Island  
23 January 2008.



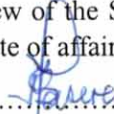
**SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION**

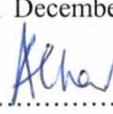
ASSETS	NOTES	2006 \$	2005 \$
<b>Current assets</b>			
Cash on hand and at bank	2	-	4,150
Debtors	3	412,578	379,632
Advance to Parking Meter Fund a/c		-	30,472
Sundry advance	4	8,587	6,600
VAT receivable		-	3,705
<b>Non current assets</b>			
Property, plant and equipment	5	1,277,016	1,320,636
<b>TOTAL ASSETS</b>		<u>1,698,181</u>	<u>1,745,195</u>
<b>EQUITY AND LIABILITIES</b>			
Accumulated funds	6	321,904	396,936
<b>Current liabilities</b>			
Bank overdraft	2	5,595	-
VAT payable		14,603	-
Creditors and other accruals		37,098	33,380
Loan funds less repayments	7	26,010	27,195
Sundry deposits	8	48,729	48,729
Lease liability - Credit Corporation		22,493	34,195
<b>Non current liabilities</b>			
Loan funds less repayments	7	1,221,749	1,204,760
<b>Total equity and liabilities</b>		<u>1,698,181</u>	<u>1,745,195</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 17.*

**COUNCIL'S STATEMENT**

In our opinion, the financial statements have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2006 and of the state of affairs and cash flows as at that date.

.....  
  
 Mayor  
 Ratu Isikeli Tasere, JP  
 Date 19.12.07

.....  
  
 Town Clerk/CEO  
 Mr Azam Azmat Khan  
 Date 19.12.07

**SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE**

The Revenue for the year was derived from :	2006 \$	2005 \$
General rates	74,644	67,603
General rates on State land	5,449	5,398
Interest on overdue rates	19,652	30,046
<b>Fees and charges</b>		
Business licence	65,438	62,207
Building fees	10,519	1,722
Bus stand charges	11,008	11,180
Commercial vehicle	5,916	-
Taxi	51,369	-
Cemetery	1,647	1,274
VAT 2004	28,633	-
Garbage fee	16,368	13,833
Illegal parking	3,718	3,674
Interest others	645	4,534
Legal action	1,140	-
Market fees	173,125	165,578
Miscellaneous	27,637	19,226
Parking lots and facilities	-	49,674
Rent from properties	95,393	97,682
Rent from parking meter	6,000	12,712
Gain on sale of land	-	172,833
<b>Total Revenue</b>	<b>598,301</b>	<b>719,176</b>
<b>The Expenditure for the year was incurred on</b>		
<b>Recurrent</b>		
Audit fees	9,956	14,667
Fiji Local Government Association	2,393	2,675
Garbage service	28,152	36,505
Legal expenses	7,702	8,482
Mayoral, Councilors Allowance and civic reception	20,301	31,005
Office expenses	1,947	3,441
Printing, stationery and advertising	13,928	15,542
Salaries and related payments	199,573	200,759
Traveling expenses	-	11,422
Telecommunication charges	8,373	13,937
Tuition Fees	-	8,366

**SIGATOKA TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF REVENUE AND EXPENDITURE**

Maintenance and Operating Expenses of Council Properties	2006	2005
NOTES	\$	\$
Electricity charges	22,061	19,105
Fiji National Training Council levy	776	1,488
Insurance	13,485	17,890
Market	7,654	3,227
Miscellaneous	15,424	23,576
Office rental	16,500	16,250
Parks, gardens and town washing	-	15,909
Public convenience	6,476	12,782
Road, drains, paths and verges	149,218	103,265
Rubbish dump maintenance	-	1,556
Water	2,821	1,863
Election expenses	-	9,411
Bad debts	1,692	-
Desludging	550	1,333
<b>Capital Expenditure</b>		
Footpath, road marking and patching	5,877	24,09
General maintenance	42,882	33,00
Loop road and Duabale subdivision	2,880	15,65
Nayawa Road upgrade	-	9,592
Purchase of equipment/maintenance	-	1,194
Railings	14,544	23,772
Rubbish dump	8,209	5,893
Streetlight	30,545	25,287
Upgrading of Administration Building	-	2,483
<b>Special</b>		
2004 accounts payment	-	6,555
Valuation	-	5,706
<b>Financial Expenses</b>		
Discount allowed	8,352	15,949
Bank charges and interest	1,178	1,393
Depreciation	48,575	48,388
Lease liability interest	-	-
<b>Total Expenditure</b>	<u>692,024</u>	<u>793,428</u>
<b>Net deficit for the year was</b>	(93,723)	(74,252)
<b>Prior year adjustment</b>	-	66,688
<b>Deficit balance at 1 January was</b>	(510,564)	(503,000)
<b>Leaving a deficit balance at 31 December of</b>	<u>(604,287)</u>	<u>(510,564)</u>

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

The Revenue for the year was derived from	2006	2005
	\$	\$
Special loan rate	112,167	119,490
Special loan rate on State land	<u>9,042</u>	<u>10,020</u>
<b>Total Revenue</b>	<b><u>121,209</u></b>	<b><u>129,510</u></b>
The expenditure for the year was incurred on		
Interest - Colonial	102,519	88,175
<b>Total Expenditure</b>	<b><u>102,519</u></b>	<b><u>88,175</u></b>
Net surplus for the year was	18,690	41,335
Deficit balance at 1 January was	(197,281)	(238,616)
<b>Leaving a deficit balance at 31 December of</b>	<b><u>(178,591)</u></b>	<b><u>(197,281)</u></b>

**SIGATOKA TOWN COUNCIL  
PARKING METER FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION**

		2006 \$	2005 \$
<b>Current assets</b>			
Cash at bank	2	(560)	6,301
<b>Non current assets</b>			
Property, plant & equipment	5	27,469	29,263
<b>Total assets</b>		<u>26,909</u>	<u>35,564</u>
<b>Current liabilities</b>			
Creditors and accruals		1,040	1,281
VAT payable		1,061	1,023
VAT payable to General Fund		-	30,470
<b>Total current liabilities</b>		<u>2,101</u>	<u>32,774</u>
<b>Total liabilities</b>		2,101	32,774
<b>Net Assets</b>		<u>24,808</u>	<u>2,789</u>
<b>Accumulated funds</b>		<u>24,808</u>	<u>2,789</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 17.*

**COUNCIL'S STATEMENT**

In our opinion, the financial statements have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2006 and of the state of affairs and cash flows as at that date.

.....  
Mayor  
Ratu Isikeli Tasere, JP  
Date 18 12 06

.....  
Town Clerk/CEO  
Mr Azam Azmat Khan  
Date 18 12 06



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

The Revenue for the Year was Derived from -		2006	2005
		\$	\$
Infringement fines		22,797	19,013
Meter tolls		54,726	51,486
Miscellaneous		7,995	5,331
<b>Total revenue</b>		<u>85,518</u>	<u>75,830</u>
<b>The Expenditure for the Year was Incurred on</b>			
Bank charges		8	41
Contingency		753	676
Depreciation		2,632	2,438
General Expense		-	2,590
Maintenance of parking meter bays		3,128	2,462
Printing and stationery		3,266	4,965
Rental and road marking to general fund		6,000	13,790
Salaries and related payments		42,251	36,363
Legal fees		2,977	-
Verification of parking meters		2,484	2,585
<b>Total expenditure</b>		<u>63,499</u>	<u>65,910</u>
<b>Net surplus for the year was</b>		22,019	9,919
<b>Prior year adjustment</b>	14	-	(66,688)
<b>Add surplus balance at 1 January of</b>		2,789	59,558
<b>Leaving a surplus balance as at 31 December of</b>		<u>24,808</u>	<u>2,789</u>



**SIGATOKA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2006**

<b>GENERAL FUND</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Cash was provided from		
Rates and other revenue	541,063	494,969
Interest	19,652	30,046
Net VAT received/(paid)	15,060	28,513
	<u>575,775</u>	<u>553,528</u>
Cash was applied to :		
Payments to suppliers & employees	(537,194)	(544,722)
Net Cash Flows (used in)/from Operating Activities	<u>38,581</u>	<u>8,806</u>
<b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		
Cash was applied to :		
Payment/(Proceeds) for property, plant and equipment	(4,955)	152,557
Payment for capital purchases	(104,937)	(140,983)
Advance to Parking meter fund	30,472	(19,177)
Net Cash Flows (used in) Investing Activities	<u>(79,420)</u>	<u>(7,603)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Cash was provided from:		
Loan raised	-	-
Loan rate	129,510	129,510
Cash was applied to:		
Lease liability	(11,702)	(11,724)
Loan repayments	15,804	1,458
Interest	(102,519)	(88,175)
Net Cash Flows from/(used in) Financing Activities	<u>31,093</u>	<u>31,069</u>
Net decrease/(increase) in cash held	(9,746)	32,272
Cash/(overdraft) at the beginning of year	<u>4,150</u>	<u>(28,122)</u>
(Overdraft)/cash at the end of year	<u>(5,596)</u>	<u>4,150</u>

**SIGATOKA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2006**

<b>PARKING METER</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
 <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash was provided from		
Rates and other revenue	85,518	75,830
	<u>85,518</u>	<u>75,830</u>
Cash was Applied to :		
Payments to suppliers & employees	(91,540)	(94,253)
Net Cash Flows from Operating Activities	<u>(6,022)</u>	<u>(18,423)</u>
 Net Cash Flows (used in) Investing Activities	(838)	(1,378)
Net Cash Flows used in Financing Activities	-	(11,294)
Net decrease in cash held	<u>(6,861)</u>	<u>(31,095)</u>
Cash at the beginning of year	6,301	37,396
Cash at the end of year	<u><u>(560)</u></u>	<u><u>6,301</u></u>

## SIGATOKA TOWN COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year Ended 31 December 2006

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies adopted by the Council is set out in this note. The policies adopted are in accordance with Fiji Accounting Standards and, unless stated otherwise, are consistent with those applied in the prior year.

**a) Basis of preparation of the financial statements**

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

**b) Revenue**

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

**c) Income tax**

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

**d) Property, plant and equipment***Acquisition*

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

**Depreciation**

Depreciation has been provided using straight line method so as to write off the assets over their 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

**SIGATOKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**(Continued)**  
**Year Ended 31 December 2006**

**e) Employee entitlements**

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits and the costs 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.

<b>2 CASH AT BANK / BANK OVERDRAFT</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Parking Meter Fund	<u>(560)</u>	<u>6,301</u>
Cash on hand	200	200
Westpac Bank - General Fund - (Bank Overdraft)	-	483
- Special Fund Account	-	2,169
Colonial Bank - General Fund	(5,927)	(193)
- Capital fund	132	1,491
Bank of Baroda - General Fund - Capital Overdraft	-	-
- Term deposit	-	-
	<u>(5,595)</u>	<u>4,150</u>

**SIGATOKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**Year Ended 31 December 2006**

Disclosed as:

General Fund

- Cash on hand	200	200
- Cash at bank	-	483
- Cash at bank	(5,795)	3,467
	<u>(5,595)</u>	<u>4,150</u>

The bank overdraft with Westpac Banking Corporation is secured by Sigatoka Town Council over all its assets and undertakings both current and that to be acquired in future; Deed Supporting guarantee (Unsupported) by government of the Republic of Fiji; and Letter from

3. Debtors	2006 \$	2005 \$
Bus stand	1,168	3,323
Business licence	8,495	3,668
Commercial vehicle	2,648	1,651
Garbage fees	(426)	(291)
Rates	386,919	362,145
Rental properties	8,680	4,266
Taxi base	5,094	4,870
	<u>412,578</u>	<u>379,632</u>

**SIGATOKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**(Continued)**  
**Year Ended 31 December 2006**

<b>4 SUNDRY ADVANCES</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Other advances	3,159	3,159
Mayoral appeal	1,486	1,486
Dishonored cheques	3,708	1,721
Telephone	200	200
Electricity	22	22
Land	10	10
Post box key	2	2
	<u>8,587</u>	<u>6,600</u>
 <b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
<b>GENERAL FUND</b>		
Computers - at cost	12,178	12,177
Less provision for depreciation	(9,552)	(5,533)
	<u>2,626</u>	<u>6,644</u>
 Furniture & Fittings - at cost	6,417	4,079
Less provision for depreciation	(601)	(251)
	<u>5,816</u>	<u>3,828</u>
 Land & Building - at cost	520,441	520,441
- at valuation 2004	816,597	816,597
Less provision for depreciation	(100,278)	(66,852)
	<u>1,236,760</u>	<u>1,270,186</u>
 Motor Vehicle - at cost	50,000	50,000
Less provision for depreciation	(30,000)	(20,000)
	<u>20,000</u>	<u>30,000</u>
 Office Equipment - at cost	11,457	10,209
Less provision for depreciation	(993)	(231)
	<u>10,464</u>	<u>9,978</u>
 Plant & Equipment - at cost	1,369	-
Less provision for depreciation	(19)	-
	<u>1,350</u>	<u>-</u>
 <b>NET WRITTEN DOWN VALUE</b>	<u>1,277,016</u>	<u>1,320,636</u>

**SIGATOKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**Year Ended 31 December 2006**

PROPERTY, PLANT AND EQUIPMENT	2006	2005
	\$	\$
<b>PARKING METER FUND</b>		
Plant & Machinery - at cost	30,501	30,501
Less provision for depreciation	(4,448)	(2,313)
	<u>26,053</u>	<u>28,188</u>
Computers - at cost	1,671	1,378
Less provision for depreciation	(774)	(303)
	<u>897</u>	<u>1,075</u>
Office Equipment - at cost	545	-
Less provision for depreciation	(26)	-
	<u>519</u>	<u>-</u>
<b>NET WRITTEN DOWN VALUE</b>	<u>27,469</u>	<u>29,263</u>

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

(i) Movement in Carrying Amounts

Movements in carrying amounts for each class of property, plant and

<u>Land and building</u>	\$	\$
Carrying amount at beginning	1,270,186	1,386,488
Additions	-	-
Revaluation increment	-	-
Disposal	-	(82,167)
Depreciation expense	(33,426)	(34,135)
Balance as at 31st December	<u>1,236,760</u>	<u>1,270,186</u>
<u>Motor vehicles</u>		
Carrying amount at beginning	30,000	40,000
Depreciation expense	(10,000)	(10,000)
Balance as at 31st December	<u>20,000</u>	<u>30,000</u>
<u>Computers</u>		
Carrying amount at beginning	6,645	6,101
Additions	-	4,356
Depreciation expense	(4,019)	(3,812)
Balance as at 31st December	<u>2,626</u>	<u>6,645</u>
<u>Furniture and fittings</u>	\$	\$
Carrying amount at beginning	3,828	124
Additions	2,338	3,946
Depreciation expense	(350)	(242)
Balance as at 31st December	<u>5,816</u>	<u>3,828</u>

**SIGATOKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**Year Ended 31 December 2006**

**5 Movement in Carrying Amounts (cont'd)**

	\$	\$
<u>Office equipment</u>		
Carrying amount at beginning	9,978	1,036
Additions	1,248	9,142
Depreciation expense	(762)	(200)
Balance as at 31st December	<u>10,464</u>	<u>9,978</u>
 <u>Plant &amp; Equipment</u>		
Carrying amount at beginning	-	-
Additions	1,369	-
Depreciation expense	(19)	-
Balance as at 31st December	<u>1,350</u>	<u>-</u>
 NET WRITTEN DOWN VALUE	<u>1,277,016</u>	<u>1,320,637</u>

**PARKING METER FUND**

<u>Plant and machinery</u>		
Carrying amount at beginning	28,188	30,323
Additions	-	-
Depreciation expense	(2,135)	(2,135)
Balance as at 31st December	<u>26,053</u>	<u>28,188</u>
 <u>Computers</u>		
Carrying amount at beginning	1,075	-
Additions	293	1,378
Depreciation expense	(471)	(303)
Balance as at 31st December	<u>897</u>	<u>1,075</u>
 <u>Office Equipment</u>		
Carrying amount at beginning	-	-
Additions	545	-
Depreciation expense	(26)	-
Balance as at 31st December	<u>519</u>	<u>-</u>
 NET WRITTEN DOWN VALUE	<u>27,469</u>	<u>29,263</u>



**SIGATOKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**Year Ended 31 December 2006**

<b>6. ACCUMULATED FUNDS</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
This consists of:		
General Fund Account	(604,287)	(510,564)
Loan Repayment Account	(178,591)	(197,281)
Asset Revaluation Reserve	816,597	816,597
Adjustment - Debtors (a)	288,185	288,185
	<u>321,904</u>	<u>396,936</u>
Net accumulated funds	<u>321,904</u>	<u>396,936</u>

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

<b>7 LOAN FUNDS</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<u>Colonial Life Fiji</u>		
Balance at 1 January	1,232,217	1,230,495
Add: Interest	102,257	88,175
	<u>1,334,474</u>	<u>1,318,670</u>
Less: Loans repaid	(86,715)	(86,715)
Balance as at 31 December	<u>1,247,759</u>	<u>1,231,955</u>
Total Loan funds	<u>1,247,759</u>	<u>1,231,955</u>

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

Analysed as:		
Current	26,010	27,195
Non current	1,221,749	1,204,760
	<u>1,247,759</u>	<u>1,231,955</u>

**SIGATOKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**(Continued)**  
**Year Ended 31 December 2006**

<b>8 SUNDRY DEPOSITS</b>	<b>\$</b>	<b>\$</b>
Car park development	34,007	34,007
Council Properties/ Shops - Security	11,205	11,205
Security deposit	1,747	1,747
Nomination fee	1,240	1,240
Market stall	500	500
Ticket booth	30	30
	<u>48,729</u>	<u>48,729</u>

**9. DISCOUNTS ON RATES**

The Council in its 2006 budget granted discount on rates as follows:

Rates paid in full on or before 15/02/2006 - 7%.

**10. CAPITAL COMMITMENTS at balance date - Nil (2005: Nil)**

**11. CONTINGENT LIABILITIES at balance date (2005: Nil).**

Contingent liabilities at balance date, not otherwise provided provided for in these financial statements, include various legal claims involving the Council, including the following law

- (i) The Council is a defendant in a legal action by P. A. Lal, who is claiming approximately \$36,000 in costs for repair of a fire tender purchased by the Council.
- (ii) The Council is a defendant in a legal action by Fiji Forest Sawmilling, who is claiming approximately \$360,000 in rental compensation.

The Council's solicitor's are vigorously defending these claims and it is the Council's opinion that no material damages will arise.

**SIGATOKA TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**(Continued)**  
**Year Ended 31 December 2006**

**12. NOTES TO STATEMENT OF CASH FLOWS**

	<b>GENERAL FUND</b>	
	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
a) Reconciliation of the Net Surplus to		
Net deficit from Operations		
General fund	(102,024)	(7,564)
Add: Capital Purchases	104,937	140,983
Gain on sale	-	(172,833)
Depreciation	48,575	48,388
	<u>51,488</u>	<u>8,974</u>
Changes in Assets and Liabilities		
(Increase) in debtors	(29,285)	(21,328)
Increase in creditors and other accruals	3,305	(3,082)
Increase in sundry deposit	-	(3,977)
(Increase) in VAT receivable	15,060	28,513
(Increase)/decrease in sundry advance	<u>(1,987)</u>	<u>(294)</u>
Net Cash Inflows (used in)/from Operating Activities	<u>38,581</u>	<u>8,806</u>