

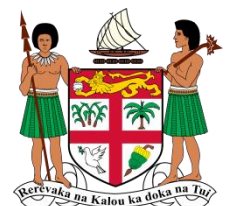


SIGATOKA TOWN COUNCIL

Annual Report for the Year 2012



SUNSET CORAL COAST - SIGATOKA





SIGATOKA TOWN COUNCIL

Annual Report AND Financial Statements 2012

SIGATOKA TOWN COUNCIL

ANNUAL REPORT FOR THE YEAR ENDED 2012

1.0 Appointment of Special Administrator

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

1.1 Meetings of The Council

Annual Council	-	-
Ordinary Council	-	12
Special Council	-	-
Emergency Council	-	-
Finance, Library & IT Committee	-	12
Market Committee	-	12
Traffic Committee	-	12
Prosecution Committee	-	12
Works, Parks & Gardens Committee	-	12
Health, Building & 3R Projects Committee	-	12
Staff & Tender Committee	-	12
Management Committee	-	12
Emergency	-	-

Total Number of Meetings

108

=====

1.2 Staff Details

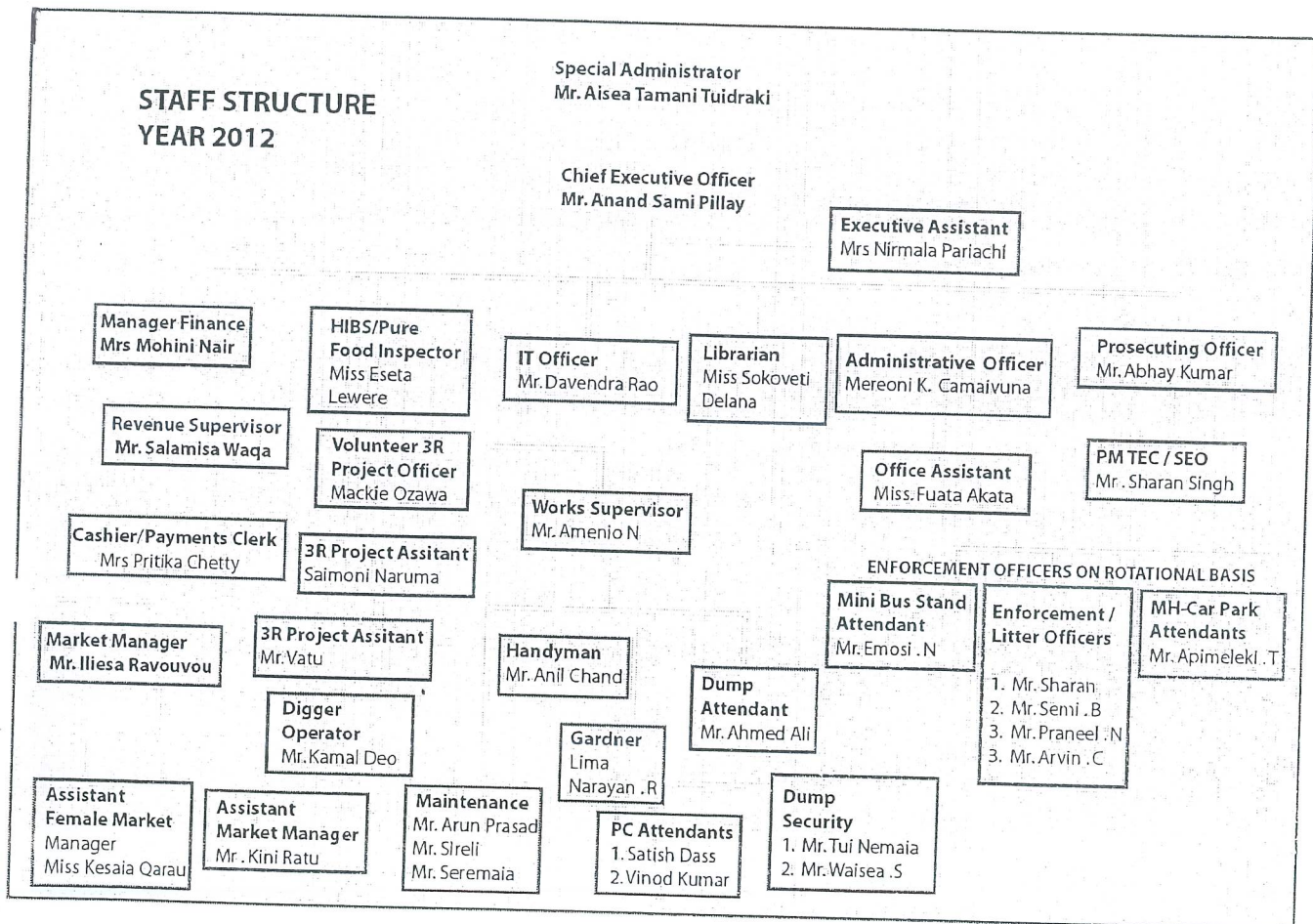
Established Staffs

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

Un-established Staffs

No.	Name	Position
1.	Ahmed Ali	Dump Attendant
2.	Anil Chand	Handyman
3.	Vinod Chand	PC Attendant
4.	Chandraiya	Labourer
5.	Narayan Reddy	Gardener
6.	Limanivai	Assistant Gardener
7.	Sireli Naoba	Assistant Gardener
8.	Kamal Chand	Digger Driver
9.	Arun Prasad	Carpenter
10.	Kemenieli Vatu	3R Assistant
11.	Seremaia N	Labourer
12.	Nemaia Tui	"
13.	Simione Vua	"

1.3



1.4 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

1.5 Solicitors for the Council

The Council engaged three [3 Law Firms during the year namely:

1. M/s Pillai, Naidu & Associates
2. M/S Samusamuvodre, Sharma & Associates
3. M/S West Law, Sigatoka

1.6 Auditors for the Council

As per Section 50 of the Local Government Act, Cap 125, Auditor-General has been the Auditor for the Council.

1.7 Visiting Dignatories

A list of Visitors who made courtesy visits to the Council Office during the ensuing year 2012 are as per the table down below:

No.	Name	Organisation
1.	Mr. R. Waute	Vautech Australia
2.	Mr. Ashok Kumar	Naroro, Sigatoka
3.	Mr. Vimal R. Pillay	Land Transport Authority
4.	Mr. Visvaanath Das	FIRCA
5.	Mr. Keshwa Mani	FIRCA
6.	Mr. John Sami	Auckland, New Zealand
7.	Ms. Maraia Ubitau	Ministry of Local Government
8.	Ms. Milk Koroiujita	Ministry of Local Government
9.	Hon. Samuela Saumatua	Hon. Minister for Local Government
10.	Mrs. Taina Tagicakibau	Permanent Secretary for Ministry of Local Government
11.	Mr. kolinio Bola	Director Housing – Ministry of Local Government
12.	Mr. Josefata Suka	Provincial Administrator, Nadroga/Navosa
13.	Dr. Suresh Prasad	Sydney, Australia
14.	Mr. Vucago	Administrator, Lautoka City Council
15.	Mr. I. Naivalurua	Commissioner of Police

2.0 **HEALTH& BUILDING REPORT – 2012**2.1 **Health Summary**

	License Type	Total Number
1.	Catering Premises	28
2.	Catering Premises (School)	4
3.	Mobile or Temporary Small Scale Catering	10
4.	Bake House	4
5.	Butcher Shop	5
6.	Retail and Catering (e.g. Retailer with fast food counter)	22

Total Number of Insanitary Condition Notice Served:	-	21
Total Number Statutory Notice Served:	-	Nil
Total No. of Condemnation Certificate Issued:	-	4
Total no. of House to House inspection	-	215

- The house to house was conducted at the 3 wards of the Sigatoka Town similar to year 2012. In year 2012 mosquito spraying was done within the town boundary to ensure that town is free from Dengue Fever. The quarterly clean-up campaigns were conducted within the town boundary to allow the ratepayers and business houses to live in healthy environment. The ratepayers and business houses were to took advantage to clean and clear the overgrowth of grasses, white goods and discarded all items which can hold the water for the mosquitoes breeding.

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

2.2 **Building / Development Permit Summary Report**
Number of Inspection Certificate Issued

- Total Certificate of Inspection: - 1

Building Development Permit Summary Report

Item	Types of Building	Number	Value	Approval	Rejected	Remarks
1	Residential	1	\$15.45	1	-	-
2	Commercial	21	\$1,822,790.00	21	-	-
3	Civic	3	\$34,500.00	3	-	-
4	Industrial	-	-	-	-	-
5	Others	-	-	-	-	-

In the year 2012 there was a total of 25 building applications which were from Commercial, Residential and Civic development applications. Commercial was noted to have the higher number of applications which totaled up to the value of \$1,822,790.83. It was also noted that also at this year there were no subdivision and rezoning application received by the council.

2.3 Environment Report

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

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

graded in town to ensure that all drains shall have proper openings to allow proper flow of rain water. It was done through de-silting.

2.4 Drain and De-silting

That the earthen drain de-silting was done in Year 2012 in all the wards.

2.5 Contractual Works

That the contractual works were carried out satisfactory.

2.6 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.

2.7 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.

2.8 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.

2.9 Capital Projects:

Market, footpath and Civic Building upgrade, and construction of the library, Riverbank upgrade from the Old Bridge to Jacks, Nayawa Drain Upgrade with PCN.

2.10 General Contractual Works:

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

2.11 General Contractual Works

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

3.0 Annual Accounts Audit - 2012**Rates**

No. of Ratepayers	Amount Charged per year (in a dollar on U.C Value)	Collection per year
2012	General Rate – 0.86c	\$124,459
248	Special Loan Rate – 1.25c	\$194,425
	Local Rate - 3.75c	\$ 28,616

Sigatoka Town Council had 248 rate payers in year 2012. It provides services such as Garbage Collection, Town sweeping, street cleaning, streetlight repairs and road maintenance to the ratepayers.

(Note: 41 properties were unalienated for STC in year 2012).

3.1 Reason Rates Charged by STC.

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

3.2 Business Licence

Year	No. of Business License Holders	Amount Collected
2012	600	\$113,543

3.3 Council Properties Management

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

3.4 Auditor General Opinion

Sigatoka Town Council was provided the Audit Opinion – Qualified Audit Opinion in year 2012.

3.5 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



8th Floor, Ratu Sukuna House,
MacArthur Street,
P. O. Box 2214,
Government Buildings,
Suva, Fiji Islands.

REPUBLIC OF FIJI
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Excellence in Public Sector Auditing

File: 970/1

20 November 2013

The Administrator
Sigatoka Town Council
PO Box 118
SIGATOKA

Dear Sir

**AUDIT OF THE ACCOUNTS OF THE SIGATOKA TOWN COUNCIL FOR THE YEAR ENDED 31
DECEMBER 2012**

Two copies of the audited financial statements of the Sigatoka Town Council for the year ended 31 December 2012 together with an audit report on them are enclosed.

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

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

Yours sincerely

Tevita Bolanavanua
AUDITOR GENERAL

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

Encl.

SIGATOKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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Excellence in Public Sector Auditing

**SIGATOKA TOWN COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012
INDEPENDENT AUDIT REPORT**

Scope

I have audited the financial statements of Sigatoka Town Council for the year ended 31 December 2012 in accordance with the provisions of the Local Government Act and section 13 of the Audit Act. The financial statements consist of the Statement of Financial Position, Statement of Income and Expenditure, Statement of Cash Flows and accompanying notes. The Sigatoka Town Council is responsible for the preparation and presentation of the financial statements and the information contained therein. My responsibility is to express an opinion on these financial statements based on my audit.

My audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. The 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 were undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the results of its operations and cash flows.

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

Qualifications

1. The Council does not have a proper system for accounting accrued income and expenditure in the general ledger. Accrued income was accounted in the respective income accounts using the debtor's listing balance at year end. Also no balance day adjustment was made to account for accrued expenditure during the year. Additionally, there was no audit trail for the corresponding entries of creditors amounting to \$86,467. As such I was not able to satisfy myself if the revenue and expenses are correctly recorded in the general ledger.
2. The Council received a grant of \$98,015 from the Ministry of Local Government during the year. I was not able to trace the grant income to the general ledger. Accordingly, I was not able to satisfy myself if the receipt of grant was properly accounted for in accordance with Fiji Accounting Standard 20.
3. The Council was unable to provide appropriate documentation to support the existence of sundry deposits amounting to \$57,817 in the Statement of Financial Position. Accordingly, I was not able to satisfy myself if the sundry deposits are fairly stated in the Statement of Financial Position.
4. The Council reversed a debtor and a creditor adjustments amounting to \$111,134 and \$16,143 respectively which were carried forward from 2011. I was not able to confirm the completeness, accuracy and authorization of these adjustments due to the lack of appropriate supporting documentations. Also I was unable to trace these adjustments to the general ledger. Due to lack of appropriate supporting documents and audit trail I am unable to satisfy myself whether these adjustments have been properly accounted for.

5. Included in the Statement of Financial Position is \$29,361 stated as VAT payable. However, there is an un-reconciled variance between the General Ledger and VAT reconciliation amounting to \$25,982. Due to the variance I am not able to satisfy myself if the VAT payable amount is correctly stated.

Qualified Audit Opinion

In my opinion, except for the matters identified in the qualification paragraphs, the financial statements present fairly in accordance with Fiji Accounting Standards and the statutory provisions, the financial position of the Council as at 31 December 2012 and the results of its operations and cash flows for the year then ended.

Emphasis Of Matter

Without further qualifying the audit opinion, emphasis is drawn to the following matters;

- The Council recorded a sum of \$49,127 as car parking fees in the Income Statement. Included in this amount is \$11,039 which was received from the tenants renting the car park on a land owned by Carpenters Fiji Limited. The Council does not have legal ownership over the land.
- The Council's land and buildings are under insured by \$210,801.



Tevita Bolanavanua
AUDITOR GENERAL
Suva, Fiji



20 November, 2013

**SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	NOTES	2012 \$	2011 \$
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash on hand		200	200
Cash at bank	2	662,850	834,933
Debtors	3	98,960	107,469
Sundry advances	4	9,978	14,197
Prepayments and electricity deposits	5	5,154	-
		<u>777,142</u>	<u>956,799</u>
<u>Non current assets</u>			
Property, plant and equipment	6	1,337,945	1,253,144
TOTAL ASSETS		<u>2,115,087</u>	<u>2,209,943</u>
<u>EQUITY AND LIABILITIES</u>			
Accumulated funds	7	390,863	569,283
<u>Current liabilities</u>			
Vat payable		29,361	20,075
Employee entitlement		16,404	7,441
Income received in advance	12	28,410	38,143
Creditors and other accruals		116,414	83,627
Loan funds	8	156,000	156,000
Sundry deposits	9	57,817	57,817
Lease liability	10	15,256	-
Deferred income	11	86,368	95,559
		<u>506,030</u>	<u>458,662</u>
<u>Non current liabilities</u>			
Loan funds	8	1,164,798	1,181,998
Lease liability	10	53,396	-
TOTAL EQUITY AND LIABILITIES		<u>2,115,087</u>	<u>2,209,943</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 19.

COUNCIL'S STATEMENT

In our opinion, the financial statement have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2012 and of the state of affairs and cash flows as at that date.

.....
Special Administrator
Mr. Jay Whyte
Date:

.....
Chief Executive Officer
Mr. Anand Sami Pillay
Date:

**SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTES	2012 \$	2011 \$
The Revenue for the year was derived from:			
General rates		107,689	101,037
General rates on state land		24,090	30,742
Interest on overdue rates		7,533	7,795
Fees and charges			
Advertisement		-	676
Business licence		113,543	105,433
Building fees		5,254	5,645
Bus stand charges		11,323	8,962
Commercial vehicle		7,777	10,197
Taxi		62,990	60,190
Cemetery		2,083	1,886
Garbage		153,662	149,953
Illegal parking fines		3,572	2,362
Interest others		6,227	7,585
Insect control fees		801	8,771
Legal action		232,142	249,739
Market fees		16,069	19,135
Miscellaneous		80,131	103,049
Car parking contribution		9,477	81,271
Car parking fees		49,127	60,694
Loading & unloading zone		8,943	8,000
Mini van		17,922	38,871
Amortisation of deferred income	11	9,191	9,191
Monetary contribution		4,566	9,750
Director of Lands - upkeep river bank		-	4,199
Gate Takings- Sports Council		4,325	16,492
MH land reimbursement		-	795,200
Gain on sale - motor vehicle		3,445	-
Jacks - income realised		1,500	-
3 R project		1,315	-
Total Revenue		944,697	1,896,825
The Expenditure for the year was incurred on:			
Recurrent expenditure			
Audit fees		9,000	9,000
Uniforms		4,801	-
Depreciation		61,867	52,878
Doubtful debts		28,591	111,134
Fiji Local Government Association		684	808
Garbage service		39,043	40,723
Legal expenses		2,152	15,605
Mayoral, councillors allowance & civic reception		9,701	15,404
Office expenses		5,605	5,629
Printing, stationery & advertising		23,785	29,379
Salaries & related payments		399,957	435,438
Telecom/fax/internet/courier		15,897	18,125

**SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF INCOME AND EXPENDITURE (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
Recurrent expenditure - continued		
Travelling expenses	20,228	22,670
Rates waived	35,428	-
3R Project	6,373	-
Electricity	43,499	43,132
NPTC levy	2,344	3,154
Insurance	6,533	8,930
Market	39,763	31,576
Mini bus stand rental	12,000	12,133
Miscellaneous	4,044	17,048
Office rental	12,160	28,114
Public convenience	4,844	3,910
Roads, drains, paths & verges	125,138	136,715
Water	12,126	5,295
Total recurrent expenditure	925,563	1,046,800
Capital expenditure		
Footpath, road marking/patching	18,564	40,214
General maintenance	19,704	31,003
Koromumu cemetery	1,250	-
Valuation fees	6,932	-
Loss on disposal	370	722
Nayawa upgrade	65,317	-
Maint. of mini bus stand	-	7,719
Maint. of MH carpark	-	1,029
Maint. of office furniture/equipment	1,560	792
Maint. of rubbish bin/chambers	44	4,922
Rubbish dump	45,526	60,675
Flood	23,128	-
Streetlights	2,043	52,949
Upgrade admin building	1,792	697
Beautification of town	1,264	2,443
Maint. Of bus stand	355	2,220
Capital projects	17,002	46,595
Total capital expenditure	204,851	251,980
Financial expenses		
Bank charges & interest	3,544	1,633
Discount allowed	13,744	13,254
Total financial expenditure	17,288	14,887
Total Expenditure	1,147,702	1,313,667
Net (deficit) / surplus for the year was	(203,005)	583,158
Deficit balance at 1 January was	(257,971)	(841,129)
Leaving a deficit balance at 31 December of	(460,976)	(257,971)

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

	2012	2011
	\$	\$
The Revenue for the year was derived from		
Special Loan Rate	151,816	156,106
Special Loan Rate on Stateland	11,569	7,279
Total Revenue	<u>163,385</u>	<u>163,385</u>
The Expenditure for the year was incurred on		
Interest - Colonial	138,800	144,363
Total Expenditure	<u>138,800</u>	<u>144,363</u>
Net surplus for the year was	24,585	19,022
Deficit balance at 1 January was	(219,200)	(238,222)
Leaving a deficit balance at 31 December of	<u>(194,615)</u>	<u>(219,200)</u>

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

	NOTES	2012 \$	2011 \$
<u>Current assets</u>			
Funds for parking meter	2	39,523	28,383
Total current assets		<u>39,523</u>	<u>28,383</u>
<u>Non current assets</u>			
Property, plant & equipment	6	15,306	17,787
Total Assets		<u>54,829</u>	<u>46,170</u>
<u>Current liabilities</u>			
Employee entitlement		948	910
Total current liabilities		<u>948</u>	<u>910</u>
Total Liabilities		<u>948</u>	<u>910</u>
Net Assets		<u>53,881</u>	<u>45,260</u>
Accumulated Funds		<u>53,881</u>	<u>45,260</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 12 to 19.

COUNCIL'S STATEMENT

In our opinion, the financial statement have been properly drawn up so as to show a true and fair view of the Sigatoka Town Council's operations for the year ended 31 December 2012 and of the state of affairs and cash flows as at that date.

.....
Special Administrator

Mr. Jay Whyte

Date:

.....
Chief Executive Officer

Mr. Anand Sami Pillay

Date:

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

	2012	2011
	\$	\$
The Revenue for the year was derived from		
Infringement fines	9,774	12,500
Parking meter tolls	47,432	56,742
Miscellaneous	9	1,280
Parking permit	3,520	4,531
Total Revenue	60,735	75,053
The Expenditure for the Year was Incurred from		
Office rental	851	2,736
Bank charges	267	30
Road, footpath marking/patching	9,861	10,054
Depreciation	2,519	2,518
Printing & stationery	1,592	1,663
NPTC Levy	176	468
Salaries & related payments	30,881	32,510
Other administration cost	-	90
Parking meter maintenance	733	8,224
Civic reception	-	200
Office expenses	433	250
Travelling cost	1,523	300
Electricity	3,278	2,270
Total Expenditure	52,114	61,313
Net surplus for the year was	8,621	13,740
Add surplus balance at 1 January of	45,260	31,520
Leaving a surplus balance at 31 December of	53,881	45,260

**SIGATOKA TOWN COUNCIL
GENERAL FUND ACCOUNT
STATEMENT OF CASH FLOWS**

	NOTES	2012 \$	2011 \$
Cash Flows From Operating Activities			
Cash was provided from:			
Rates and other revenue		932,274	1,813,580
Interest		<u>6,227</u>	<u>7,585</u>
		938,501	1,821,165
Cash was applied to:			
Payments to suppliers & employees		<u>(835,102)</u>	<u>(821,653)</u>
Net cash provided by Operating Activities	17(a)(i)	<u>103,399</u>	<u>999,512</u>
Cash Flows From Investing Activities			
Cash was applied to:			
Payments for property, plant and equipment		(70,388)	(19,370)
Payment for capital projects		<u>(204,851)</u>	<u>(247,024)</u>
Net cash used by Investing Activities		<u>(275,239)</u>	<u>(266,394)</u>
Cash Flows From Financing Activities			
Cash was provided from:			
Loan rate		163,385	163,385
Cash was applied to:			
Lease liability		(7,628)	(6,226)
Loan repayments		(17,200)	(35,681)
Interest on loan		<u>(138,800)</u>	<u>(144,363)</u>
Net cash provided / (used) by Financing Activities		<u>(243)</u>	<u>(22,885)</u>
Net (decrease) / increase in cash held		(172,083)	710,233
Cash at the beginning of the year		835,133	124,900
Cash at the end of year	17(a)(ii)	<u><u>663,050</u></u>	<u><u>835,133</u></u>

SIGATOKA TOWN COUNCIL
PARKING METER FUND ACCOUNT
STATEMENT OF CASH FLOWS

	NOTES	2012 \$	2011 \$
Cash Flows From Operating Activities			
Cash was provided from:			
Rates and other revenue		<u>60,735</u>	<u>75,053</u>
		<u>60,735</u>	<u>75,053</u>
Cash was applied to:			
Payments to suppliers & employees		<u>(49,557)</u>	<u>(58,503)</u>
Net cash provided by operating activities	17(b)(i)	<u>11,178</u>	<u>16,550</u>
Cash Flows From Investing Activities			
Cash was applied to:			
Payment for property, plant and equipment		<u>(38)</u>	<u>(292)</u>
Net cash used by Investing Activities		<u>(38)</u>	<u>(292)</u>
Net increase/(decrease) in cash held		<u>11,140</u>	<u>16,258</u>
Cash at the begininig of the year		28,383	12,125
Cash at the end of the year	17(b)(ii)	<u>39,523</u>	<u>28,383</u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 1 **Statement of Significant Accounting Policies**

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2012. Unless otherwise stated similar policies were followed in the previous year.

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

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

b) **Revenue**

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

c) **Income tax**

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

d) **Property, Plant and Equipment**

Acquisition

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

Depreciation

Depreciation has been provided using straight line method so as to write off the assets over estimated useful lives.

The principal rates adopted are:

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

e) **Employee Entitlements**

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

f) **Trade and other receivables**

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

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 1

Statement of Significant Accounting Policies - continued

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 Income and Expenditure.

h) Trade and other Payables

Trade and other payables are stated at their cost.

i) Deferred income

Grants relating to assets are included as deferred income and are credited to the statement of income on a straight-line basis over the expected useful lives of the related assets

j) Comparatives

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

Note 2

Cash at Bank

	2012 \$	2011 \$
Colonial Bank - General Fund	(119,588)	(24,406)
- Capital Fund	798,661	887,722
- Nayawa Project Account	23,300	-
	<u>702,373</u>	<u>863,316</u>
<i>Disclosed as:</i>		
Cash at bank - General Fund	662,850	834,933
Funds for Parking Meter	39,523	28,383
	<u>702,373</u>	<u>863,316</u>

Note 3

Debtors

Rates	45,015	66,242
Bus stand	348	683
Business licence	1,177	612
Commercial vehicle	1,382	1,009
Garbage fees	27,779	17,368
Rental properties	2,143	4,655
Taxi base	4,821	3,053
Director of Lands	-	111,134
Mini van	2,846	4,097
WAF/Education/Labour	7,172	-
DISMAC	27,318	-
Monetary contribution	7,550	9,750
	<u>127,551</u>	<u>218,603</u>
Less provision for doubtful debts	(28,591)	(111,134)
	<u>98,960</u>	<u>107,469</u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012	2011
		\$	\$
Note 4	<u>Sundry advances</u>		
	Other advances	3,159	3,159
	Mayoral appeal	1,486	1,486
	Dishonored cheques	4,805	4,259
	Telephone	200	200
	Electricity	22	22
	Land	10	10
	Post box key	2	2
	Staff wages and salaries advance	294	5,059
		<u>9,978</u>	<u>14,197</u>
Note 5	<u>Prepayments and electricity deposits</u>		
	Electricity deposits	3,326	-
	Insurance prepayments	1,828	-
	Total	<u>5,154</u>	<u>-</u>
Note 6	<u>Property, plant and equipment</u>		
	<u>Property, plant and equipment - General Fund</u>		
	Computers - at cost	8,126	6,401
	less provision for depreciation	(3,177)	(3,074)
		<u>4,949</u>	<u>3,327</u>
	Furniture & fittings - at cost	14,776	10,720
	less provision for depreciation	(4,487)	(3,584)
		<u>10,289</u>	<u>7,136</u>
	Land & building - at cost	1,413,766	1,364,318
	less provision for depreciation	(304,965)	(270,136)
		<u>1,108,801</u>	<u>1,094,182</u>
	Motor vehicles -FM 272	76,280	24,221
	less provision for depreciation	(7,628)	(15,341)
		<u>68,652</u>	<u>8,880</u>
	Office equipment - at cost	35,772	25,676
	less provision for depreciation	(9,469)	(7,276)
		<u>26,303</u>	<u>18,400</u>
	Plant & equipment - at cost	160,960	152,060
	less provision for depreciation	(42,009)	(30,841)
		<u>118,951</u>	<u>121,219</u>
	Net written down value	<u>1,337,945</u>	<u>1,253,144</u>
	<u>Property, plant and Equipment - Parking Meter Fund</u>		
	Plant & machinery - at cost	30,501	30,501
	less provision for depreciation	(17,258)	(15,123)
		<u>13,243</u>	<u>15,378</u>

SIGATOKA TOWN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 6	<u>Property, plant and equipment - continued</u>	2012	2011
		\$	\$
	<u>Property, plant and Equipment - Parking Meter Fund - continued</u>		
	Office equipment - at cost	3,059	3,059
	Less provision for depreciation	(996)	(782)
		<u>2,063</u>	<u>2,277</u>
	Computers - at cost	-	514
	Less provisions for depreciation	-	(382)
		<u>-</u>	<u>132</u>
	Net written down value	<u>15,306</u>	<u>17,787</u>
	Movements in carrying amounts for each class of property, plant and equipment.		
	<u>General Fund</u>		
	<u>Land and building</u>		
	Carrying amount at beginning	1,094,182	1,128,290
	Additions	49,448	-
	Depreciation expense	(34,829)	(34,108)
	Balance as at 31st December	<u>1,108,801</u>	<u>1,094,182</u>
	<u>Motor vehicles -FM272</u>		
	Carrying amount at beginning	8,880	13,725
	Additions	76,280	-
	Disposals	(6,055)	-
	Depreciation expense	(10,453)	(4,845)
	Balance as at 31st December	<u>68,652</u>	<u>8,880</u>
	<u>Computers</u>		
	Carrying amount at beginning	3,327	2,952
	Additions	4,312	2,476
	Disposal	(370)	(722)
	Depreciation expense	(2,320)	(1,379)
	Balance as at 31st December	<u>4,949</u>	<u>3,327</u>
	<u>Furniture and fittings</u>		
	Carrying amount at beginning	7,136	7,283
	Additions	4,056	580
	Depreciation expense	(903)	(727)
	Balance as at 31st December	<u>10,289</u>	<u>7,136</u>
	<u>Office equipment</u>		
	Carrying amount at beginning	18,400	16,628
	Additions	10,097	3,470
	Depreciation expense	(2,194)	(1,698)
	Balance as at 31st December	<u>26,303</u>	<u>18,400</u>

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 6	<u>Property, plant and equipment - continued</u>	2012	2011
		\$	\$
	Movement in Carrying Amounts - continued		
	<u>Plant & machinery</u>		
	Carrying amount at beginning	121,219	118,496
	Additions	8,899	12,843
	Depreciation expenses	(11,167)	(10,120)
	Balance as at 31st December	<u>118,951</u>	<u>121,219</u>
	Net written down value	<u>1,337,945</u>	<u>1,253,144</u>
	 <u>Parking Meter Fund</u>		
	<u>Plant and machinery</u>		
	Carrying amount at beginning	15,378	30,501
	Depreciation expense	(2,135)	(15,123)
	Balance as at 31st December	<u>13,243</u>	<u>15,378</u>
	<u>Office equipment</u>		
	Carrying amount at beginning	2,277	3,059
	Depreciation expense	(214)	(782)
	Balance as at 31st December	<u>2,063</u>	<u>2,277</u>
	<u>Computers</u>		
	Carrying amount at beginning	132	302
	Additions	-	212
	Disposals		
	Depreciation	(132)	(382)
	Balance as at 31st December	<u>-</u>	<u>132</u>
	Net written down value	<u>15,306</u>	<u>17,787</u>
Note 7	<u>Accumulated funds</u>		
	This consists of:		
	General fund account	(460,976)	(257,971)
	Loan repayment account	(194,615)	(219,200)
	Asset revaluation reserve	816,597	816,597
	Adjustment - debtors	229,857	229,857
	Net accumulated funds	<u>390,863</u>	<u>569,283</u>

The Council adopted accrual basis of accounting in 2003. An adjustment was made to accumulated funds to record debtors balances relating to prior year that are still owing at the current balance date.

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012 \$	2011 \$
Note 8	<u>Loan funds</u>		
	<u>BSP Life (Fiji) Limited</u>		
	Balance at 1st January	1,337,998	1,373,679
	Add: Interest and other fees	138,800	144,363
		1,476,798	1,518,042
	Less: Loans repaid	(156,000)	(180,044)
	Balance as at 31st December	1,320,798	1,337,998
	Total loan funds	1,320,798	1,337,998
<p>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.</p>			
	Analysed as :		
	Current	156,000	156,000
	Non current	1,164,798	1,181,998
		1,320,798	1,337,998
Note 9	<u>Sundry deposits</u>		
	Car park development	34,007	34,007
	Council properties/ shop - security	20,193	20,193
	Security deposit	1,747	1,747
	Nomination fee	1,240	1,240
	Market stall	500	500
	Unknown deposit	100	100
	Ticket booth	30	30
		57,817	57,817
Note 10	<u>Finance lease</u>		
	<u>Credit Corporation (Fiji) Limited</u>		
	Opening balance	76,280	6,226
	Less Repayments	(7,628)	(6,226)
	Closing balance	68,652	-
<p>Credit Corporation (Fiji) Limited finance lease was undertaken to finance the purchasing of motor vehicle registration no. FY489 at an interest rate of 8.5% per annum for a term of 5 years.</p>			
	Analysed as:		
	Current ANZ Finance Lease	15,256	-
	Non Current ANZ Finance Lease	53,396	-
		68,652	-

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012 \$	2011 \$
Note 11	<u>Deferred Income</u>		
	<u>Back Hoe Digger</u>		
	The amount represents Back Hoe Digger which was donated by the Japanese Government in 2008, which is treated in accordance with FAS 20:		
	Balance as at 1 Jan 2012	95,559	104,750
	Less: amortisation charge	(9,191)	(9,191)
	Balance as at 31 Dec 2012	<u>86,368</u>	<u>95,559</u>
Note 12	<u>Income Received in Advance</u>		
	Inome received in advance comprises of the following:		
	Business license charged in advance	-	16,143
	Parking space - Tapoos Duty Free Conc., Retailers & Wholesalers Internation:	7,400	-
	Parking space - Jacks Retails Limited	20,500	22,000
	Rates received in advance	510	-
		<u>28,410</u>	<u>38,143</u>
	a) <u>Parking Square</u>		
	The amount represents reservation of parking space to Tappoos and Jack effective for the next 10 and 15 years and is treated in accordance with FAS 20:		
	<u>Tapoos</u>		
	Balance as at 1 October	8,000	-
	Less: parking space income realised upto 31 December 2012	(600)	-
	Balance as at 31 Dec 2012	<u>7,400</u>	<u>-</u>
	<u>Jacks</u>		
	Balance as at 1 January	22,000	22,500
	Less: parking space income realised upto 31 December 2012	(1,500)	(500)
	Balance as at 31 Dec 2012	<u>20,500</u>	<u>22,000</u>
Note 13	<u>Discount on rates</u>		
	The Council in its 2012 budget granted discount on rates as follows:		
	Rates paid in full on or before 31/01/12 - 7%		
	Rates paid in full on or before 28/02/12 - 4%		
	Rates paid in full on or before 31/03/12 - 2%		
Note 14	<u>Capital commitment at balance date</u>		
	NIL		
Note 15	<u>Contingent liabilities</u>		
	There were no contingent liabilities at as balance date (2011:Nil)		
Note 16	<u>Subsequent Event</u>		
	On 15 March 2013, Sigatoka Town Council signed an agreement with The United Nations Entity for Gender Equality and the Empowerment of Women(UN Women) on the implementation of partnerships to improve markets project in Sigatoka Town market. The total project cost is FJD\$10,000.		

SIGATOKA TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2012

Note 17	<u>Cash Flow Reconciliation</u>	2012	2011
	<u>(a) General Fund Account</u>	\$	\$
	(i) Reconciliation of the Net Surplus to		
	Net (deficit) / surplus from Operations		
	- General Fund	(203,005)	584,823
	- Loan Rate Fund	24,585	-
	Depreciation	61,867	52,878
	Capital purchases	-	(722)
	Capital commitment	204,851	-
	Loan Income	(163,385)	-
	Interest on loan	138,800	-
	PM Fund contribution	-	332,383
		<u>63,713</u>	<u>969,362</u>
	Changes in Assets and Liabilities		
	Decrease/(increase) in debtors	8,509	92,436
	(Decrease) /increase in creditors and other accruals	42,073	(16,971)
	(Decrease) / increase in VAT payable	-	7,585
	(Decrease)/increase in other liabilities	(9,733)	8,707
	(Decrease)/increase in employee entitlements	8,963	(6,403)
	Decrease /(increase) in deferred income	(9,191)	-
	Decrease/(Increase) in sundry advance	(935)	(2,252)
	Debtor adjustment from previous years	-	(52,952)
	Net Cash Inflows (used in) from Operating Activities	<u>103,399</u>	<u>999,512</u>

Reconciliation of cash

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

Cash at Bank	663,050	835,133
	<u>663,050</u>	<u>835,133</u>

(b) Parking Meter Fund Account

(i) Net cash flows from operations		
Net Surplus from operations	8,621	13,740
Add: Depreciation	2,519	2,518
Changes in assets and liabilities		
Increase/(decrease) in employee entitlements	38	292
Net cash inflows from operating activities	<u>11,178</u>	<u>16,550</u>

(ii) Reconciliation of cash

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

Cash	39,523	28,383
	<u>39,523</u>	<u>28,383</u>