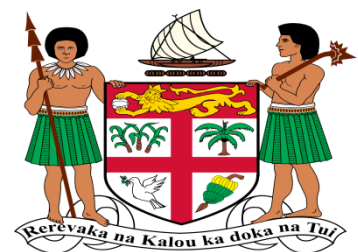




TAVUA TOWN COUNCIL

Annual Report for the Year Ended 2016



PARLIAMENT OF FIJI

PARLIAMENTARY PAPER NO. 51/23



ANNUAL REPORT

Section 19,
Local Govt Act, Cap. 125

For the Year Ended
31st December 2016

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1.0 DIRECTORY

**LOCATION : 6 NABUNA STREET
TAVUA**

TAVUA TOWN COUNCIL OFFICE AT NABUNA STREET



7

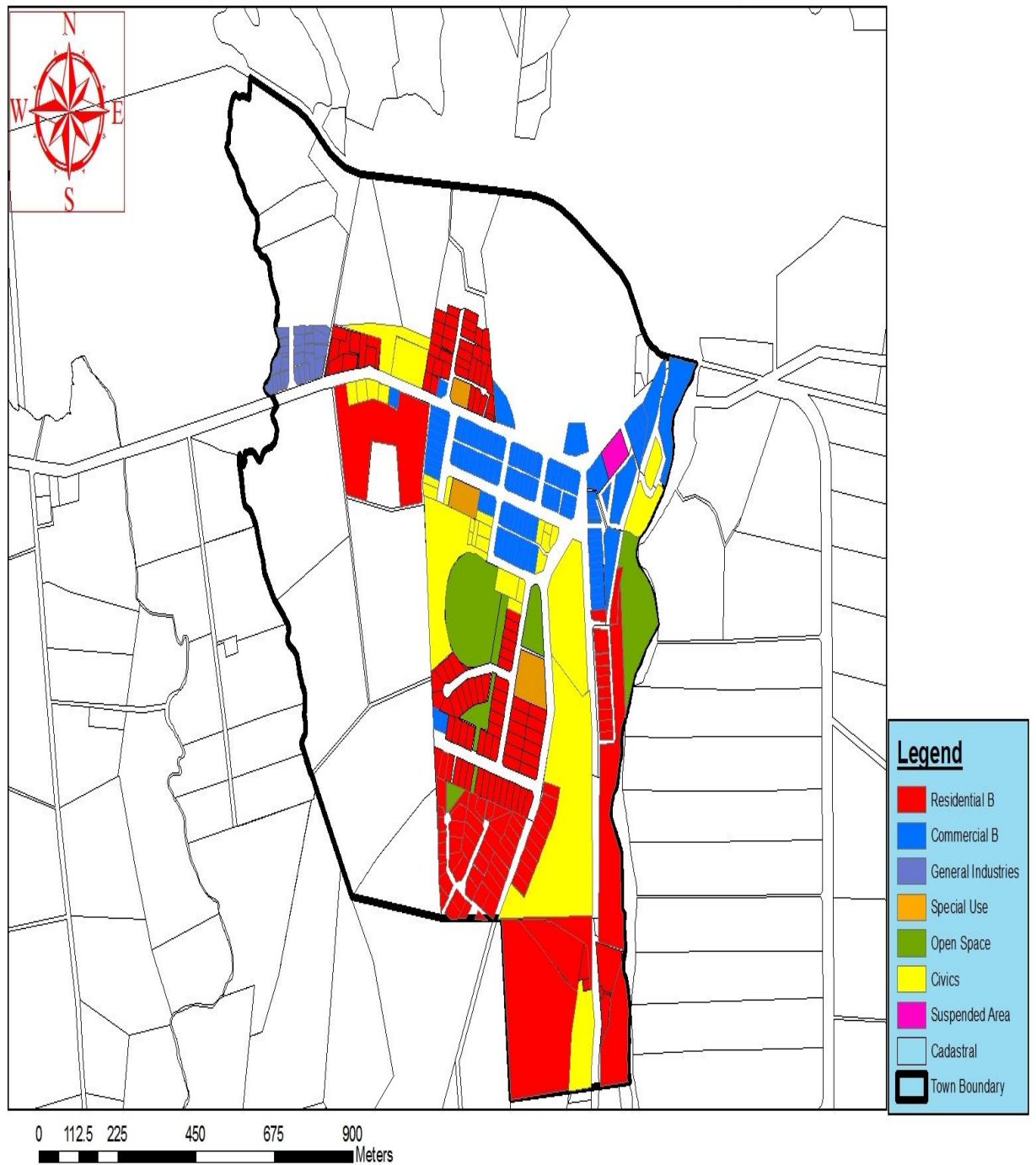
**ADDRESS : P O BOX 532
TAVUA, FIJI ISLANDS
PHONE: (679) 6681010
VODAFONE: (679) 9996130
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AUDITORS : AUDITOR GENERAL

**BANKERS : AUSTRALIA AND NEW ZEALAND
BANKING GROUP LTD**

2.0 TAVUA TOWN APPROVED SCHEME

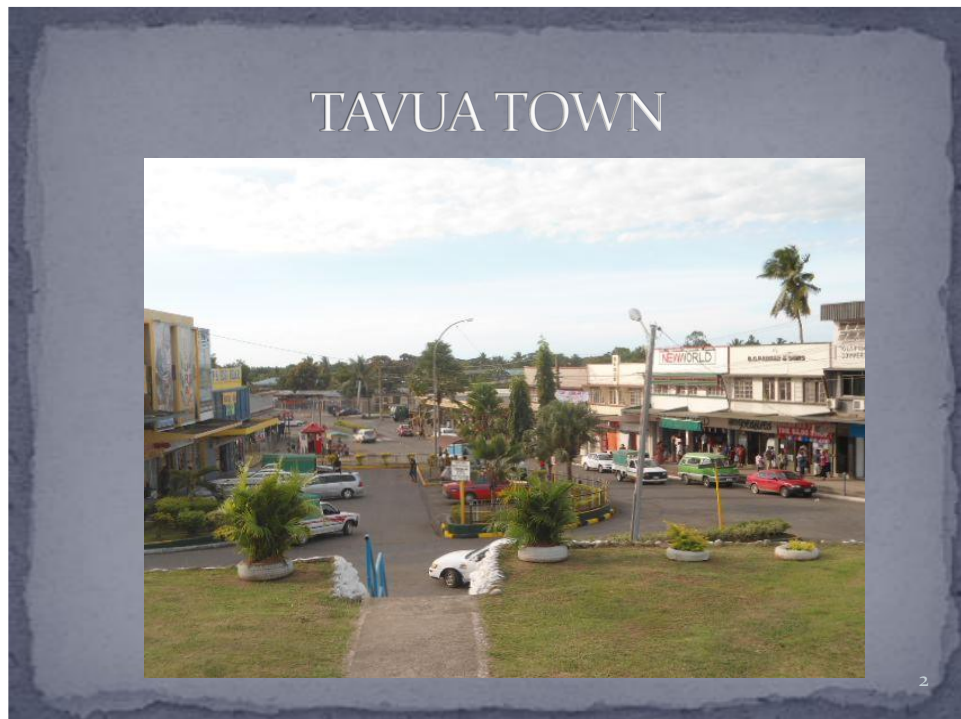
TAVUA TOWN PLANNING SCHEME



3.0 BACKGROUND INFORMATION

3.1 HISTORY

Tavua Town is located 91 kilometers from Nadi and 9 kilometers from the gold mining settlement of Vatukoula. It was formally incorporated as a Town in 1992 and the town covers a land area of 102 square kilometers.



3.2 POPULATION

Tavua Town has population of 1402 and squatter settlement population of 158. Tavua district population 23,077.

3.3 ECONOMY OF TAVUA

Tavua District is prominently a sugarcane growing district boosted with world renowned water bottling company in Fiji Water and Vatukoula Gold Mine. The two being the economic backbone of the district.

3.4 WEATHER OF TAVUA

Tavua enjoys a tropical climate without great extremes of heat or cold. This area is occasionally traversed by tropical cyclones, and

mostly confined between the months of November to 'April every year. Temperatures average 22 degrees Celsius for the cooler months [May to October] while November to April temperatures are higher with heavy down pours.

3.5 MEETINGS OF THE COUNCIL

The Council held the following number of Council and Committee Meetings:

(a)	Ordinary Council Meeting	-	7
(b)	Special Council Meeting	-	1
(b)	Finance, Market and General Purpose Committee Meeting	-	9
(c)	Building, Health and Works Committee Meeting-	-	9
(d)	Parks, Gardens and Beautification	-	9
(e)	Traffic Management and Market	-	9

3.6 SPECIAL ADMINISTRATOR

In the absence of an elected Council, the Minister of Local government with the Amended Local Government Act 125, section 9A, (1) & (2) Special Administrator's were in-charge of the Council's. Since the resignation of the former SA no one was appointed to the post.

3.7 PRINCIPAL OFFICERS OF THE COUNCIL

The Principal Officers of the Council were: -

Chief Executive Officer	-	Temalesi Henfiro transferred to Lami Town Council w.e.f 21/07/16
Chief Executive Officer	-	Binesh Prakash Naidu joined w.e.f 21/07/16
Secretary/Rates/Business Licence Officer	-	Mrs. Praveen Lata Prakash
Market Master/ Works Supervisor	-	Mr. Robert Samuel Reuben
Parking Meter Attendant	-	Shafir Ali

Admin Clerk/Librarian - Arita Devi

Alvinesh Prashil Kumar - Enforcement Officer/Driver

3.8 UNESTABLISHED SECTION

Works Section - 12

4.0 VISION

The Town of Tavua is dedicated to provide excellent municipal services for our diverse community and visitors; working together to build a sustainable socio-economic environment that is safe, clean and friendly.

4.1 MISSION

“To provide high quality municipal services; working in partnership with our diverse community & stakeholders; engender greater community pride through enabling and empowering; sustainable development and sound environmental management with equity for all”

4.2 MOTTO

“A Town Where It’s People Come First”

5.0 SERVICES PROVIDED BY COUNCIL

We are dedicated to providing effective and timely service to the ratepayers and citizens of Tavua with courtesy and respect. The regular services provided by Council are as follows:

5.1 Garbage Collection (household & garden refuse)

The collection of household waste is conducted three (3) times in a week on Monday, Wednesday & Friday. Garbage is dumped at Maruru dump in Ba. The Council compactor truck is utilized to do the household waste collection.

Green waste and white goods are collected during clean-up campaigns or as and when required. At present, the Council hires

SG Sen truck from Ba to collect this garbage with the assistance of the Council general workers.

5.2 Streetlights

Council also provides streetlights to its citizens. Inspection is normally conducted at the end of the month in which report is thus sent to Prime Fiji for its maintenance.

5.3 Drain Cleaning

Drain cleaning is a routine maintenance work. Majority of the business houses and ratepayers waste water is discharged into council drain and with no sewerage system in place these drains are attended to everyday.

5.4 Grass Cutting/Raking

Grass cutting is conducted as per work schedule or when required. However period of rainfall is from the month of December to June. This is where more grass cutting and raking is conducted.

5.5 Street Sweeping

This is conducted from Mondays to Sundays in which two (2) general workers does the street sweeping along the Kings Road and Vatukoula Road as well as other streets which are near to the two (2) roads. One general worker is assigned only on Sundays.

5.6 Cleaning and Maintaining of Public Convenience

This is a normal routine work conducted from Mondays to Sundays. A general worker is assigned in the cleaning of the public convenience in the evenings.

5.7 Cleaning and Maintaining of Children's Park

General workers are assigned in the cutting of grass, raking as well as in the cleaning of its washrooms from Mondays to Saturdays. As the only children's park in Tavua, the site is often visited by children's as well as adults for relaxation.

5.8 Beautification

The newly constructed nursery was blown away in the cyclone Winston. Council continued planting trees on road reserves. However plants are readied in the council yard and planted during rainy season.

5.9 Shelters provided for people for seating



6.0 HIGHLIGHTS OF YEAR 2016

6.1 CYCLONE WINSTON

On February 20, 2016, a category 5 tropical cyclone caused widespread damage in Fiji. Damage was severe and thousands of people were displaced. Power lines and communications lines were damaged and affected in many areas. Hundreds of homes were destroyed and entire villages were flattened. While some schools were used as evacuation centers, a lot of schools were destroyed by the cyclone.

Council joined the DISMAC team from 21st February and was stationed at District Officer's office, Tavua.

Cyclone Winston caused substantial damage to the infrastructure and vegetation. The pavilion fence was drastically damaged. The repairs were funded by the Government totaling to \$488,500.00. This fund was utilized to carry out the repairs to the Garvey Park fence, pavilion, ticket booth and new floodlights installed.

The Council did a massive cleanup for almost one month in order to clear the garbage accumulated after the cyclone. The Government funded the cleanup totaling \$20,000.00 and the balance funds were utilized from the General fund (operational account) of the Council.

6.2 Heads of Department Meetings

The Chief Executive Officer (CEO) attended the Heads of Department Meetings. A representative from the Council attended such meetings when the CEO was committed. A brief is provided during staff meeting with office staff as well as to the general workers. This is to allow them to be fully aware of what's happening in Tavua (within & outside of town).

6.3 Sporting Activities

Council staffs are encouraged to play sports (soccer, volleyball, rugby, netball, etc) on every Wednesday from 3.30pm to 4.30pm. Since Government Department workers are having sports on Wednesday afternoon it was also encouraged that the Council staffs to be part of this sporting activities. This is to assist staffs in having a balance life in sports and work.

6.4 Health Audit

Health Audit conducted twice in a year. This is to reassure staffs of their healthy habits of life.

6.5 Social Responsibility

Providing Children's Park to the children of Tavua and also providing Garvey Park to the students of Tavua free of charge.

6.6 Centennial Celebrations – Arrival of SS Sutlej V

Council with other stakeholders celebrated the Arrival of SS Sutlej V, last ship which brought labourers from India to Fiji under the Indenture System. Certificates were presented to descendants of the girmitiyas.

A march was organized through the town and participated by schools in Tavua and other stakeholders.



The Commissioner Western did the commissioning of the stone engraved and installed in town in memory of these girmitiyas.



6.7 Clean Towns and Cities

As part of Clean Towns and Cities awards, Tavua Town Council received “Environmental Awareness Award”

6.8 Farming Implements, Seeds and Fertilizer

Council assisted UN Women in distributing forks, spades, vegetable seeds, and fertilizer to market vendors after the aftermath of the cyclone Winston.

CEO distributing the forks spades etc to vendors



6.9 MEETINGS/TRAININGS/WORKSHOPS

The Council CEO and staff attended the following meetings/trainings/workshops in the year:

6.10 UN Women Workshops

CEO and Staff attended the quarterly meetings and trainings organized by UN Women.

6.11 JICA Workshops

Council officer in-charge of implementing 3R segregation of waste, home composting attended the JICA Workshops organized by JICA and Ministry of Environment.

6.12 Meeting with Fiji Roads

Council convened meeting with FRA to revisit previous inspection reports and any road related issues that TTC may have.

7.0 ADMINISTRATION AND FINANCE

7.1 LAND VALUATION AND RATE

The total unimproved capital valuation of land within the municipality was as follows:

Total UCV of Properties	\$9,606,500
Properties Exempted for Rates	\$ 262,000
Total Value of Rateable Properties	\$9,868,500

7.2 RATE LEVY FOR YEAR 2016

<u>RATE</u>	<u>LEVY</u>	<u>UCV</u>	<u>RATE REVENUE</u>
General	\$0.0089c + VAT	\$4,302,300	\$43,077
Special Loan Rate	\$0.004 c + VAT	\$5,096,600	\$22,935
Agricultural	\$0.006c + VAT	\$ 207,600	\$ 1,401
TOTAL		\$9,606,500	\$67,413

7.3 RATEABLE PROPERTIES IN TOWN

The following highlights the numbers of rateable properties in Tavua town:-

Residential	-	113
Commercial	-	89
Industrial	-	2
Public Open Space	-	2
Civic	-	28
Rural	-	10
Special	-	3
TOTAL	-	247

7.4 DISCOUNT ON RATES

No Discount was allowed on Rates.

7.5 RECURRENT REVENUE AND EXPENDITURE

The total recurrent revenue and expenditure of the Council for fiscal year ending December 2016 were as follows:

	<u>RECURRENT REVENUE</u>	<u>RECURRENT EXPENDITURE</u>	<u>SURPLUS (DEFICIT)</u>
General Funds	\$295,984	\$329,160	\$33,176
Parking Meter	\$11,781	\$6,272	\$5,509
TOTAL	\$307,765	\$335,432	\$27,667

7.6 RATES REPORT

The following is a summary of Rates collection for the year:

RATES COLLECTED STATUS	AMOUNT
Rates collected as at 31/12/16	\$41,839
% current Collected as at 31/12/16	68%
% Arrears Collected as at 31/12/16	15%

8.0 FIRE SERVICES

The Fire Service was provided by the National Fire Authority's, Tavua Station

.

9.0 PARKS AND RECREATIONAL FACILITIES

9.1 Garvey Park

Garvey Park is the only sports grounds available for the district of Tavua.

Council continues to provide the needs of the sporting organisation from both rural and urban areas. Revenue is derived from ground fees from:

- ❖ Provisional Rugby Games
- ❖ League Games
- ❖ Hiring of Parks

9.2 Children's Park

Children's Park at Nabuna Street sponsored by Supreme Fuel Ltd. All playing facilities repaired and painted and kept up to date.

9.3 Beautification

The nursery was blown away by Cyclone Winston. However plants are readied in the council yard and planted during rainy season.

9.4 GoldnWater Carnival

GoldnWater Carnival organized by Council from 3rd to 6th October 2016 sponsored by Vodafone Fiji Ltd. Funds raised utilized for beautification works around the municipality. Miss GoldnWater represented Tavua in Miss Fiji Pageant 2016.



Carnival Committee donated electrical Appliances to Tavua hospital



10.0 PUBLIC HEALTH

The Council continues to promote the Health Welfare for convenience of the inhabitants of the Municipality within the limits of its resources as required under Public Health and Local Government Act.

10.1 Environmental Sanitation

Council made regular inspections of individual premises to identify the existence of Public Health Nuisances and bring about their abatement thereafter.

10.2 Licences/Registration of Premises: Under the Public Health Act

Public Health Licence was issued for under mentioned premises for year 2016. Some were for renewal of existing premises and some for new operations.

Hotels	1
Restaurants	6
Restaurants and Refreshment Bars	6
Refreshment Bars and Takeaways	5
Restaurants with Liquor	1
Bake Houses	4
Butcher Shops	4
Hair Dressers/Barbar Shops	7
TOTAL	34

10.3 Public Health

Listed below are details of summary of inspections carried out within the district to ascertain the sanitary conditions of below mentioned premises:

	<u>INSPECTIONS</u>	<u>REINSPECTIONS</u>	<u>TOTAL</u>
House to House Inspection of District	100	100	200
Investigation of Complaints, Nuisances etc	31	31	62
New Building sites before approval	2	2	4
New Building Works in Progress			
Factories and Workshops			
Schools			
Hairdressers, Chiropodists etc			
Food shops, Food stores, Markets			
Eating Houses and Ice- cream Premises			
Bakehouses			
Butcher Shops			
Church			
Sanitary			
Hotels			
Business Houses			
Vacant Lots	15	15	30
<u>TOTAL</u>	148	148	296

10.4 Summary of Sanitary Improvements

<u>ITEMS</u>	<u>ORDERED</u>	<u>COMPLETED</u>
Repairing of Buildings		
Improvements to Lighting and Ventilation of Buildings		
Removal of Unauthorised Erections		
Provision of Garbage Tins		
Filling of Unsanitary Privies		
Repairing or cleansing of bathroom or washing Place		
New Kitchens		
Repairing or cleansing of Kitchens		
Provision of drains		
Repairing or Cleansing of Drains	150	150
Removal of accumulations of refuse etc	25	25
Clearing of overgrowth of grass	5	5
Abatement of nuisances from animals or Poultry	1	1
Abatement of mosquito breeding		
Cleansing of food premises		
Structural Improvements to Food Premises		
Cleansing of Food Vehicles		
Cleansing or improvement of hairdressers premises		
Improvement of Schools		
Bailing of Septic Tank		
Abatement of Noise Nuisance		
Impounding of Stray Cattle		
Provision of Garbage Tins		
Closing Order		
Public Health Nuisance	21	21
TOTAL	202	202

10.5 Written Notices Served For Existence of Sanitary Conditions of Premises Mentioned in Table

Intimation Notice Served	-	15
Statutory Notices Served	-	10

10.6 Litter Prevention

The Enforcement and Health department were the main drivers of enforcing the Litter Promulgation Act 2008. Verbal warning were given and fixed penalty notices were also imposed as provided in the Decree.

Litter Bins donated by Total Fiji Ltd and BSP installed on the streets for the general public for use.



10.7 Overgrowth

Inspections of properties were carried out and notices issued for overgrowth and other nuisances. Overgrowth notices issued to owners of properties to clear up the overgrowth.

10.8 Public Convenience

The public toilet has been maintained regularly. Council continues to repair and maintain it up to standard. Regularly cleaned using disinfectants.

10.9 Health Inspections

Council engaged the services of Health Inspector from RakiRaki Town Council and Ba Town Council from time to time.

10.10 Anti Mosquito Clean Up Campaign

Council received 100 garbage bags and gloves from Department of Environment on 18th May for the anti-mosquito cleanup campaign.

10.11 Dog Trapping Exercise

Dog trapping carried out on the hotspot areas i.e Tavualevu Village side of town and Reservoir settlement.

11.0 TOWN PLANNING AND BUILDING

Council engaged Ba Town Council Building Inspector to look after Town Planning and Building Section.

11.1 Building Statistics

11.1.1 Building Applications Received for Consideration

<u>TYPE OF DEVELOPMENT</u>	<u>NUMBER</u>	<u>VALUE</u>
Commercial Buildings/Extension	1	\$45,000
Residential	4	\$673,000
Miscellaneous Works	3	\$760,000
TOTAL	8	\$1,478,000

11.1.2 Building Applications Approved

<u>TYPE OF DEVELOPMENT</u>	<u>NUMBER</u>	<u>VALUE</u>
Commercial Extension	1	\$45,000
Residential	4	\$673,000
Miscellaneous Works	Nil	Nil
TOTAL		\$7,18,000

11.1.3 Completion Certificate Issued

<u>TYPE OF DEVELOPMENT</u>	<u>NUMBER</u>	<u>VALUE</u>
New Dwelling	4	\$673,000
Commercial	1	\$45,000
<u>TOTAL</u>	<u>5</u>	<u>\$7,18,000</u>

11.1.4 Building Permit Fees

The total revenue for issuance of building permit was \$2,034

12.0 MARKET

The Market was under the management of a Market Master.

12.1 Revenue

Breakdown of revenue received from Market is as follows.

SOURCE	2016	2015
Market Stall Fees	\$73,494	\$82,711
Fish Market Fees	\$3,252	\$3,116
Lockup Shop Rental	\$8,300	\$12,654
TOTAL	\$85,046	\$98,481

12.2 Market Washing

Regular Market washing was carried out during the year by our workforce with a view to maintain the Market in clean condition.

12.3 Market Repairs

The market roof was repaired after it was badly damaged by Cyclone Winston. Repairs to roof carried out with assistance from funding from UN Women Market's for Change

13.0 BUSINESS LICENSING

The Council is the Licensing Authority under Business Licensing Act, Cap 204 and businesses were issued with Licenses to operate. Total Business Licence fee collected for year 2016 - \$66,335.

14.0 LIBRARY SERVICES.

The Library has been providing services to people of Tavua which was funded by CLGF. The library also has internet service for the students. The books and computers in the library were donated by New Zealand Libraries.

15.0 DRAIN CLEANING

Council carried out regular drain cleaning works. Tavualevu village drain cleaned by-monthly by Loto ni Koro group and Cawa group. Council paid them \$150.00 per cleanup.

16.0 PARKING METERS AND OTHER TRAFFIC RELATED ISSUES

As part of traffic management and control Parking Meters were maintained in working order.

Total meters in operation	-	45
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Total revenue collected during the year	-	\$3,438
Total Expenditure for the year	-	\$2,519

17.0 PROJECTS/REPAIRS UNDERTAKEN

- (a) Construction works resumed at Multipurpose Hall - general painting and tiling etc. The official opening was done by Honourable Prime Minister Voreqe Bainimarama.



- (b) Tiling and painting of Lockup Shop No. 4 in the Market
- (c) Electrical repair works carried out at Garvey Park to restore power supply after Cyclone Winston.
- (d) Repair works at Bus Shelter at Kings Road damaged after cyclone Winston
- (e) Repair of Market. Funds received from UN Women Funding - \$8,363.40. Following repairs carried out:
- Market Signboard
 - Tarpaulin to prevent sun and rain into the Market
 - Market Lockup Shop Tiling
 - Installed guttering
 - Repair of Market

18.0 GOVERNMENT GRANTS RECEIVED

(a) 5 Tonne Dumper Truck - \$69,000

5 tonne dumper truck was purchased through Challenge Fund given by Ministry of Local Govt. This truck is utilized to collect the white goods and the green waste.

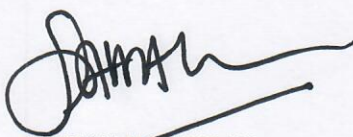
19.0 CONCLUSION

Council was able to fulfill its duties and obligations as required of it under Sec 88 of Local Government Act.

The Council provided the best level of services it could afford within its limited resources and workforce. Council has been able to maintain able staff and unestablished workforce who are willing to work around the clock to ensure any works that need attention are carried out without delay.

Further, I wish to convey my appreciation and gratitude for support and cooperation of our Special Administrator, Ministry of Local Government and other government and non-Government Departments, Sister Councils and at large the Ratepayers and Citizens of Tavua.

Lastly the Council wishes to acknowledge the dedicated services rendered by its CEO, Staff and Workforce.



.....
Sailosi Sawana
Chief Executive Officer

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File: 987/1

8 July 2022

Mr. Luke Mataiciwa
Chairman Special Administrators
Tavua Town Council
P O Box 532
TAVUA

Dear Mr. Mataiciwa

TAVUA TOWN COUNCIL

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The audited financial statements for Tavua Town Council for the year ended 31 December 2016 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

Sairusi Dukuno

ACTING AUDITOR-GENERAL

cc: Mr. Salosi Sawana, Chief Executive Officer, Tavua Town Council.

Encl.

TAVUA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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**TAVUA TOWN COUNCIL
EXECUTIVE MEMBERS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Executive Members have pleasure in presenting their report together with the financial statements of the Tavua Town Council for the year ended 31 December 2016 and the Auditor's Report thereon.

Operating Results:-

The results of the year are summarised as below:-

Operating profit of the Council for the year ended 31 December 2016 was	322,838
Retained earnings at the beginning of the year were	1,397,230
Leaving Accumulated Profit at the end of the year	\$ <u>1,720,068</u>

RESERVES

It is not proposed to make any transfer to reserves.

The state of the Council as at 31 December 2016 was:-

Assets Totalled	\$ <u>2,009,548</u>
and were financed by:-	
Liabilities of	289,480
and Councils Surplus of	<u>1,720,068</u>
	\$ <u>2,009,548</u>

Executive Members

The Executive Members in office at the date of this report are:-

Chief Executive Officer (CEO) - Sailosi Sawana
Special Administrator (Chair) - Mr. Luke Mataiciwa
Special Administrator - Mrs. Praveena Devi Lal
Finance Manager - Praveen Lata Prakash

PRINCIPAL ACTIVITIES

The principal activities of the Tavua Town Council during the year were to protect the welfare of the Tavua Town and its inhabitants.

BAD AND DOUBTFUL DEBTS

Prior to the completion of the Council's accounts, the Executive Members took reasonable steps to ascertain that action has been taken in relation to writing off bad debts and the making of provision for doubtful debts. In the opinion of the Executive Members, adequate provision has been made for doubtful debts.

As at the date of this report the Executive Members are not aware of any circumstances which would render the amount written off for bad debts, or the provision for doubtful debts in the Council inadequate to any substantial extent.

**TAVUA TOWN COUNCIL
EXECUTIVE MEMBERS REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

CURRENT ASSETS

Prior to the completion of the financial statements of the Council, the Executive Members took reasonable steps to ascertain whether any current assets were likely to realize in the ordinary course of the business their values as shown in the accounting records of the Council. Where necessary these assets have been written down or adequate provision has been made to bring the value of such assets to an amount they are expected to realize.

As at the date of this report the Executive Members are not aware of any circumstances which would render the values attributed to the current assets in the Council's financial statements misleading.

UNUSUAL TRANSACTION

In the opinion of the Executive Members, the results of the operation during the financial year were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the financial year and the date of this report any item, transaction or an event of an abnormal character likely in the opinion of the Executive Members to affect substantially the results of the operations of the Council in the current financial year.

SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events which lead to changes in the affairs of the Council during the financial year.

SUBSEQUENT EVENTS

(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 2016 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 Licenses

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.

(d) Base Fees and Market Fees

As announced in the 2021/2022 National budget, effective from 01 August 2021 to 31 July 2022, Government will pay the market fees and base fees for taxis, minibuses, carriers, and bus operators.

Other than the above mentioned events, no matter or circumstances has arisen since the end of the financial year that has 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 financial years subsequent to the financial.

TAVUA TOWN COUNCIL
EXECUTIVE MEMBERS REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

RELATED PARTY TRANSACTION

In the opinion of the Executive Members all related party transactions have been adequately recorded in the books of the Council.

OTHER CIRCUMSTANCES

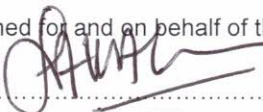
As at the date of this report:

- (i) No charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) No contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- (iii) No contingent liabilities or other liabilities of any Council has become or is likely to become enforceable within the period of twelve months after the end of the financial year which in the opinion of the Executive Members will or may substantially affect the ability of the Council to meet its obligation as and when they fall due.

As at the date of this report the Executive Members are not aware of any circumstances that have arisen not otherwise dealt with in this report which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

Dated at Tavua this 14th day of June 2022.

Signed for and on behalf of the Board and in accordance with a resolution of the Executive Members.


.....
Chief Executive Officer


.....
Special Administrator Chair


**TAVUA TOWN COUNCIL
STATEMENT BY EXECUTIVE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2016**

In accordance with a resolution of the Executive Members of Tavua Town Council we state that in the opinion of the Executive Members:-

- (a) The accompanying Statement of Comprehensive Income is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 December 2016;
- (b) The accompanying Statement of Changes in Equity for the year ended 31 December 2016 is drawn up so as to give a true and fair view of the movement in Councils funds;
- (c) The accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2016;
- (d) At the date of this Statement there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due;
- (e) All related party transactions have been adequately recorded in the books of the Council; and
- (f) The Financial Statements have been prepared in accordance with Applicable Accounting Standards and the Local Government Act.

Signed for and on behalf of the Board in accordance with a resolution of the Executive Members.


.....
Chief Executive Officer


.....
Special Administrator Chair

Dated at Tavua this

14th

day of

June

2022.

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
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Suva, Fii



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E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



INDEPENDENT AUDITOR'S REPORT

Tavua Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Tavua Town Council ("the Council"), which comprise the Statement of Financial Position as at 31 December 2016, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Accumulated Funds, 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Qualified Opinion

1. The Council recorded trade and other receivables balance of \$45,715 in the Statement of Financial Position as at 31 December 2016. Included in the amount are trade receivables of \$30,765, enforcement and parking meter infringement of \$3,500, and other debtors of \$11,450. The Council was unable to provide debtors listings, subsidiary ledgers and reconciliations to support the enforcement and parking meter infringement of \$3,500, and other debtors of \$11,450. In addition, an unreconciled variance of \$6,516 exists between trade receivables listing provided by the Council and amount reflected in Note 5 to the financial statements. Furthermore, the Council has not provided evidence of impairment assessment carried out on its receivable balance. Consequently, I am unable to ascertain if the trade and other receivables balance of \$45,715 is fairly stated in the financial statements.
2. The Council was unable to provide the Value Added Tax (VAT) reconciliations to support the VAT payable balance of \$63,039 reported in Note 8 to the financial statements. Consequently, I was not able to ascertain the completeness and accuracy of the VAT payable balance of \$63,039 recorded in the financial statements.
3. The Council was unable to provide the annual pay reports and salaries and wages reconciliations to support the salaries and wages of \$163,611 reported in the financial statements. Consequently, I was not able to ascertain the completeness and accuracy of the salaries and wages amounts totaling \$163,611 recorded in the financial statements.

Emphasis of Matter

Note 15(b) to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2016 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 15(b), no adjustments have been made to the financial statements as at 31 December 2016. However, the Council notes

Emphasis of Matter (con't)

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.

My opinion is not modified in respect of this matter.

Other information

The Management and Special Administrators are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of Management and those charged with governance for financial statements

The Management of the Council and the Special Administrators are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Local Government Act 1972 and for such internal control as the Management determines 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, Management is 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 intend 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 or 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

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

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.

- 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 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 Special Administrators' use of 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 a 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 the Management and Special Administrators 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.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Local Government Act 1972 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the council has kept financial records sufficient to enable the financial statements to be prepared and audited.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
08 July, 2022

TAVUA TOWN COUNCIL
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	Restated 2015 \$
Revenue	3	838,268	439,149
Total revenue		<u>838,268</u>	<u>439,149</u>
Administrative expenses		341,162	298,340
Marketing expenses		3,164	5,145
Other operating expenses		87,472	61,475
		<u>431,798</u>	<u>364,960</u>
Net surplus before depreciation and interest		406,470	74,189
Depreciation and interest		(83,632)	(83,051)
Net surplus/(deficit) for the year		<u><u>322,838</u></u>	<u><u>(8,862)</u></u>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements as set out on pages 13 to 20.

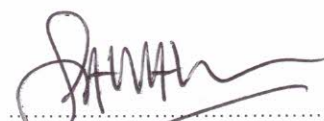
TAVUA TOWN COUNCIL
STATEMENT OF CHANGES IN COUNCIL FUND
FOR THE YEAR ENDED 31 DECEMBER 2016

	Accumulated Fund \$	Total \$
Balance at the beginning of the year	1,406,092	1,406,092
Net deficit for the year 2015	(8,862)	(8,862)
Balance as at 31 December 2015	<u>1,397,230</u>	<u>1,397,230</u>
Net surplus for the year 2016	322,838	322,838
Balance as at 31 December 2016	<u><u>1,720,068</u></u>	<u><u>1,720,068</u></u>

TAVUA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016 \$	Restated 2015 \$
Current Assets			
Cash and cash equivalent	4	132,477	115,057
Trade and other receivables	5	45,715	43,230
Total current assets		<u>178,192</u>	<u>158,287</u>
Non-Current Assets			
Property, plant and equipment	7	1,824,813	1,447,165
Intangible asset	6	6,543	8,766
Total non current assets		<u>1,831,356</u>	<u>1,455,931</u>
TOTAL ASSETS		<u>2,009,548</u>	<u>1,614,218</u>
Current Liabilities			
Bank overdraft	10	276	1,749
Trade and other payables	8	125,329	97,745
Provision for annual leave		5,270	-
Total current liabilities		<u>130,875</u>	<u>99,494</u>
Non-Current Liabilities			
Deferred income	9	158,605	117,494
Total non-current liabilities		<u>158,605</u>	<u>117,494</u>
TOTAL LIABILITIES		<u>289,480</u>	<u>216,988</u>
NET ASSETS		<u>1,720,068</u>	<u>1,397,230</u>
Municipal Funds			
Accumulated funds		1,720,068	1,397,230
TOTAL MUNICIPAL FUNDS		<u>1,720,068</u>	<u>1,397,230</u>

Signed for and on behalf of the board and in accordance with a resolution of the Executive Members.



Chief Executive Officer



Special Administrator Chair

The statement of financial position is to be read in conjunction with the notes to the financial statements as set out on pages 13 to 20.

TAVUA TOWN COUNCIL
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers and government		388,894	282,003
Payments to suppliers and employees		(394,438)	(332,876)
Net cash provided used in operating activities		(5,544)	(50,873)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,101	-
Payment for property, plant and equipment		(464,664)	(107,208)
Net cash flows used in investing activities		(463,563)	(107,208)
Cash flows from financing activities			
Receipt of Government grant		488,000	167,282
Net cash flows provided by financing activities		488,000	167,282
Net increase in cash and cash equivalents		18,893	9,201
Cash and cash equivalent at the beginning of the year		113,308	104,107
	17	132,201	113,308

The statement of cash flows is to be read in conjunction with the notes to the financial statements as set out on pages 13 to 20.

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1. GENERAL INFORMATION

Tavua Town Council ("the Council") was established under Local Government Act. The address of its registered office and principle place is Main Street, Tavua Town. The principal activity of the council is to provide for health, welfare and convenience of the Tavua Town Municipality and to preserve the amenities or credit thereof. The financial statements of the Council for the year ended 31 December 2016 were authorized for issue in accordance with a resolution of the Special Administrator and Management on 14/06/2017.

NOTE 2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized entities issued by the International Accounting Standards Board (IASB). The financial statements are presented in Fiji dollars, rounded to the nearest dollar, which is the Council's functional currency.

(a) Summary of significant accounting policies

The principal accounting policies adopted by the Council are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

(b) Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at banks and cash on hand and short-term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(c) Trade receivables

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost, the cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortized period and the amortization method for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method as appropriate and are treated as changes in the accounting estimates. The amortization expenses on intangible assets with finite lives is recognized in the income statement as the expense category that is consistent with the function of the intangible assets.

NOTE 2. BASIS OF PRESENTATION (continued)

(d) Intangible assets (continued)

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, if not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

The following rates are used for the amortization of Intangible Assets:

	<u>Rates</u>
Software Installation	- 10%

(e) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

	<u>Rates</u>
Land and building	1.5% - 5%
Plant and machinery	10% - 40%
Office equipment	10% - 25%
Motor vehicle	20% - 25%

If there is an indication that there has been significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

(f) Trade Payables

Trade payables are obligations of the basis on normal credit terms and do not bear interest. Trade payables denominated in the foreign currency are translated into Fiji dollar using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

(g) Impairment of assets

At each reporting date, property, plant and equipment, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

**TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 2. BASIS OF PRESENTATION (continued)

(h) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Council's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

(i) Borrowing Costs

Borrowing costs directly attribute to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Income tax

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

(k) Value Added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of respective vat except:-

- where the value added tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables that are stated with the amount of value added tax included and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

(l) Comparatives

The comparative figures are for the year ended 31 December 2015 and have been regrouped where considered necessary.

(m) Deferred Income

Government and other grants are recognized 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 recognized as income over the period necessary to match them with the related costs which the grant are intended to compensate income where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related assets.

(n) Impairment of Property, Plant and Equipment

The Council assesses whether there are any indicators of impairment of all property, plant and equipment and investment property at each reporting date. Property, plant and equipment and investment property are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. The director's and management's assessment of recoverable amount involves making a judgement, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

For the year ended 31 December 2016, no provision for impairment has been made as the Council reasonably believes that no indicators for impairment exist.

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 3. REVENUE	2016	2015
	\$	\$
General funds revenue	826,892	427,870
Parking meter revenue	11,376	11,279
	838,268	439,149

NOTE 4. CASH AND CASH EQUIVALENTS

Petty cash	50	50
Cash at Bank - Special community account	13,488	164
Cash at Bank - Challenge fund	111,518	113,210
Cash at Bank - General Operating account	7,421	-
Cash at Bank - Parking meter account	-	1,633
	132,477	115,057

The cash and cash equivalents balance totalling \$111,518 is not available for use except for the purpose of the rehabilitation works for Garvey Park.

NOTE 5. TRADE AND OTHER RECEIVABLES

Receivables	30,765	28,280
Enforcement and parking meter infringement	3,500	3,500
Other debtors	11,450	11,450
	45,715	43,230

NOTE 6. INTANGIBLE ASSET

Software installation	10,957	10,957
Amortization of software	(4,414)	(2,191)
	6,543	8,766

NOTE 7. PROPERTY, PLANT & EQUIPMENT

(i) Movement in carrying amount included in the accounts on the following basis

	Carrying Amount at Beginning	Addition	Disposal / Transfer	Depreciation	Carrying Amount at End
	\$	\$	\$	\$	\$
Land	310,000	-	-	-	310,000
Building	1,024,807	92,187	-	(34,547)	1,082,447
Plant and machinery	8,509	1,812	-	(4,551)	5,770
Office equipment and furniture	1,079	1,036	-	(1,145)	970
Motor vehicle	102,718	64,679	(4,387)	(42,334)	120,676
Parking meter	52	-	-	(52)	-
Work in Progress	-	304,950	-	-	304,950
Net written down value	1,447,165	464,664	(4,387)	(82,629)	1,824,813

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 7. PROPERTY, PLANT AND EQUIPMENT (continued)		
(ii) Reconciliations		
Reconciliations of the carrying amounts of property, plant and equipment by class at the beginning and end of the financial year.		
Land - at cost	310,000	310,000
Net book value	310,000	310,000
Building - at cost	1,317,407	1,124,404
Accumulated depreciation	(234,960)	(200,411)
Net book value	1,082,447	923,993
Plant and machinery - at cost	22,416	46,777
Accumulated depreciation	(16,647)	(38,268)
Net book value	5,769	8,509
Motor vehicle - at cost	218,400	179,353
Accumulated depreciation	(97,724)	(76,635)
Net book value	120,676	102,718
Office equipment and furniture - at cost	13,040	12,001
Accumulated depreciation	(12,069)	(10,922)
Net book value	971	1,079
Parking meter - at cost	11,560	132
Accumulated depreciation	(11,560)	(80)
Net book value	-	52
<u>Work in Progress</u>		
Multi-purpose hall	-	100,814
Garvey park	302,198	-
Children's park	2,752	-
At 31 December	304,950	100,814
Total written down amount	1,824,813	1,447,165
NOTE 8. TRADE AND OTHER PAYABLES		
Value added tax	63,039	41,473
Trade payables and accruals	56,531	49,038
Trade and other payable- Parking meter	5,759	7,234
	125,329	97,745
NOTE 9. DEFERRED INCOME		
Local Government	158,605	117,494
	158,605	117,494

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 10. BANK OVERDRAFT		
Citywide Project Account	-	26
Cash at bank - General Operating Chq A/C - ANZ	-	1,723
Cash at bank - Parking Meter Account	276	-
	<u>276</u>	<u>1,749</u>

NOTE 11. COUNCIL DETAILS

The Council was incorporated in Fiji under the Local Government Act .

(i) Registered Office
P O Box 532
6 Nabuna
Tavua

(ii) Principal Place of Business
6 Nabuna
Tavua

NOTE 12. SEGMENT REPORTING

(i) Industry Segment

The Council operates predominantly to protect the welfare of the Tavua Town and its inhabitants.

(ii) Geographic Segment

The Council operates in Tavua and therefore has only one geographical area for reporting purposes.

NOTE 13. CAPITAL COMMITMENTS

Capital commitments as at 31 December 2016 amounted to \$158,604 for the Garvey Park renovation, canteen and floodlights (2015: \$113,210).

NOTE 14. CONTINGENT LIABILITIES

During the year 2016, TC Winston did a severe damage in the country but as at balance date there are no known contingent liabilities which has been received by the board of TAVUA TOWN COUNCIL(2015: Nil)

NOTE 15. SUBSEQUENT EVENTS

(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 2016 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.

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 15. SUBSEQUENT EVENTS (continued)

(c) Business Licenses

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.

(d) Base Fees and Market Fees

As announced in the 2021/2022 National budget, effective from 01 August 2021 to 31 July 2022, Government will pay the market fees and base fees for taxis, minibuses, carriers, and bus operators.

Other than the above mentioned events, no matter or circumstances has arisen since the end of the financial year that has 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 financial years subsequent to the financial.

NOTE 16. RELATED PARTIES

(a) Special Administrators

There was no Special Administrator during the financial year 2016 to August 2019.

The Special Administrators who held office from 28 August 2019 and up to the date of this report were:

Mr. Mark Hirst Tuilau (Chair)	- resigned in November 2020
Mr. Luke Mataciwa (Chair)	- contract ended on 28/08/2021 and reappointed from 16/02/2022
Ms. Iva Mere	- contract ended on 28/08/2021
Mrs. Praveena Devi Lal	- appointed on 16/02/2022

The Special Administrator's remunerations are paid for 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:

	2016	2015
	(\$)	(\$)
<u>Government of Fiji</u>		
Government grant contribution	<u>546,363</u>	<u>308,438</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 Council of Managements was identified as the key management personnel.

The aggregate remuneration and compensation paid to key management personnel for the financial year ended 31 December 2016 was:

Salary, allowances, and benefits	<u>35,556</u>	<u>35,894</u>
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TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 17. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2016 \$	2015 \$
Cash at bank	132,477	115,057
Bank overdraft	(276)	(1,749)
	<u>132,201</u>	<u>113,308</u>

NOTE 18. RESTATEMENT OF PRIOR YEAR BALANCE

Government grant which does not have any performance conditions attached or which performance conditions were met were not recognised in income in 2015. The 2015 figures have been restated to correct this error. The effect of this restatement is a \$3,713 increase in deferred income liability account and a \$3,713 decrease in amortisation of deferred income as at 31 December 2015. This resulted in a \$3,713 (decrease) restatement of retained earnings at 31 December 2015.

TAVUA TOWN COUNCIL
DETAILED INCOME STATEMENT - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	Restated 2015
	\$	\$
Revenue		
Building fees	5,975	4,588
Business, trading and license	69,729	63,996
Government grant	505,252	137,443
General rates	54,681	54,751
Interest on overdue rates	222	56
Library	10	14
Market fees and charges	76,745	85,557
Carnival Income & Sponsorship	44,151	-
Miscellaneous	22,163	23,922
Ground and Park fee	9,040	11,213
Rent from property	16,914	19,926
Sundry Income	1,435	-
Taxi, bus and carrier stand fees	20,575	26,404
	826,892	427,870
Other Income		
Add: (Loss)/Profit from Parking Meter	(148)	1,049
Total Revenue	826,744	428,919
Less Expenses		
Administration Expense		
Accounting and audit fees	9,453	15,052
Administration	-	4,916
Amortization of intangible assets	2,223	2,191
General expenses	20,150	-
Garbage services	11,665	11,933
Insurance	9,830	12,083
Office expenses	132	-
Printing, postage and stationery	3,198	5,680
Motor vehicle expenses	11,643	11,603
Repair and maintenance	41,464	6,608
Superannuation	32,113	15,139
Roads, drains and footpath improvement	5,269	24,046
Casual wages	-	11,517
Salary and wages	155,481	139,296
Special community project	3,439	-
Telephone	4,074	4,379
Travelling and accommodation expenses	-	5,350
Miscellaneous	-	2,639
Utilities	21,092	17,036
Total Administration expenses	331,226	289,468

TAVUA TOWN COUNCIL
DETAILED INCOME STATEMENT - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Marketing expense		
Advertising and marketing	3,164	5,145
Total Marketing expenses	<u>3,164</u>	<u>5,145</u>
Other Operating Expenses		
Clean-up campaign and waste minimization	12,058	13,925
Cyclone Winston clean-up expense	16,013	-
Carnival expenses	31,595	-
Entertainment	9,984	8,985
FNU levy	2,556	1,786
Legal fees	-	11,722
Parks and beautifications	608	7,737
Rent and rates	355	300
Staff amenities and training	9,166	15,342
Subscription	263	320
Loss on sale of assets	3,286	-
Total Other Operating Expenses	<u>85,884</u>	<u>60,117</u>
Total Expenses	<u>420,274</u>	<u>354,730</u>
Earnings before Interest, and depreciation	<u>406,470</u>	<u>74,189</u>
Depreciation	82,577	82,009
Interest and bank charges	1,055	1,042
Net Surplus for the Year	<u><u>322,838</u></u>	<u><u>(8,862)</u></u>

TAVUA TOWN COUNCIL
 DETAILED INCOME STATEMENT - PARKING METER FUND
 FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
Revenue		
	11,376	11,279
Meter tolls	11,376	11,279
Total Revenue		
Expenses		
	-	239
Bank fees and charges	52	80
Depreciation	1,754	1,485
FNPF contribution	-	78
Printing and stationery	8,130	6,990
Salaries and wages	-	85
FNU Levy	1,588	1,273
Miscellaneous	11,524	10,230
Total Expenses		
	(148)	1,049
Net (loss)/profit for the year		