

LEVUKA TOWN COUNCIL



ANNUAL REPORT

2017



LEVUKA TOWN COUNCIL



ANNUAL REPORT 2017

Levuka Town Council

P.O. Box 70

Levuka Fiji



Our Ref:

Phone: 3440014

Date: 18th October. 2023

Fax: 3440288

E-mail: ceolevuka@gmail.com

The Honorable Maciu Nalumisa

Minister for Local Government, Housing & Community Development

Gladstone Road

SUVA.

Dear Sir,

I have much pleasure in submitting the Levuka Town Council Annual Report for 2017.

The report provides the activities of the Council through the year.

The Annual Report 2017 has been prepared in accordance with the provisions of Section 19(1) (a), (b) and (c) of the Local Government Act Cap. 125.

Yours Sincerely

.....

Nunia Labati

Acting Chief Executive Officer

LEVUKA TOWN COUNCIL

COUNCIL DIRECTORY

LOCATION: Council Office

Bowling Road, Levuka

POSTAL ADDRESS: P.O. Box 70, Levuka

PHONE: 3440014

FAX: 3440288

E-MAIL: ceolevuka@gmail.com

BANK: Westpac Banking Corporation

AUDITOR: Auditor General

VISION

The Council will do all things as it lawfully may and as it considers expedient to promote the health, welfare and convenience of inhabitants of the municipality and to preserve the amenities.

MISSION

1. To keep the town clean and healthy.
2. To continue property management.
3. To promote good governance practice environment friendly and health practice.
4. To promote the welfare of inhabitants.

VALUES

Honesty – to demonstrate trust and responsibility

Leadership – to demonstrate knowledge and vision in the way one does things

Customer Care – to place the needs of the customer above all else

Transparency – to be seen to be fair in one's dealings with people and not to be tainted with favoritism

LEVUKA TOWN COUNCIL

The year 2017 presented unprecedented challenges for Levuka Town and its neighboring villages as the aftermath of Tropical Cyclone Winston, a devastating Category 5 cyclone that struck in 2016, continued to cast its shadow over the region. The impact was particularly severe on the infrastructure, affecting not only Levuka Town but also causing widespread damage to the surrounding rural villages on Ovalau Island. This report outlines the rehabilitation efforts undertaken by the Levuka Town Council throughout the year 2017 in collaboration with various stakeholders.

Tropical Cyclone Winston left a trail of destruction in its wake, causing extensive damage to homes, public facilities, and critical infrastructure. Levuka Town and the nearby villages on Ovalau Island were severely affected, disrupting the lives of the residents and exacerbating existing challenges in the region. The aftermath of the cyclone necessitated a comprehensive and coordinated effort to rebuild and rehabilitate the affected areas.

The year 2017 was designated as a period of rehabilitation for Levuka Town and the rural villages on Ovalau Island. Recognizing the limited resources at the disposal of the Levuka Town Council, efforts were focused on securing external support and collaboration with government agencies, non-governmental organizations (NGOs), and the local business community.

With a modest base of 152 ratepayers, Levuka Town Council faced significant financial constraints in undertaking the extensive rehabilitation required. In response to these challenges, the Council actively sought financial assistance from the government, NGOs, and local businesses. The collaboration aimed to pool resources for a more effective and sustained recovery process.

The Levuka Town Council acknowledges the invaluable support received from the government during the rehabilitation phase. Funding and resources provided by government agencies facilitated the repair and reconstruction of critical infrastructure, including roads, bridges, and public buildings. This assistance played a pivotal role in expediting the recovery process.

In addition to government support, partnerships were forged with non-governmental organizations and the local business community. These collaborations brought about essential financial aid, manpower, and materials for rehabilitation projects. The collective efforts of all stakeholders contributed to the resilience of Levuka Town and its surrounding villages.

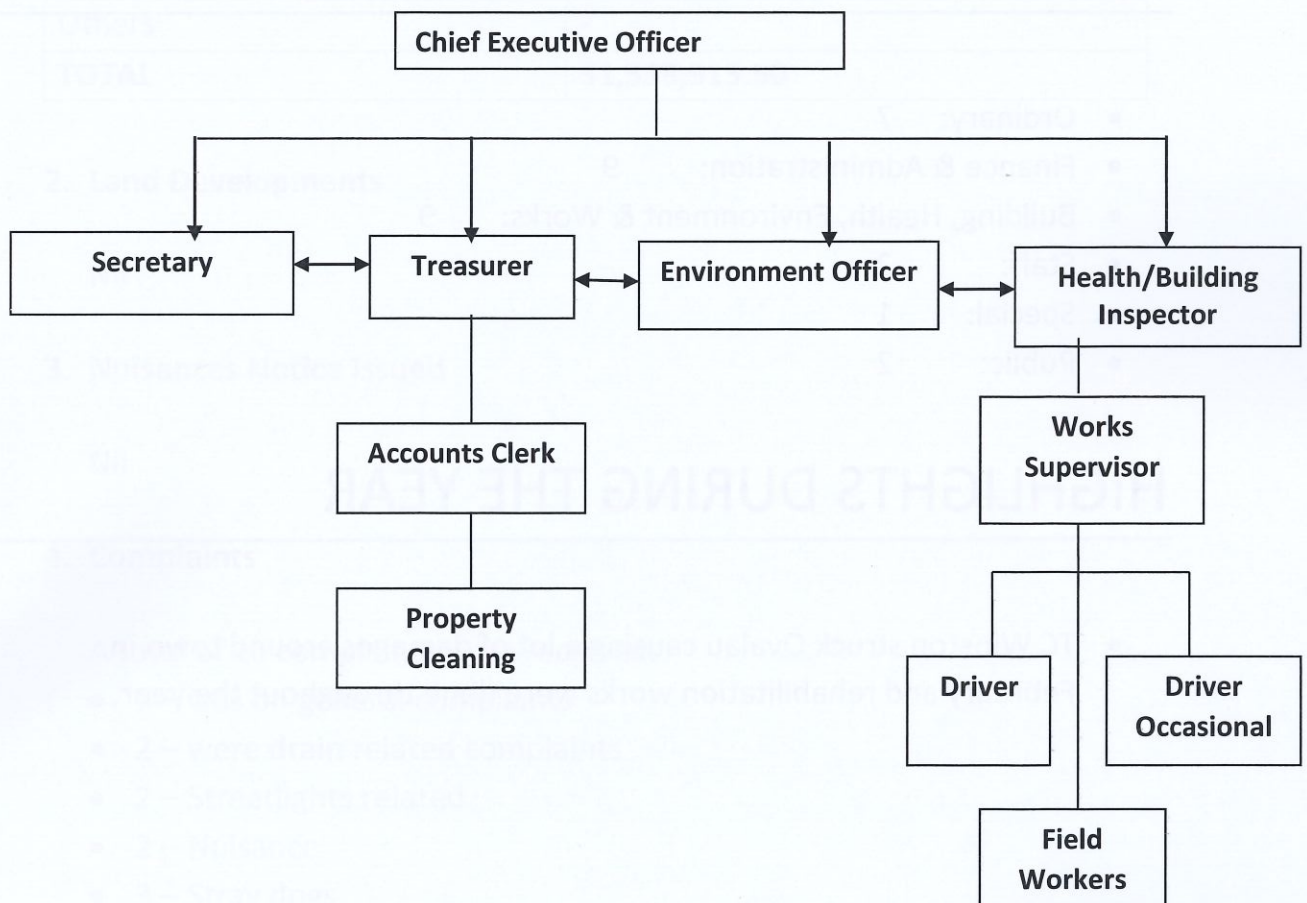
While progress has been made, the challenges posed by the aftermath of Tropical Cyclone Winston remain. The limited number of ratepayers and financial resources continue to be significant hurdles in the ongoing rehabilitation efforts. The Levuka Town Council remains committed to seeking sustainable solutions and exploring avenues for long-term recovery.

The year 2017 was marked by the determined rehabilitation efforts of the Levuka Town Council in collaboration with government agencies, NGOs, and the local business community. Despite the challenges posed by the aftermath of Tropical Cyclone Winston, significant strides were made in rebuilding critical infrastructure and restoring normalcy to the lives of the residents. The Levuka Town Council extends its gratitude to all stakeholders involved and reaffirms its commitment to the ongoing recovery process.

ORGANISATION STRUCTURE



CONTRACT EMPLOYEES



COUNCIL STAFF

- Mr. Josese Rakuita - Chief Executive Officer
- Mr. Kalivereti Vuakatagane Accounts Clerk
- Mrs. Ema Taukena - Treasurer
- Mr. WaisaleTavatuilagi - Works Supervisor
- Mrs. SalaseiniSauqaqa - Environment Officer
- Mrs. Leba Aloï - Revenue Collector/Secretary

MEETINGS

- Ordinary: 7
- Finance & Administration: 9
- Building, Health, Environment & Works: 9
- Staff: 2
- Special: 1
- Public: 2

HIGHLIGHTS DURING THE YEAR

- TC Winston struck Ovalau causing a lot of damages around town in February and rehabilitation works were done throughout the year.

HEALTH SERVICES

1. Building Applications

Total Applications Received - 22

Total Applications Approved - 22

Type of Development	Value
Residential	\$34,200.00
Commercial	\$168,148.50
Civic	\$1,331,567.00
Others	-
TOTAL	\$1,533,915.50

2. Land Developments

Nil

3. Nuisances Notice Issued

Nil

4. Complaints

A total of 16 complaints were received.

- 7 – was on general complaints
- 2 – were drain related complaints
- 2 – Streetlights related
- 2 – Nuisance
- 3 – Stray dogs

ENVIRONMENT & WORKS DEPARTMENT

The Environment and Operations Department has had a successful year, working towards the protection and improvement of our environment. With the support of our dedicated staff of 1 Environment Officer, 10 field workers, 1 work supervisor, 1 mechanic, 1 cleaner and the community, we have achieved significant milestones in our efforts to create a sustainable and eco-friendly environment.

In this annual report, we will highlight some of the key activities and initiatives undertaken by our department throughout the year.

Quarterly Clean Up:

Keeping our surroundings clean is crucial for maintaining a healthy and habitable environment. This year, our department organized four quarterly clean-up drives to ensure that our community remains free from litter and pollution. These drives were well attended by both our staff and volunteers from the community, helping us to collect a substantial amount of waste and dispose of it responsibly.

Clean School Program:

We believe that educating the younger generation about environmental conservation is essential for a greener future. Our department initiated a "Clean School Program," where we worked closely with local schools to educate students about waste management, the importance of recycling, and ways to reduce their carbon footprint. We are proud to share that this program was a success, with several schools now implementing their own waste management systems and actively participating in environmental conservation activities such as composting.

Home Composting Initiative:

In partnership with the community, our department launched a home composting initiative to encourage residents to reduce their household waste and create natural fertilizers for their gardens. We are delighted to report that 10 ratepayers actively participated in this program, helping to reduce the amount of waste generated in our community.

Capital Projects:

Our department has also been actively involved in various capital projects to improve the infrastructure and accessibility within our town. These projects include the Baba settlement access road, seawall project, heritage park, drainage project, Delana footpath project, and Vunibua driveway access. These projects not only enhance the aesthetics of our town but also contribute to a safer and more sustainable living environment for our residents.

Conclusion:

In conclusion, the Environment and Operations Department has had a productive year, thanks to the hard work and dedication of our staff and the support of the community. Our quarterly clean-up drives, the clean school program, home composting initiative, and capital projects have all contributed towards our goal of creating a cleaner, greener, and more sustainable environment. We look forward to continuing our efforts in the coming year and making a positive impact on the environment.

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
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Suva, Fiji



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Website: <http://www.oag.gov.fj>



File: 769

13 September 2023

Mr. Ben Naidu
The Chairman
Special Administrators
Levuka Town Council
P O Box 70
LEVUKA

Dear Mr. Naidu

**LEVUKA TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

The audited financial statements for Levuka Town Council for the year ended 31 December 2017 together with my audit report on them are enclosed.

Particulars of the 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

Encl.

LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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**LEVUKA TOWN COUNCIL
MANAGEMENT REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

In accordance with a resolution of management, the Council herewith submits the statement of financial position as at 31 December 2017, the statement of profit and loss and other comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended on that date and report as follows:

1 Trading Results

The operating deficit for the year ended 31 December 2017 was \$128,743 (2016: surplus of \$40,460).

2 Current Assets

Management took reasonable steps before the financial statements were made out, to ascertain that the current assets of the Council were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, management are not aware of any circumstances which would render the values attributable to the current assets in the financial statements misleading.

3 Bad and Doubtful Debts

Management took reasonable steps before the financial statements were made out, to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, management are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts, inadequate to any substantial extent.

4 Basis of Accounting

The financial statements of the Council have been drawn up in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of law. The financial statements of the Council have been prepared on an going concern basis. The ability of the Council to continue as a going concern is dependent on several factors including its ability to generate new business and positive cash flows. Management are confident of the ability of the Council to continue as a going concern, which contemplates continuity of operations and the realisation of assets and the payments of liabilities in the normal course of operations.

5 Events Subsequent to Balance Date

(a) Amendments to the Local Government Act 1972

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

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2017 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.

LEVUKA TOWN COUNCIL
MANAGEMENT REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

5 Events Subsequent to Balance Date (continued)

(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.

(e) Other than the above mentioned events;

No charge on the assets of the Council has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of management will or may affect the ability of the council to meet its obligations when they fall due.

6 Related Party Transactions

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

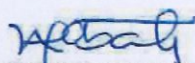
7 Other Circumstances

At the date of this report, management is not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements misleading.

8 Unusual Transactions

The results of the council's operations during the financial year have not in the opinion of management been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

For and on behalf of management this 8th day of August 2023.



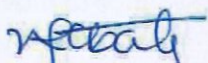
Chief Executive Officer

LEVUKA TOWN COUNCIL
STATEMENT BY CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2017

In my opinion:

- (a) the accompanying statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the results of the council for the year ended 31 December 2017;
- (b) the accompanying statement of financial position of the council is drawn up so as to give a true and fair view of the state of affairs of the council for the year ended 31 December 2017;
- (c) the accompanying statement of changes in accumulated funds is drawn up so as to give a true and fair view of the movement in accumulated funds of the council for the year ended 31 December 2017;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the council for the year ended 31 December 2017; and
- (e) 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.

Signed on this 8th day of August 2023.



Chief Executive Officer

OFFICE OF THE AUDITOR GENERAL

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INDEPENDENT AUDITOR'S REPORT

Levuka Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Levuka Town Council ("the Council"), which comprise the Statement of Financial Position as at 31 December 2017, the Statement of Profit and 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, because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Basis for Disclaimer of Opinion

1. A disclaimer of opinion was issued on the 2016 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2017 financial statements.
2. The Council utilized \$21,634 from the Japan Embassy grant bank account and \$7,028 from the New Zealand grant bank account during the financial year 2017. However, I was unable to trace these transactions totaling \$28,662 to the financial statements due to lack of audit trail. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of the cash at bank balance and related accounts at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position as at 31 December 2017.
3. The Council have not recorded Trade Payables, Accruals and Employees Annual Leave Expense and Liability in accordance with Section 2.36 and Section 28 – Employee Benefits of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) respectively. Furthermore, the Council did not include in its financial statements various accounting policies in the Notes to the Financial Statements in accordance with the requirements of IFRS for SME's Section 8 – Notes to the Financial Statements. As a result, the financial statements of the Council are not completely and fairly presented in accordance with all the requirements of IFRS for SMEs.
4. The Council was unable to provide the Rates Receivables listings, subsidiary records and reconciliations to support the Rates Receivable balance of \$106,426 (Note 5) recorded in the Statement of Financial Position. Consequently, I was unable to ascertain the completeness and accuracy of the Rates Receivables balance of \$106,426 recorded in the financial statements as at 31 December 2017.

Basis for Disclaimer of Opinion (con't)

5. The Council recorded Loan balance of \$4,975 in the Statement of Financial Position as at 31 December 2017. The Council was unable to provide the details and reconciliation of this Loan balance, which was necessary to confirm the existence and completeness of the balance. As a result, I was not able to ascertain the accuracy of Loan balance of \$4,975 recorded in the financial statements as at 31 December 2017.
6. The Council was unable to provide relevant supporting documents to substantiate the disclosure of Deferred Income balance of \$537,516 as disclosed in Note 4 to the Financial Statements. In addition, the Council has not disclosed the nature and amounts of Government Grant recognized in the financial statements and unfulfilled conditions and other contingencies attached to the Government Grant that have not been recognized in Statement of Profit and Loss and Other Comprehensive Income. Consequently, I was not able to ascertain the accuracy of the Deferred Income balance of \$537,516 recorded in the financial statements as at 31 December 2017.
7. Note 3 to the financial statements notes grant income of \$145,603. Included in this balance is an adjustment of \$100,380. The Council was unable to provide relevant details and satisfactory explanations to support the adjustment. As a result, I was not able to ascertain the accuracy of grant income of \$145,603 recorded in the financial statements as at 31 December 2017.
8. An unreconciled variance of \$83,858 exists between the Rates Revenue listing and the Rates Revenue of \$225,895 as disclosed in Note 3 to the financial statements. The Council was unable to provide relevant details and satisfactory explanations to substantiate the variance. As a result, I was unable to ascertain whether the Rates Revenue of \$225,895 is fairly stated in the financial statements as at 31 December 2017.
9. The Council was unable to provide Market Fees register and ticket receipts. Due to the nature of transactions of the Market Fees it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts of the Council. Accordingly, I am not able to satisfy myself whether the Market Fee income of \$3,258 is fairly stated in the financial statements as at 31 December 2017.
10. The Council was unable to provide the annual payroll summary report and salary reconciliation to substantiate the Salaries and Wages amount of \$201,861 as disclosed in the Statement of Profit and Loss and Other Comprehensive Income. In addition, there was an unreconciled variance of \$48,192 between the Salaries and Wages amount reported in the financial statements and the report generated from the ledger allocations. As a result, I was unable to ascertain whether the Salaries and Wages balance of \$201,861 is fairly stated in the financial statements as at 31 December 2017.
11. The Council was unable to provide supporting documents to substantiate an unidentified adjustment of \$107,523 included in the Other Expenses of \$164,302 as disclosed in the Statement of Profit and Loss and Other Comprehensive Income. As a result, I was unable to ascertain whether the Other Expenses of \$164,302 is fairly stated in the financial statements as at 31 December 2017.
12. The Council did not account for Value Added Tax (VAT) separately and did not record VAT receivable/payable in the financial statements. The Statement of VAT account shows a VAT payable balance of \$98,673 as at 31 December 2017. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of the VAT at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position as at 31 December 2017.

Basis for Disclaimer of Opinion (con't)

13. The Council did not account for Discount Allowed on Rates for the financial year ended 31 December 2017. Furthermore, relevant details and records for Discount Allowed was not provided by the Council. As result, I was unable to determine whether any adjustments might have been necessary in respect of the discount allowed on rates and any corresponding adjustments to the elements making up the Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position as at 31 December 2017.
14. Internal control functions of the Council were generally found to be weak. This is in respect of the non-preparation of the monthly bank reconciliations, and lack of audit trail and details of the postings made in the books of accounts and financial statements. In addition, there was poor revenue management, lack of separation of duties/supervisory review, poor payroll management, reconciliations not prepared, payment and procurement processes were not properly followed, and journal voucher system was not maintained. For Property, Plant and Equipment, there were incorrect classification in the different classes of assets, missing supporting documents and insufficient details to verify assets, board of survey was not conducted, and assets were not tagged.

Emphasis of Matter

I draw attention to Note 9(b) to the financial statements which notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2017 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 9, no adjustments have been made to the financial statements as at 31 December 2017. However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in the financial year 2020 and beyond.

My opinion is not modified in respect of this matter.

Other information

The Special Administrators and Management 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. Accordingly, I am unable to conclude whether or not the other information is materially misstatement with respect to matters described in the Basis of Disclaimer of Opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

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

Responsibilities of Management and those Charged with Governance for the Financial Statements (con't)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to provide a basis for an audit opinion of these financial statements.

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

Sairusi Dukuno

Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
13 September, 2023

LEVUKA TOWN COUNCIL
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
Revenue	3	528,659	525,492
Wages, salaries and related expenses		(221,606)	(164,618)
Depreciation		(106,888)	(103,373)
Other operating expenses		<u>(328,532)</u>	<u>(216,696)</u>
(Deficit)/ surplus from operations		(128,367)	40,805
Finance costs		<u>(376)</u>	<u>(345)</u>
(Deficit) / surplus for the year		<u>(128,743)</u>	<u>40,460</u>
Other comprehensive income		-	-
Total comprehensive (loss) / income		<u>(128,743)</u>	<u>40,460</u>

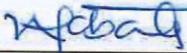
The statement of profit and loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

LEVUKA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
Current Assets			
Cash at bank		122,395	118,536
Receivables	5	106,426	192,489
		<u>228,821</u>	<u>311,025</u>
Non-Current Assets			
Property, plant and equipment	6	4,339,837	4,381,679
		<u>4,339,837</u>	<u>4,381,679</u>
TOTAL ASSETS		<u>4,568,658</u>	<u>4,692,704</u>
Current Liabilities			
Deferred income	4	537,516	532,819
		<u>537,516</u>	<u>532,819</u>
Non-Current Liabilities			
Loan		4,975	4,975
		<u>4,975</u>	<u>4,975</u>
TOTAL LIABILITIES		<u>542,491</u>	<u>537,794</u>
NET ASSETS		<u>4,026,167</u>	<u>4,154,910</u>
Accumulated funds		<u>4,026,167</u>	<u>4,154,910</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements.

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Levuka Town Council's operations for the year ended 31 December 2017 and the state of affairs as at that date.


Chief Executive Officer

Date: 8/8/23

LEVUKA TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Accumulated Funds \$
Balance as at 31 December 2015	4,114,450
Surplus for the year	40,460
Balance as at 31 December 2016	4,154,910
Deficit for the year	(128,743)
Balance as at 31 December 2017	4,026,167

LEVUKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Cash flows from operating activities		
Receipts from customers	469,119	317,641
Payments to suppliers and employees	(550,514)	(381,659)
Net cash flows used in operating activities	<u>(81,395)</u>	<u>(64,018)</u>
Cash flows from investing activities		
Payments for plant and equipment	(65,046)	(98,183)
Net cash used in investing activities	<u>(65,046)</u>	<u>(98,183)</u>
Cash flows from financing activities		
Receipts from government grant	150,300	190,895
Net cash provided by financing activities	<u>150,300</u>	<u>190,895</u>
Net increase in cash and cash equivalents	3,859	28,694
Cash and cash equivalents at the beginning of the financial year	<u>118,536</u>	<u>89,842</u>
Cash and cash equivalents at the end of the financial year	<u><u>122,395</u></u>	<u><u>118,536</u></u>

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

These financial statements were authorised for issue by management on 8th August 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of accounting

The financial statements of Levuka Town Council have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention, unless otherwise stated.

The financial statements of Levuka Town Council comprises the Council's General and Government Grant fund accounts.

2.2 Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The council adds to the carrying amount of an item the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the council. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to statement of profit or loss and other comprehensive income during the period in which they are incurred. Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Building	4.0%
Equipment	13.0%
Motor vehicle	25.0%

2.3 Receivables

Receivables comprises rates in arrears for the year.

2.4 Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.5 Deferred Income

Grant received, relating to the Levuka Town Council's programmes is deferred and amortized over the periods to which the income relates or the periods during which the Levuka Town Council receives contracted benefits.

Assets acquired through capital grants are capitalised to property, plant and equipment and the corresponding credit is taken as deferred income. Property, plant and equipment are depreciated over their estimated useful lives. The benefit arising from the capital grants being the recoupment through depreciation is credited to income over the period of the useful lives of those assets.

2.6 Revenue Recognition

The council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met.

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Comparative figures

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

2.8 Rounding

Amounts have been rounded to the nearest dollar except where otherwise stated.

3. REVENUE	2017 \$	2016 \$
The breakdown of revenue is as follows:		
Fees and licenses	77,559	69,795
Rates	225,895	231,784
Other income	79,602	106,669
Grant income	145,603	117,244
	<u>528,659</u>	<u>525,492</u>
4. DEFERRED INCOME		
Opening balance	367,641	248,767
Government grants received during the year	150,300	190,895
Less: Expenses made	(100,380)	(72,021)
	<u>417,561</u>	<u>367,641</u>
Deferred income related to donated assets	165,178	210,401
Less: Amortisation	(45,223)	(45,223)
	<u>119,955</u>	<u>165,178</u>
Total deferred income	<u>537,516</u>	<u>532,819</u>
5. RECEIVABLES		
Rates receivable	<u>106,426</u>	<u>192,489</u>
	<u>106,426</u>	<u>192,489</u>
6. PROPERTY, PLANT AND EQUIPMENT		

	Land \$	Building \$	Motor Vehicle \$	Equipment \$	Work in Progress \$	Total \$
Year ended 31 December 2016						
Opening net book amount	3,505,000	562,819	115,452	175,178	29,000	4,387,449
Additions	-	98,183	-	-	-	98,183
Transfer from work in progress	-	29,000	-	-	(29,000)	-
Depreciation charge	-	(29,193)	(44,156)	(30,024)	-	(103,373)
Depreciation charge on WIP	-	(580)	-	-	-	(580)
Closing net book amount	<u>3,505,000</u>	<u>660,229</u>	<u>71,296</u>	<u>145,154</u>	<u>-</u>	<u>4,381,679</u>
As at 31 December 2016						
Cost	3,505,000	793,927	179,624	240,196	-	4,718,747
Accumulated depreciation	-	(133,698)	(108,328)	(95,042)	-	(337,068)
	<u>3,505,000</u>	<u>660,229</u>	<u>71,296</u>	<u>145,154</u>	<u>-</u>	<u>4,381,679</u>

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Building	Motor Vehicle	Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2017						
Opening net book amount	3,505,000	660,229	71,296	145,154	-	4,381,679
Additions	-	65,046	-	-	-	65,046
Depreciation charge	-	(32,458)	(44,406)	(30,024)	-	(106,888)
Closing net book amount	<u>3,505,000</u>	<u>692,817</u>	<u>26,890</u>	<u>115,130</u>	<u>-</u>	<u>4,339,837</u>
As at 31 December 2017						
Cost	3,505,000	858,973	179,624	240,196	-	4,783,793
Accumulated depreciation	-	(166,156)	(152,734)	(125,066)	-	(443,956)
	<u>3,505,000</u>	<u>692,817</u>	<u>26,890</u>	<u>115,130</u>	<u>-</u>	<u>4,339,837</u>

7. COMMITMENTS AND CONTINGENT LIABILITIES

- (a) Capital commitments as at 31 December 2017 amounted to \$59,752 relating to the pending municipal council projects (2016:\$27,333).
- (b) There were no contingent liabilities as at 31 December 2017 (2016:\$Nil).

8. RELATED PARTY TRANSACTIONS

(a) Special Administrators

The Special Administrators who held office during the financial year and up to the date of this report are as follows:

Mr. Bhan Pratap Singh	Chairman (from 28/08/19 till 2021)
Mr. Ben Naidu	Chairman (from 28/08/19 till 2021 and reappointed from 16/02/22 - Chair from 16/02/22)
Ms. Joanne Rymell	Special Administrator (from 16/02/22)

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

(b) Key management personnel

Key management includes the Chief Executive Officer. The compensation paid or payable to key management for employee services is shown below:

	2017 \$	2016 \$
Salary, allowances, and benefits	<u>30,000</u>	<u>22,640</u>

(c) Transactions with Related Parties

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

<u>Government of Fiji</u>		
Government grant	<u>150,300</u>	<u>190,895</u>

9. EVENTS SUBSEQUENT TO BALANCE DATE

(a) Amendments to the Local Government Act 1972

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

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2017

9. EVENTS SUBSEQUENT TO BALANCE DATE (continued)

(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 2017 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.

(e) Other than the above mentioned events;

No charge on the assets of the council has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the management, will or may affect the ability of the council to meet its obligations as and when they fall due.

10. OTHER INCOME	2017 \$	2016 \$
Fax, photocopy	175	302
Interest	154	90
Miscellaneous	61,295	93,324
Public convenience	1	573
Traffic fines and penalties	583	-
	<u>62,208</u>	<u>94,289</u>

LEVUKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Revenue			
Business and trading license		27,330	27,166
Fees		50,229	42,629
Hire charges		13,019	7,203
Rates		225,895	231,784
Release of deferred income		145,603	117,244
Rent		4,375	5,177
Other income	10	62,208	94,289
Total revenue		528,659	525,492
Expenditure			
Administration		-	500
Advertisement		1,122	295
Audit and legal fees		2,807	9,022
Challenge fund expenses		-	100
Depreciation		106,888	103,373
Donation		1,595	-
Finance costs		376	345
FNPF contributions		17,416	12,989
FNU levy		2,329	1,645
Garbage		11,719	19,164
Insurance		1,055	1,345
Printing and stationary		4,685	4,304
Property maintenance		104,066	35,636
Roads and drains		4,813	1,121
Staff related expenses		13,643	11,967
Tropical cyclone Winston		-	20,000
Utilities		12,832	8,103
Valuation		4,802	-
Salaries and wages		201,861	149,984
Website development		1,091	-
Other expenses		164,302	105,139
Total expenditure		657,402	485,032
(Deficit)/Surplus for the year		(128,743)	40,460

The detailed statement of income and expenditure is to be read in conjunction with the accompanying notes.

ADDITIONAL SUPPLEMENTARY INFORMATION NOT FORMING PART OF THE FINANCIAL STATEMENTS

LEVUKA TOWN COUNCIL
STATEMENT OF RECEIPTS AND PAYMENTS - GOVERNMENT GRANT ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Receipts		
Government grant	150,300	190,895
Total receipts	<u>150,300</u>	<u>190,895</u>
Payments		
Administration costs	-	500
CEO top up salary	30,000	22,640
Construction of taxi stands	13,106	-
Environment officer	11,000	4,254
Footpath upgrade	2,387	-
Health inspection	9,500	-
Installation of heritage lights	4,358	-
Materials and labour	51,940	4,756
Pavilion and canteen upgrade	-	26,180
Reconstruction of depot	-	20,888
Town hall improvement	-	51,115
Total payments	<u>122,291</u>	<u>130,333</u>
Surplus for the year	28,009	60,562
Balance at the beginning of the year	<u>7,079</u>	<u>(53,483)</u>
Net Profit	<u>35,088</u>	<u>7,079</u>