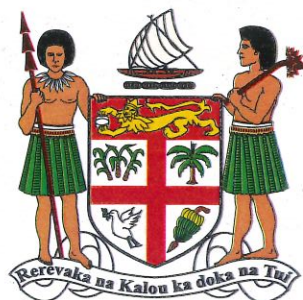


Service is our Priority

NASINU TOWN COUNCIL

Annual Report for the Year 2016





Nasinu Town Council

Mayoral Drive, Valelevu, P.O. Box 6049, Nasinu
Phone: 3341242/ 3341243/ 3393116.

Email: info@nasinu.com.fj Website: www.nasinu.com.fj
All correspondence to be addressed to the special administrator

12th February 2024

The Honourable Minister
Minister for Housing & Local Government
Gladstone Road
SUVA

Dear Sir

RE: NASINU TOWN COUNCIL ANNUAL REPORT 2016

I have much pleasure in submitting the Nasinu Town Council Annual Report for 2016.

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

The Annual Report 2016 has been prepared in accordance with the provision of Section 19(1) (a), (b) and (c) of the Local Government Act Cap 125.

Yours faithfully

Mr. Imraan Khan

Actg. CHIEF EXECUTIVE OFFICER

VISION

To be the best Municipality in Fiji that builds pride in our heritage and secures a better future for all stakeholders.

CORPORATE MISSION STATEMENT

Work in Partnership with all stakeholders in providing quality services in a sustainable manner to develop and maintain civic pride to deliver a vibrant Nasinu municipality

VALUES

- Excellence
- Customer Oriented
- Accountability
- Honesty
- Teamwork
- Innovation
- Transparency

CORPORATE OBJECTIVES

- Community Well Being
- Planning and Development
- Environment and Health
- Organizational Performance and Capacity Building
- Prudent Financial Management
- Governance

Nasinu was formally incorporated a Town in 2000, by the then Ministry for National Planning, Local Government, Housing and Environment under Section 5 of the Local Government Act. It is located at latitude 18.08°S and 178.50°E longitude, south of equator and west of dateline. It has the largest municipal area in Fiji with its land area of 78.3 km², which is twice the size of Suva, and is nestled along the Suva – Nausori corridor stretching from the Samabula (4 miles) Bridge, at the junction of Wainivula Road, and Nokonoko (Bailey) Bridge to 9 miles Wainibuku Bridge and along Khalsa Road to the junction of Kanace Road.

Initially the boundary included areas beyond the Wainibuku Bridge right up to Nakasi, however these areas were later placed under the Nausori Town Council. The current population of Nasinu is estimated to be around 120,000 with a population growth rate of about 2% per annum. It is also home to approximately 13,000 squatter residents in 20 different squatter settlements and the number is still growing.

The town boundary is divided in seven wards with total rateable properties of around 11,819 official ratepayers.

In 2016, Mr. Mosese Kama continued as Special Administrator and with the assistance of the Mr. Akhtar Ali, Chief Executive Officer looked after the overall operation of the Council.

This report is submitted in accordance with Section 19 of the Local Government Act, Cap. 125.

Yours sincerely



Shelvin Narayan
Actg. Chief Executive Officer

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1. THE COUNCIL

Nasinu Town is divided in seven wards with total rateable properties of around 11,819 official ratepayers.

The Council provided services to the Seven wards namely: -

Ward 1	–	Makoi, Tuirara & Tovata
Ward 2	-	Valelevu, Naveiwakau, Kalabu & Newtown
Ward 3	-	Caubati
Ward 4	-	Narere, Navosai & Muanikoso
Ward 5	-	Laucala Beach Estate & Kinoya
Ward 6	-	Nadera
Ward 7	-	Nadawa, Nepani, Caqiri & Nasole

The Council was providing the following services: -

- Garbage Collection
- Building/Subdivision/Rezoning Applications
- Health Services (Inspection etc)
- Upkeep of Roadside drains and Grass
- Repair & Maintenance of Streetlights
- Markets & Licensing

Nasinu is mainly residential heavy township with very little commercial and industrial outlets. In addition, the Town is also home to over 2000 houses in 20 informal settlements who the council also includes in basis hygiene services without a cost.

2. MANAGEMENT & MEETING

a] Ordinary Council Members:

- Mr. Mosese Kama, Special Administrator
- Mr. Akhtar Ali, Chief Executive Officer
- Mr. Alifereti Roko, Internal Auditor
- Ms. Esita Nawani, Manager Finance
- Mr. Shelvin Narayan, Senior Health Inspector
- Mr. Mosese Yavalanavanua, Actg. Manager Engineering
- Mrs. Varea Waqa, Temporary HR Manager
- Ms. Elina Maraiwai, Secretary

The Council started the year with the above-mentioned board with all departments represented. The Council had 5 major departments in namely:

- Administration
- Engineering
- Health
- Legal
- Finance

Subcommittees and their members to assist in the overall operations of the Council are as follows:

AUDIT SUBCOMMITTEE

1. Mr. Mosese Kama, Special Administrator
2. Mr. Akhtar Ali, Chief Executive Officer
3. Mr. Mosese Yavala, Actg. Manager Engineering
4. Mr. Alifereti Roko, Internal Auditor
5. Ms. Esita Nawani, Manager Finance
6. Mrs. Varea Waqa, Temp. HR Manager
7. Mrs. Elina Maraiwai, Secretary

FINANCE & TENDER SUBCOMMITTEE

1. Mr. Mosese Kama, Special Administrator
2. Mr. Akhtar Ali, Chief Executive Officer
3. Ms. Esita Nawani, Manager Finance
4. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
5. Ms. Seini Bulicakau, Senior Rates Officer
6. Mrs. Varea Waqa, Temp. HR Manager
7. Mrs. Elina Maraiwai, Secretary

HUMAN RESOURCES SUBCOMMITTEE

1. Mr. Akhtar Ali, Chief Executive Officer
2. Ms. Esita Nawani, Manager Finance
3. Mrs. Varea Waqa, Assistant HR Manager
4. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
5. Mr. Shelvin Narayan, Senior Health Inspector
6. Mrs. Makitalena Kamikamica, Executive Secretary/PA

HEALTH & ENVIRONMENT SUBCOMMITTEE

1. Mr. Akhtar Ali, Chief Executive Officer
2. Mr. Shelvin Narayan, Senior Health Inspector
3. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
4. Mrs. Nanise Cakitaki, Senior Town Planning Officer
5. Mr. Vishal Maharaj, Assistant Market Master
6. Mrs. Makitalena Kamikamica, Executive Secretary/PA

INFRASTRUCTURE & MARKET SUBCOMMITTEE

1. Mr. Akhtar Ali, Chief Executive Officer
2. Mr. Shelvin Narayan, Senior Health Inspector
3. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
4. Mr. Navneet Chand, Building Surveyor
5. Mrs. Nanise Cakitaki, Senior Town Planning Officer
6. Mr. Vishal Maharaj, Assistant Market Master
7. Mrs. Makitalena Kamikamica, Executive Secretary/PA

1. Mr. Mosese Kama, Special Administrator
2. Mr. Akhtar Ali, Chief Executive Officer
3. Ms. Esita Nawani, Manager Finance
4. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
5. Ms. Seini Bulicakau, Senior Rates Officer
6. Mrs. Varea Waqa, Temp. HR Manager
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4. Mr. Navneet Chand, Building Surveyor
5. Mrs. Nanise Cakitaki, Senior Town Planning Officer
6. Mr. Vishal Maharaj, Assistant Market Master
7. Mrs. Makitalena Kamikamica, Executive Secretary/PA

TRAFFIC & LICENSING SUBCOMMITTEE

1. Mr. Akhtar Ali, Chief Executive Officer
2. Mr. Shelvin Narayan, Senior Health Inspector
3. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
4. Ms. Esita Nawani, Manager Finance
5. Mrs. Alesi Waqanivalu, Prosecutor
6. Ms. Seini Bulicakau, Senior Rates Officer
7. Mrs. Nanise Cakitaki, Senior Town Planning Officer
8. Mrs. Fereen Khan, Team Leader Business License & PSV Officer
9. Mrs. Meresiana Raceva, Secretary

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

- | | |
|--|-----|
| • Ordinary Council | - 8 |
| • Audit Subcommittee | - 5 |
| • Finance & Tender Subcommittee | - 6 |
| • Human Resources Subcommittee | - 8 |
| • Health & Environment Subcommittee | - 5 |
| • Infrastructure & Market Subcommittee | - 4 |
| • Traffic & Licensing Subcommittee | - 5 |

3.0 ADMINISTRATION

Strategic Plan

The Council completed its 5-year Strategic plan with assistance and input of all stakeholders. The plan was designed to ensure the Council achieved its targets from 2015 till 2019.

Human Resource

Human resource Section was setup within the Council with the aim of ensuring the Council was in line with the various Labour laws and regulations. The section was tasked with the Formulation of the Council HR Manual to deal with day to day operations of the Council.

The Number of staff, requirement and Departures are as follows:

Staffing	Numbers
Office Staff	43
Depot Staff	106
New Staff Intake	44
Resignations	29
Deaths	0

Sports and Social

Sports and Social Club was active and was tasked at organized Annual Council Party as well get together to ensure staff maintained a "work life balance" within their life's.

IT Services

The Council IT section was also setup with the Council purchasing its own server system to host its own email and storage of all Council data. With the purchase of a server all staff were allocated with specific email address for easier communication.

LIBRARY REPORT

The Library has been providing services to people of Nasinu. Also users along Suva – Nausori Corridor are daily users of the Library.

The Library also housed basic computers which students could use for typing of projects and other important documents.

One (1) Staff is in-charge of the Library who is appointed by the Council.
The operating hours are:

- Monday - Thursday - 8.00 am – 4.30 pm
- Friday - 8.00 am – 4.00 pm

The Library Books and other Educational Material were donated by the Council and the General Public. The Total number of Members in the Library as at 31st December was 679.

4.0 SERVICES

4.1 Health

THE Council Health Inspectors worked in accordance with the Public Health Act to provide services to the ratepayers. These included:

- Attendance of Sanitary Complains
- Inspections for Business Licenses
- Organization of Cleanup Campaigns
- Vector Surveillance
- Food Safety Inspections

Attendance of Sanitary Complains

The Council received a total 942 complaints of which all were attended to by the Council Officers.

Number of Complains Received - 942

Number of Complaints Attended - 804

Some complaints were resolved in the following years as matters were before the Courts or need attention of other stakeholders to obtain solutions.

Inspections for Business Licenses

All business was inspected by the Health Inspectors before licenses is recommended for the year.

Organization of Cleanup Campaigns

The Council carried out major cleanups of the Nasinu Area. The cleanups were targeted at removing bulky wastes to eradicate the Mosquito breeding places.

The Cleanup included the collection of green wastes and Bulky wastes inclusive of white goods. the Council also obtained assistance from a few youth groups in the cleaning of the refuse.

Vector Surveillance

The Council worked in partnership with the Ministry of Health in carrying out quarterly larval surveys. A total of 100 houses were inspected in each quarter from different areas to determine the likelihood of a Mosquito borne outbreak. Two cases of dengue fever were reported with the Nasinu area for 2016.

In addition, the Council also carried out Mass Mosquito Adulting program with the assistance of the Ministry of Health. All areas inclusive of informal settlements were sprayed with during this program.

Food Safety Inspections

Food Premises were inspected for Business Licensing, Liquor Licensing and Basic inspection of Sanitary compliance.

Most food premises had defects noted in their initial inspections thus re – inspections were conducted until satisfactory compliance was noted.

4.2 Building

The Council Building section received and processed applications before it was sent to Department of Town & Country Planning for approval. this included applications for buildings, re-zoning, subdivisions and conditional approvals. The Total number of Building applications received are as follows:

Application in respect of Developments: - 2016	<u>No.</u>
New Dwelling	111
Renovation/ extension	137
Other works fencing, etc.	96
No. of Industrial	6
Civic development	11
No. of Commercial	7
Re-zoning	13
TOTAL	381

All applications were processed and sent to DTCP for approval. A total of 381 building applications was received by the Nasinu Town Council with the value of \$37,431,595.85. The Council received a total of \$91,677.82 as building fees from the applications.

The Council building inspectors carry out the systematic inspections on all structures approved by council at different stages during the construction of the building and then finally on completion of the building.

The total number of completed building for the year are as follows:

<u>Completion Certificates Issued</u>	<u>No.</u>
Residential	42
Commercial	6
Industrial	9
Civic	1
TOTAL	58

There were 13 Rezoning application received for the year 2016 and all applications were sent to Department of Town & Country Planning for approval of which 5 were approved.

9 Subdivision applications were received for the year 2016 whereby comments were provided by the Council and submitted to Town Planning for approval.

4.3 **Works Report**

The works Section of the Council provided the following services to the residents of Nasinu:

- Collection of Kitchen waste
- Cleaning of Roadside drains
- Overgrowth Control in public places
- Upkeep of grounds
- Maintenance of Markets
- Collection of Green Waste

Collection of Kitchen waste

The Collection of Kitchen waste in Nasinu was done by Council. Collection of refuse was done twice a week from all areas within Nasinu.

Cleaning of Roadside drains

Cleaning of all drains in Nasinu was done by Council. Council had formed operations Teams who were to ensure that all drains in each ward was cleared at least once every

month. The same group was tasked with the management of overgrowth on Roadsides and public places.

Maintenance of Markets

Nasinu has 3 major markets in Valelevu, Narere and Makoi and maintenance of the markets was carried out as and when required. Also the markets were thoroughly washed each quarter with the assistance of the National Fire Authority. In addition, a Contractor was hired to provide Skipbins to all market sites for the collection of refuse.

Green Waste Collection

The Council introduced the collection of Monthly Green waste collection for all areas within Nasinu. The Green waste collection program was increased to 5-week program as the amount of refuse collected was very high. An additional Open Truck was purchased to assist green waste collection.

4.4 Legal

A Legal services department was setup in the Council tasked at handling all legal matters for the Council. The Legal officer was also tasked to look at current by laws and take necessary steps to strengthen it.

All cases against and for Councils was attended to by the legal department. In addition, the Council enforcement team also assisted in the recovery of Town Rate arrears.

5.0 Finance

The Finance department managed the income and expenditure of the Council. The Council received revenue from:

- Town Rates & Garbage Fees
- Business License
- Taxi Base Fees
- Market fees
- Income from property usage like grounds

5.1 Town Rates & Garbage Fees

RATES COLLECTED			
Month	Amount	Month	Amount
January	\$771,327.66	July	\$118,361.16
February	\$352,342.19	August	\$164,104.48
March	\$224,925.48	September	\$110,295.12
April	\$191,597.57	October	\$175,389.51
May	\$208,149.14	November	\$136,426.20
June	\$183,092.96	December	\$206,530.25

The Council collected a total of \$2,842,541.72 in Town rates and Garbage fees for the year. Council had provided a discount on the payment of rates in January & February while an Interest waiver was provided in December. The total Outstanding Rates and Garbage Fees as at 31st December 2016 was \$8,446,821.16.

5.2 Business License

A total of 2207 Licenses were issued to business for operations in year 2016. The Total income from Business license was \$220,809.56.

5.3 Taxi

The Council had 88 approved taxi bases which accommodated for 712 Taxis for the whole of Nasinu area. The total income received Taxi base fees and approvals was \$426,870.35.

5.5 Audited Finance

Financial Statement for the Year Ended 31st December 2016 has not been prepared by the Finance Team, thus is not available for submission.

5.6 Market Report

REVENUE COLLECTED

	2016
JANUARY	\$10,320.05
FEBRUARY	\$9,940.85
MARCH	\$9,725.35
APRIL	\$9,502.40
MAY	\$11,170.30
JUNE	\$8,856.70
JULY	\$10,515.35
AUGUST	\$10,194.65
SEPTEMBER	\$9,358.70
OCTOBER	\$10,372.50
NOVEMBER	\$9,157.85
DECEMBER	\$10,289.85
TOTAL	\$119,404.55

6.0 Major Events & Achievements

1. 5th March 2016 – Council Staff visitation to the Tropical Cyclone Winston affected areas

Through the profit made in the Nasinu on Sale Trade Event in 2015, the Council utilized \$1,5 00 from the profit as part of the contribution to assist the victims of TC Winston. Apart from that the Council Staff, public, Waste Clear Fiji Limited and Varma's Investment Limited came forward and contributed to this worthy course.

2. 16th May 2016 – The Launching of the National Clean Up Campaign was hosted by Nasinu Town Council together with the Ministry of Health. This national clean-up campaign involves all Ministries, Statutory Bodies and related stakeholder for the utilization of their resources and manpower. It is a national multi-sectoral committee led by the Permanent Secretary for Health and Medical Services who oversee the coordination, implementation and monitoring of the campaign.

3. 11th June 2016 to 18th June 2016 Vodafone Millennium Sinu Festival

The Millennium Sinu Festival Committee with the support of the Ministry of Local Government, Housing & Environment organized the first ever Millennium Sinu Festival which was held at the Valelevu Ground with the theme, LETS UNITE TO BEAUTIFY NASINU.

The objective of the Millennium Sinu Festival is to raise funds and support Prime Minister's National Disaster Relief and Rehabilitation Fund and the Beautification of Nasinu. In addition, the crowned Miss Millennium Sinu - Ms. Ruci Vakatale Marama went on to represent Nasinu to the Fiji Pageant.

4. 23rd September 2016 – Environment Day: - Theme: - Climate Change Is Real and We Must Be Resilient to Climate Change". In our effort to beautify and clean our Nasinu municipal boundary, the Council together with other stakeholders carried out environment awareness specifically on Climate Change issues.

The Council's aim was to beautify hot spot areas within the Nasinu Town area through landscaping activities, creek cleaning and tree planting to enhance environment quality and liveability. This is also an opportune time for all business stakeholders and communities to be active in adapting to Climate Change. Some of the activities that was undertaken on that day included:

- Oratory contest for Primary and Secondary School Students;
- Presentations and display on Climate Change from USP, FNU, WWF and other stakeholders; and
- Entertainments

5. October 2016 Introduction of the Nasinu Women's Market Day

This event is the first ever organized by the Council. Details are as follows: -

Event Name : - Nasinu Women's Market Day
 Objective : - Generating Economic Activities for Women in Nasinu Town
 Target : - To bring out Micro-Home-Based Market
 Theme : - Promoting Women's Welfare in Nasinu
 Venue : - Rajendra Prasad Subdivision
 Fees : - \$20.00/ space with a limited number of 12 spaces to be sold

6. 2nd September 2016 - Council took part in RIO Celebration – Jerry Tuwai's Residence in New Town

The Council had received a letter to request for assistance and support towards the Home Town Celebration of Jerry Tuwai after the Fiji Seven's Team won the Gold Metal at RIO.

A team from the Nasinu Town Council took part in the March on that day.

7. 12th November 2016 to 19th November 2016

Ruci Vakatale Marama crowned Miss Nasinu 2016 went on to represent Nasinu during the Miss Fiji Pageant 2016 which was held in Sigatoka Town. Miss Suva – Anne Dunn was crown Miss Fiji in 2016.

A team from the Council went with Miss Nasinu 2016 to Sigatoka to attend and support her during the one-week event.

8. In 2016, it was the second time for Nasinu Town Council to enter into the Fiji Business Excellence Award. The Council received the Commitment in Business Excellence Award.

7.0 Acknowledgement

The Council wishes to show its appreciation and gratitude to the Business Houses, Ratepayers and other Stakeholders for paying their Business License Fee, Rates and other dues to meet the running cost of the town's administration.

The Council also wishes to acknowledge the dedicated services rendered by its Management and Staff.

Nasinu Town Council also wishes to record with appreciation the assistance and support given by the Minister for Local Government, the Permanent Secretary, the Director, Local Government and Staff, including the Director, Town and Country Planning for their assistance and guidance which greatly facilitated the effective administration of the Council.

We would also like to thank various Government Departments, Donor Agencies, Non-Government Organizations, Private Institutions and the Public for their support during the year.

8.0 Appendix

Attached.

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OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji Street, Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 8921519
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 850

13 December 2023

Mr. Uma Patel
The Chairperson
Special Administrators
Nasinu Town Council
NASINU

Dear Mr. Patel

NASINU TOWN COUNCIL

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The audited financial statements for Nasinu 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. Imraan Khan, Acting Chief Executive Officer, Nasinu Town Council.

Encl.

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

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**NASINU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**NASINU TOWN COUNCIL
COUNCIL'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Council herewith submits the Statement of Financial Position at 31 December 2016, the related Statement of Financial Performance and Statement of Accumulated Funds of the Council for the year then ended on that date and report as follows:

1. Management Staff

Mr. Mosese Kama	Special Administrator
Mr. Lute Berends	Chief Executive Officer
Ms. Esita Nawani	Manager Finance
Mr. Mosese	Manager Engineering
Yavalavanua Mr.	Health Inspector
Shelvin Narayan	Internal Auditor
Mr. Alifereti Roko	Manager Human Resource
Mrs. Filimaina	
Waqqa	

2. Principal activity

The principal activities of the Council under the Local Government Act 1972 are to provide for the health, welfare and convenience of the inhabitants of the Nasinu Town Municipality and to preserve the amenities or credit thereof.

3. Results

The net result of the Council for the years ended 31 December 2016 and 2015 amounted to surplus of \$1,388,660 [2015: deficit of \$427,540]

4. Bad and Doubtful Debts

Prior to the completion of the Council's financial statements, the Council took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and provision for doubtful debts.

As at the date of this report, the council is not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

5. Non-current assets

Prior to the completion of the financial statements of the Council took reasonable steps to ascertain whether any non-current assets were unlikely 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 values of such assets to an amount they are expected to realize.

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

**NASINU TOWN COUNCIL
COUNCIL'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Basis of Accounting

The Council believes the basis of the preparation of the financial statements is appropriate and the Council will be able to continue in operation for at least twelve months from the date of this statement. Accordingly, the Council believes the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

7. Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Council, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, in the opinion of the Council, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

8. Subsequent events

No matters or circumstances have arisen since the end of the financial year which would require adjustments to, or disclosure in the financial statements.

9. 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 or other liabilities of the Council has become or is likely to become enforceable within the year of twelve months after the end of the financial year which in the opinion of the Council 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 Council are not aware of any circumstances that have arisen not otherwise dealt with in this report which could make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

Signed for and on behalf of the Council in accordance with a resolution of the Councilors.

Dated this 12 day of December, 2023.



Chief Executive Officer
Acting



Administrator

**NASINU TOWN COUNCIL
STATEMENT OF COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Council, states that:

- ① the accompanying Statement of Financial Performance is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2016;
- ① the accompanying Statement of Changes in Accumulated Funds of the Council for the year ended 31 December 2016 is drawn up so as to give a true and fair view of the movement in accumulated funds;
- ① the accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of the affairs of the Council as at 31 December 2016;
- (iv) the accompanying Statement of Cash Flow 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 2016;
- (v) 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;
- (vi) all relevant related party transactions have been recorded in the books of the Council and adequately reflected in the attached financial statements; and
- (vi) the financial statements have been made out in accordance with International Financial Reporting Standards and the Local Government Act 1972.

Signed for and on behalf of the Council in accordance with a resolution of the Councilors.

Dated this 12 day of December, 2023


Chief Executive Officer

Acting


Administrator

Basis for Disclaimer of Opinion (con't)

Trade and Other Receivable (con't)

The Council was not able to provide subsidiary listings for Other Receivables which included Advances and Deposits accounts amounting to \$65,027, and \$5,702 respectively. Hence, I am unable to complete my testing relating to Other Receivables.

Consequently, I was unable to ascertain the existence and accuracy of Trade and Other Receivables balance of \$7,455,558 and whether any adjustments might be necessary in respect of the receivable balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2016.

Property Plant and Equipment

4. The Council was unable to provide the appropriate documents to support Property, Plant and Equipment, Construction in Progress and Investment Property accounts amounting to \$1,731,481, \$479,248 and \$35,000 respectively. I was not able to complete my testing relating to the completeness and valuation of Property, Plant and Equipment, Construction in Progress and Investment Property.

Due to the length in time that has lapsed from the financial year to the commencement of the audit, I was unable to perform physical verification tests as to the existence of Property, Plant and Equipment, Construction in Progress, and Investment Property. The Council did not perform a Board of survey at the end of the financial year.

Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the addition, disposal and accumulated depreciations at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2016.

Trade and other Creditors

5. The Council was unable to provide reconciliations and support for Trade and Other Creditors balances of \$937,311 (Note 15). Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Trade and other Creditors balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2016.

Employee Benefit Obligations

6. The Council provided an annual leave schedule amounting to \$63,692. However, the Council was unable to provide the correct Employee Benefit Obligation reconciliations and details to support the above Employee Benefit Obligation balances. Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Employee Benefit Obligation balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2016.

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OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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INDEPENDENT AUDITOR'S REPORT

Nasinu Town Council

Report on the audit of the financial statements

I have audited the financial statements of the Nasinu Town Council which comprise the Statement of Financial Position as at 31 December 2016, Statement of Financial Performance, Statement of Accumulated Funds, Statement of Cash Flows for the year the ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, 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 2015 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 2016 financial statements.

Cash and Cash Equivalents

2. The Council recorded Cash on hand and at bank amounting to \$731,794 in the Statement of Financial Position as at 31 December 2016 for which proper accounting records were not maintained. Transactions for receipts and payments were recorded in the Cash general ledger from the bank statements instead of from source documents such as receipt books. Moreover, the Council did not maintain reconciliations of Petty Cash float during the year. A bank account with balance amounting to \$5,155 was omitted from the books of account of the Council.

Consequently, I was not able to ascertain the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Cash on hand and at bank at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2016.

Trade and other Receivable

3. The Council recorded Trade and Other Receivables balance of \$7,455,558 (Note 10) in the Statement of Financial Position as at 31 December 2016. The Council recorded corresponding entries relating to Trade Receivables into Retained Earnings account as the breakdown of Receivable balance was not made available. Furthermore, the Council has not provided evidence of Impairment assessment carried out on Trade Receivable.

Basis for Disclaimer of Opinion (con't)

Deferred Income

7. The Council was unable to provide the appropriate reconciliation and supporting documents to verify balances for Deferred Income amounting to \$647,412 (Note 18) as the Grant agreement, reconciliation were not available and record keeping of ongoing Grants at year end was not maintained. Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Deferred Income balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2016.

Operating Income

8. The Council was unable to provide appropriate supporting documentation and detailed listings to support balances for General rates \$2,370,366 (Note 5), Other Income \$1,740,890 (Note 6), and Interest Income \$850,992. Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Operating Income balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance could not be determined for the year ended 31 December 2016.

Operating Expenditure

9. The Council was unable to provide relevant supporting documentation and subsidiary listings to support Operating Expenses balances of \$ 3,573,587. Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Operating Expenses balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance could not be determined for the year ended 31 December 2016.
10. Generally, internal control function of cash, revenue management, payroll processing and procurement of good and services were found to be weak. Poor internal control may lead to fraud and possible misappropriation of funds.

Other information

Management and Special Administrators are responsible for the other information. The other information comprises the information included in the Special Administrators' report, but does not include the financial statements and my auditors' 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work, I conclude that there is a material misstatement of this other information, I am required to report that fact. Accordingly, I am unable to conclude whether or not the other information is materially misstated with respect to matters described in the Basis for 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 the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the Local Government Act 1972, and for such internal control as the Management and Special Administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility 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.

Report on Other Legal and Regulatory Requirements

My audit procedures identified instances of non-compliance with legislative requirements and a material deficiency in the Council's accounting records or financial statements. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Council's compliance with financial reporting matters as required by section 54 of the Local Government Act 1972.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
13 December, 2023

**NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016	2015
<i>Revenue</i>			
Rates	5	2,370,366	2,571,501
Other Income	6	1,740,890	1,474,193
Interest Income		850,992	766,888
		<u>4,962,248</u>	<u>4,812,581</u>
<i>Expenditure</i>			
Advertising and public relation expense		2,458	36,062
Depreciation and amortization expense	11,12,14	230,729	212,830
Employees' salaries and benefits expenses	7	2,032,563	2,170,935
Garbage collection expense		636,152	1,130,711
Repairs and maintenance expense		42,942	355,832
Transportation expense		26,210	305,450
Other operating expense	8	494,969	713,737
Finance Costs		51,306	13,862
Discount allowed		56,257	300,703
		<u>3,573,586</u>	<u>5,240,122</u>
Total Surplus/ (deficit)		<u>1,388,662</u>	<u>(427,541)</u>

The above statement of financial performance is to be read in conjunction with the notes to and forming part of the financial statements.

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**NASINU TOWN COUNCIL
STATEMENT OF ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Accumulated Funds	Total Accumulated Funds
Balance as at 1 January 2015	9,003,045	9,003,045
Deficit for the year	(427,540)	(427,541)
Opening balance adjustment	(1,099,263)	(1,099,263)
Balance as at 31 December 2015	7,476,242	7,476,242
Surplus for the year	1,388,660	1,388,660
Movements in accumulated Funds	(967,468)	(967,468)
Balance as at 31 December 2016	7,897,434	7,897,434

The above statement of accumulated funds activity is to be read in conjunction with the notes to and forming part of the financial statements.

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**NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	2016	2015
ASSETS			
CURRENT ASSETS			
Cash on hand and at bank	9(b)	731,794	1,440,231
Trade and other receivables	10	7,455,558	6,891,796
Total Current Assets		8,187,351	8,332,027
NON - CURRENT ASSETS			
Property, plant and equipment	11	1,731,481	1,792,829
Intangible assets	12		3,374
Construction in progress	13	479,248	209,102
Investment Properties	14	35,000	40,000
Total Non-Current Assets		2,245,729	2,045,305
TOTAL ASSETS		10,433,080	10,377,332
LIABILITIES			
CURRENT LIABILITIES			
Trade and other creditors	15	937,311	792,344
Employee benefit obligations	16	63,692	63,692
Interest bearing borrowings	17	196,928	84,698
Deferred income	18	80,523	80,523
Total Current Liabilities		1,278,454	1,021,257
NON CURRENT LIABILITIES			
Interest bearing borrowings	17	297,356	194,513
Deposits		392,946	392,946
Deferred income	18	566,889	1,292,374
		1,257,191	1,879,833
TOTAL LIABILITIES		2,535,646	2,901,090
NET ASSETS		7,897,434	7,476,242
ACCUMULATED FUNDS			
General Accumulated Funds		7,897,434	7,476,242
TOTAL ACCUMULATED FUNDS		7,897,434	7,476,242

Signed for and on behalf of the Council in accordance with a resolution of the Councilors.

Dated this 12 day of December, 2023


.....
Chief Executive Officer
Acting


.....
Administrator

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

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**NASINU TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016	2015
Cash flows from operating activities			
Receipts from customers		2,705,532	7,034,478
Payments to suppliers & employees		(3,133,905)	(5,560,069)
Net vat movement		(12,680)	396,188
		(441,053)	1,856,735
Finance costs		(51,306)	(13,862)
Net cash (used) / provided by operating activities	9(a)	(492,359)	1,856,734
Cash flows from investing activities			
Acquisition of property, plant & equipment		(161,005)	(315,622)
Movement in construction in progress		(270,147)	(209,102)
Net cash used in investing activities		(431,152)	(524,724)
Cash flows from financing activities			
Proceeds/(Repayments) from borrowings		215,074	42,896
Net cash provided by financing activities		215,074	42,896
Net (decrease)/ increase in cash held		(708,437)	1,374,905
Cash and cash equivalents at the beginning of the year		1,440,231	65,325
Cash and cash equivalents at the end of the year	9(b)	731,794	1,440,231

The above statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. General Information

The financial statements of Nasinu Town Council ("the Council") for the year ended 31 December 2016 were authorized for by the Chief Executive Officer on 12/12/23. The Council was incorporated in Fiji under the Local Government Act, 1972.

2. Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuation of non - current assets. The financial statements are presented in Fijian dollars.

Statement of Compliance

The financial statements of Nasinu Town Council have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Local Government Act 1972. These policies have been consistently applied, unless otherwise stated.

Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of these financial statements.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds have been eliminated.

Trust Funds

The Nasinu Town Council has received parking monies in compliance with the Traffic Act and contributions from developers under the Town Planning Act. As the Council performs a custodial role, these funds are excluded from Council Funds.

3. Summary of significant accounting policies

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Cash and cash equivalents

Cash comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Statement of Cash flows

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of any outstanding bank overdrafts which forms an integral part of the Council's cash management. Bank overdrafts are shown in current liabilities on the statement of financial position.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Summary of significant accounting policies (continued)

(e) Investment property

Investment property is stated at cost less accumulated depreciation and *accumulated* impairment losses. Such cost includes the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows: Building 2.00%

Premiums on leasehold land are capitalized and amortized over the term of the lease. An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets for the Council are assessed to be finite.

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 amortization period and the amortization method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Gain or losses arising from the de-recognition 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 statement of comprehensive income when the asset is de-recognized.

(g) Financial assets

Financial assets are classified into the following categories: at fair value through profit and loss, held-to-maturity, available-for-sale, and loans and receivables. The classification is dependent on the purpose for which the financial assets are acquired.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3 Summary of significant accounting policies (continued)

Management determines the classification of investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognized on the trade date, which is the date the Council commits to purchase or sell the asset. Cost of purchase includes transaction costs. The Council recognized the following financial assets:

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current.

(b) Available-for-sale financial assets

Available-for-sale (AFS) financial assets are non-derivatives that are either designated in this category or not classified as loans and receivables, held-to-maturity investments, financial assets at fair value through profit or loss. AFS assets are measured at fair value. Fair value changes on AFS assets are recognized directly in equity, other comprehensive income, except for interest on AFS assets and impairment losses. The cumulative gain or loss that was recognized in equity is recognized in profit or loss when an available-for-sale financial asset is de recognized.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Council has positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortized cost.

(h) Impairment

At each reporting date, the Council reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. Reversal of impairment loss is recognized immediately in profit or loss.

Recoverable amount is the higher of the 'fair value less cost to sell' and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. For assets carried at fair value, the impairment loss is treated as a revaluation decrease.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Summary of significant accounting policies (continued)

(i) Fund Accounting

The Nasinu Town Council has adopted a fund accounting system, as a considerable part of annual revenues comprises of rates for different purposes and special purpose funds as required by the Local Government Act. Accordingly, it is necessary to establish a separate fund to record the amount received, expenditure incurred and the net balance of funds available to be carried forward into the next financial year.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received. Details of Special Purpose Funds maintained by the Council are:

(a) Parking Meter Fund

The Council, in compliance with the Traffic Act, has to maintain a separate account for the operation of Parking meters in designated areas of roads within the town.

(b) Car Park Fund

This fund has been created for contributions received from developers under the Town Planning Act. The fund is used to construct and develop car parks.

(j) Trade and other payables

Liabilities for other payables are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

(k) Financial liabilities

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through profit or loss'.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

(l) Provision

Provisions are recognized when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Council expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when reimbursement is virtually certain.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Summary of significant accounting policies (continued)

(a) Employee Entitlements

Employee entitlements relating to wages, salaries, annual leave, sick leave, long service leave and retirement benefit represents the amount which the Council has a present obligation to pay resulting from the employees' services provided up to balance date.

(b) Wages and salaries, sick leave and annual leave

Liabilities for wages and salaries and annual leave are recognized, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(c) Provision for long service leave

A liability for long service leave is recognized, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(m) Leased Assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Council as a lessee

Finance leases, which transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are reflected in the statement of comprehensive income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Board will obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

(n) Revenue

Revenue is recognized in the financial statements using the accrual concept of accounting.

(o) Income tax

The Council is exempt from income tax in accordance with the provisions of Section 17(4) of the Income Tax Act.

(p) Comparatives

Comparative figures have been restated where necessary for changes in presentation in current year.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. Financial risk management

Overview

The Council has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Capital management

This note presents information about the Council's exposure to each of the above risks, the Council's objectives, policies and processes for measuring and managing risk, and the Council's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The management and the special administrators have overall responsibility for the establishment and oversight of the Council's risk management framework. The Council's risk management policies are established to identify and analyses the risks faced by the Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Council's receivables from customers and investment securities. The *Council* has no specific concentrations of credit risk. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(ii) Financial risk management

The Council's establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss of component established for Companies of similar assets in respect of losses that have been incurred but not yet unidentified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. Financial risk management (continue)

Risk management framework

(iii) Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another cash financial asset. The Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

(iv) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Council's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Fair value interest rate risk arises from the potential for a change in interest rates to cause a fluctuation in their fair value of financial instruments. The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. In managing this risk, the Council seeks to achieve a balance between reducing risk to earnings and market value from adverse interest rate movements, and enhancing net interest income through correct anticipation of the direction and extent of interest rate changes.

(v) Interest rate risk

As the Council's interest-bearing assets are small relative to its operations, its cash flows are substantially independent of changes in market interest rates. The interest rate per annum ranges from 7 percent to 11 percent.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
5. Rates		
General rates	2,370,366	2,571,501
	<u>2,370,366</u>	<u>2,571,501</u>
6. Other Income		
Fines and miscellaneous income	937,160	740,375
Taxi stand and carrier base charges	387,582	302,386
Business license fees	190,208	244,944
Other operating Income	186,451	154,730
Rental income	39,282	31,721
Subscription	205	36
	<u>1,740,888</u>	<u>1,474,192</u>
7. Personnel costs		
Salaries and wages	1,851,591	1,963,223
FNPF	160,416	180,501
Training and education	436	4,559
FNU Levy	20,120	22,652
	<u>2,032,563</u>	<u>2,170,935</u>
8. Other operating costs		
Hire of equipment	155,755	180,359
Printing, stationery and postages	20,649	136,768
Filing fees	2,723	90,445
Insurance	67,612	59,708
Electricity and water	35,471	44,494
Telephone, internet and fax	28,169	39,606
Uniforms	8,986	37,923
Audit fees	459	37,722
Lease/rental	5,675	32,368
General operating expenses	140,180	2,764
Office expenses	5,881	5,577
Bank charges	2,728	5,433
Meals and <i>allowance</i>		4,853
Legal expenses	13,805	3,745
Rent	1,697	3,452
Parks, gardens and public amenities		3,426
Meeting and entertainment expenses		15,754
Computer expenses	2,190	2,818
Freight & cartage		2,559
Subscriptions	1,733	2,480
Donations	600	1,170
Fringe benefit tax	656	312
	<u>494,969</u>	<u>716,344</u>

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
9. Notes to the statement of cash flows		
(a) Reconciliation of net surplus / (deficit) to cash provided by operating activities:		
Net (deficit)/surplus	1,388,660	(427,540)
<u>Add/(Less) Non-cash items / Items classified as investing:</u>		
Depreciation & amortisation	230,729	212,830
Movement in accumulated funds	(967,468)	(1,099,263)
<u>Change in operating assets and liabilities:</u>		
(Increase)/Decrease in trade and other receivable	(563,762)	2,221,896
Increase/(Decrease) in accounts payable & other payables	157,647	(80,740)
Increase/(Decrease) in deferred income	(725,485)	633,363
Increase/(Decrease) in vat payable	(12,680)	396,188
Net cash flow (used) / provided by operating activities	(492,359)	1,856,734
(b) Cash and cash equivalents consist of:		
Cash on hand and at bank		
Cash at Bank-ANZ Operating	34,127	35,458
Cash at Bank-BSP Operating	22,758	15,890
Cash at Bank-BSP Grant Fund	647,412	1,372,897
Cash on Hand	27,497	15,985
Total cash and cash equivalents	731,794	1,440,230
10. Trade and other receivables		
(a) Rates and garbage fees arrears	7,974,088	7,561,227
Business license arrears	359,809	208,908
Less: provision for doubtful accounts	(949,068)	(949,068)
	7,384,829	6,821,067
(b) Other receivables		
Advances	65,027	65,027
Deposits	5,702	5,702
	70,729	70,729
Total Receivables	7,455,558	6,891,796

NASINU TOWN COUNCIL
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11. Property, plant and equipment

	Land & Buildings	Street lights	Motor Vehicles	Office Equipment, Furniture's & Plant	Total
Gross carrying amounts					
As at 31 December 2015	812,058	702,363	1,560,246	339,887	3,414,554
Additions	-	-	150,000	11,005	161,005
Disposals	-	-	-	-	-
As at 31 December 2016	812,058	702,363	1,710,246	350,892	3,575,559
Accumulated depreciation & amortisation					
As at 31 December 2015	114,851	259,315	958,733	288,825	1,621,724
Depreciation	16,241	-	171,025	35,089	222,354
Disposals	-	-	-	-	-
As at 31 December 2016	131,092	259,315	1,129,758	323,914	1,844,078
Net carrying amounts					
As at 31 December 2016	697,207	443,048	601,513	51,062	1,792,830
As at 31 December 2016	680,966	443,048	580,488	26,978	1,731,481

12. Intangible Assets

	Intangible Assets	Total
Gross carrying amounts		
As at 31 December 2015		
Additions	15,983	15,983
Disposals	-	-
As at 31 December 2016	15,983	15,983
Accumulated amortization		
As at 31 December 2015	12,609	12,609
Amortisation	3,374	3,374
Disposal	-	-
As at 31 December 2016	15,983	15,983
Net carrying amounts		
As at 31 December 2015	3,374	3,374
As at 31 December 2016	-	-

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	2016	2015
13. Construction in progress (CIP)		
Opening balance	209,102	
Additions to CIP	270,146	209,102
Transfers		
Closing balance as at 31 December	<u>479,248</u>	<u>209,102</u>
14. Investment Properties		
Land and building - at cost	40,000	45,000
Less: accumulated depreciation	<u>(5,000)</u>	<u>(5,000)</u>
	<u>35,000</u>	<u>40,000</u>
Investment property generates flow of rental income from Kiosk building by renting out spaces for small and medium size business and individuals. There was no valuation carried out on the investment property. The cost is based on historical cost.		
15. Trade and other creditors		
Trade payables	528,442	396,156
Other payables		
Vat Payable	<u>408,869</u>	<u>396,188</u>
Total trade and other payables	<u>937,311</u>	<u>792,344</u>
16. Employee benefit obligations	<u>63,692</u>	<u>63,692</u>
Employee leave		
17. Interest bearing loans & borrowings		
Current		
Bank overdraft general fund	87,165	15,082
Finance loan - Credit Corporation 321538 /refer la note (a) below)	40,148	
Finance loan - Credit Corporation 316656 {refer /o no/e (b) below)	58,903	58,903
Finance loan - Credit Corporation 310386 (refer lo note (c) below)	<u>10,712</u>	<u>10,74 2</u>
Total current	<u>196,928</u>	<u>84,697</u>
Non-current		
Finance loan - Credit Corporation 321538 /refer to no/e /a below)	160,612	
Finance loan - Credit Corpora1ion 316656 /refer la note /b) below)	108,163	157,070
Finance loan - Credit Corporation 318386 (refer to note (c) below)	<u>28,581</u>	<u>37,443</u>
Total non-current	<u>297,356</u>	<u>194,513</u>

(a) The finance lease from Credit Corporation is secured by bill of sale on Motor Vehicle registration # IR521 and IF853. The interest is fixed at 6.5% per annum (or 5 years.

(b) The finance lease from Credit Corporation is secured by bill of sale on Motor Vehicle Registration # HL192 and HL193. The interest is fixed at 7% per annum for 5 years.

(c) The finance lease from Credit Corporation is secured by bill of sale on Motor Vehicle registration # HX526. The interest is fixed at 6.5% per annum for 5 years.

18. Deferred income

The deferred income is shown on the statement of financial position as follows: Current

Non - current

80,523	80,523
<u>566,889</u>	<u>1,292,374</u>
<u>647,412</u>	<u>1,572,897</u>

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18. Deferred income (continued)

(a) Deferred income related to grant received from the Government for the upgrading of roads, drains and street lights for some of the identified squatter/informal settlements in Nasinu Town Council area. In 2014, Government grant was received in kind for a 3 ton truck compactor for the upgrade of Valelevu ground.

(b) The Japanese Government donated a Caterpillar 55660 to the Council in 2010.

(c) The grant from United Nations Development Program was for the building of retainer wall at Bulie Place at Laucala Beach Estate to avoid soil erosion as a result of global warming.

19. Related parties

(a) identity of related party

key management personnel's

(b) Transactions with related parties are as follows:

Transactions with regaled parties with approximate transaction value are

Key management personnel's	<u>155,465</u>	<u>155,465</u>
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Transactions with related parties were made on normal commercial terms and

20. Events subsequent to balance date

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the council, the resells of those operations, or the state of affairs of the Council in future years.

21. Approval of financial statements

The financial statements were approved by the Councilors and authorized for issue to members on the ...12... day of ...December..., 2023 in accordance with a resolution of the Councilors.