

Service is our Priority

NASINU TOWN COUNCIL

Annual Report for the Year 2018





Nasinu Town Council

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All correspondence to be addressed to the special administrator

27th January 2025

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

Dear Sir

RE: NASINU TOWN COUNCIL ANNUAL REPORT 2018

I have much pleasure in submitting the Nasinu Town Council Annual Report for 2018.

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

The Annual Report 2018 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. Felix Magnus
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 population of Nasinu 84,178 [Population Census 2007] with a population growth rate of about 2% per annum. It is also home to approximately 14,000 squatter residents in 19 different squatter settlements and the number is still growing.

The town boundary is divided in seven wards with total rateable properties of around 11,587 official ratepayers. The number of ratepayers is expected to increase following

the upgrading of two squatter settlements at Vatoa and Omkar, both in the greater Narere area, to fully developed housing estates, and the issuance of titles to lot owners.

In 2018, Mr. Mosese Kama continued as Special Administrator and with the assistance of Mr. Lute Berends, 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.



Shelvin Narayan
Actg. Chief Executive Officer

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1.0 THE COUNCIL

Nasinu Town is divided in seven wards with total rateable properties of around 11,587 official ratepayers. The Council is also home to many informal settlements.

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
- Green waste Collection
- Stray Dog Management and Control
- 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. There are only 2 major industrial areas within Nasinu which situated in the Laucala Beach Estate and Valelevu Areas. In addition, to industrials areas Nasinu has small commercial centers in Centrepont, Valelevu, Narere & Makoi.

2.0 MANAGEMENT & MEETING

ORDINARY COUNCIL

1. Mr. Mosese Kama, Special Administrator
2. Mr. Lute Berends, Chief Executive Officer
3. Ms. Esita Nawani, Manager Finance
4. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
5. Mr. Shelvin Narayan, Senior Health Inspector
6. Mrs. Elina Maraiwai, Secretary

The Council started the year with the above mentioned board with all departments represented. Subcommittees and their members to assist in the overall operations of the Council are as follows:

BUSINESS SUBCOMMITTEE

1. Mr. Mosese Kama, Special Administrator
2. Mr. Lute Berends, Chief Executive Officer
3. Ms. Esita Nawani, Manager Finance
4. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
5. Mr. Shelvin Narayan, Senior Health Inspector
6. Mrs. Elina Maraiwai, Secretary

MAINTENANCE & OPERATION SUBCOMMITTEE

1. Mr. Mosese Kama, Special Administrator
2. Mr. Lute Berends, Chief Executive Officer
3. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
4. Mr. Shelvin Narayan, Senior Health Inspector
5. Mrs. Elina Maraiwai, Secretary

PROJECT SUBCOMMITTEE

1. Mr. Mosese Kama, Special Administrator
2. Mr. Lute Berends, Chief Executive Officer
3. Ms. Esita Nawani, Manager Finance
4. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
5. Mrs. Elina Maraiwai, Secretary

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

- Ordinary Council - 6
- Business Subcommittee - 12
- Maintenance & Operations committee - 6
- Project Subcommittee - 6

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 2014 till 2019.

Human Resource

Human Resource Section ensured the Council was in line with the various Labour laws and regulations. The section dealt with day to day Human Resource operations of the Council.

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

Staffing	Numbers
Office Staff	39
Depot Staff	121
New Staff Intake	32
Resignations	17
Deaths	1

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.

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 664.

4.0 SERVICES

4.1 Health

THE Council Health Inspectors worked in accordance with the Public Health Act and other relevant Acts and Regulations to provide services to the ratepayers. These included:

- Attendance of Sanitary Complaints
- Inspections for Business Licenses
- Organization of Cleanup Campaigns
- Vector Surveillance
- Food Safety Inspections
- Dog Trapping
- Tree Planting

Attendance of Sanitary Complaints

The Council received a total 851 Sanitary related complaints of which all were attended to by the Council Officers.

Number of Complaints Received - 851

Number of Complaints Attended - 739

Number of Complaints resolved - 697

Some complaints were resolved in the following years as matters were before the Courts or need attention of other stakeholders to obtain solutions. The total of 593 notices were issued by Health Inspectors for the year with majority being complied to.

Inspections for Business Licenses

All business was inspected by the Health Inspectors before licenses is recommended for the year. A total of 1275 businesses were inspected for the year of some business were recommended for Licenses while the remainder were refused due to non-compliance with the respective laws.

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 while a few corporate companies also assisted.

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.

In addition, the Council also carried out Mass Mosquito Adulticing 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. In addition, inspections were conducted for Liquor Licenses and Food Establishment Grading.

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:- 2018	<u>No.</u>
New Dwelling	127
Rénovation/ extension	130
Other works fencing, etc.	96
No. of Industrial	13
Civic development	15
No. of Commercial	18
Re-zoning	8
TOTAL	407

All applications were processed and sent to DTCP for approval. A total of 407 building applications was received by the Nasinu Town Council with the value of \$25,824,712.20. The Council received a total of \$69,820.24 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	44
Commercial	1
Industrial	8
Civic	1
TOTAL	54

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 and in July 2018 the kitchenwaste collection increased to five (5) days in a week from all areas within Nasinu. The collection was partly funded by the Ministry of Local Government.

Cleaning of Roadside drains

Cleaning of all drains in Nasinu was done by Council and some Wards was done by the Council Contractors. 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 7-week program as the amount of refuse collected was very high.

4.4 Legal

The Legal Services Department 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. The Legal officer also assisted in most Employment Tribunal Matters as well.

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

Months	Amount Collected
January	\$ 774,721.89
February	\$ 462,307.14
March	\$ 223,176.04
April	\$ 118,198.94
May	\$ 206,986.95
June	\$ 185,780.70
July	\$ 188,164.46
August	\$ 184,607.82
September	\$ 128,041.81
October	\$ 187,733.42
November	\$ 128,619.72
December	\$ 190,511.89
Total	\$ 2,978,850.78

The Council collected a total of \$2, 978,850.78 in Town rates and Garbage fees for the year. The total Outstanding Rates and Garbage Fees as at 31st December 2018 was \$8,619,382.16.

5.2 Business License

A total of 2,602 Licenses were issued to business for operations in year 2018. The Total income from Business license was \$260,524.13.

5.3 Taxi

The Council had 88 approved taxi bases which accommodated for 650 Taxis for the whole of Nasinu area. The total income received Taxi base fees and approvals was \$215,432.76

5.4 Audited Finance

Financial Statement for the Year Ended 31st December 2018 has not been prepared by the Finance Team, thus is not available for submission.

5.5 Market Report

2018 MARKET REVENUE	
JANUARY	\$ 10,595.65
FEBRUARY	\$ 9,223.65
MARCH	\$ 9,799.25
APRIL	\$ 10,583.25
MAY	\$ 9,128.40
JUNE	\$ 9,144.40
JULY	\$ 10,799.80
AUGUST	\$ 13,549.10
SEPTEMBER	\$ 9,954.30
OCTOBER	\$ 10,346.90
NOVEMBER	\$ 8,844.10
DECEMBER	\$ 10,754.95
TOTAL	\$ 122,723.75

6.0 Major Events & Achievements

1. 27th July 2018 to 4th August 2018 - Vodafone Millennium Sinu Festival

The Millennium Sinu Festival Committee with the support of the Ministry of Local Government, Housing & Environment organized the Millennium Sinu Festival which was held at the Valelevu Ground.

The crowned Miss Millennium Sinu – Ms. Esther Vateitei was to represent Nasinu to the Fiji Pageant. However, due to unknown reasons the Miss Fiji Pageant 2018 was not held.

2. 27th December 2018 - Minister's Visit & Handing Over of Two (2) Compactor Trucks

Hon. Minister for Local Government, Ms. Premila Kumar visited the Nasinu Town Council for the first time on 27th December 2018. The Special Administrator and the Heads of Department did a presentation on the Council's 2018 update.

The Handing over of the Two (2) Compactor Trucks was carried out the same day by the Hon. Minister for Local Government, Ms. Premila Kumar. The two (2) additional trucks boosted the current fleet the Council already have in place.

3. UNESCAP Project Selection

Nasinu was selected by UNESCAP to complete a project for SDG 2030 in partnership with our local partners. The program targeted improving Waste Management in Nasinu. The Commonwealth Local Government forum and UNESCAP are partners to the program which would be completed by 2021.

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.

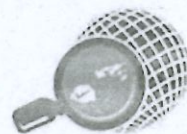
OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File: 850

16 October 2024

Mr. Felix Magnus
The Executive Chairman
Nasinu Town Council
NASINU

Dear Mr. Magnus

NASINU TOWN COUNCIL

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The audited financial statements for Nasinu Town Council for the year ended 31 December 2018 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

Finau Seru Nagera
AUDITOR-GENERAL

Encl.

**NASINU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

NASINU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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NASINU TOWN COUNCIL
COUNCIL'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Council herewith submits the Statement of Financial Position at 31 December 2018, the related Statement of Financial Performance and Statement of Movements in 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 Yavalavanua	-	Manager Engineering
Mr. Shelvin Narayan	-	Health Inspector
Mr. Alifereti Roko	-	Internal Auditor
Mrs. Filimaina Waqa	-	Manager Human Resource

2. Principal activity

The principal activities of the Council under the Local Government Act 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 2018 and 2017 amounted to surplus of \$2,156,804 [2017: surplus of \$2,343,448].

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, the Council took reasonable steps to ascertain whether any non-current assets were unlikely to realized in the ordinary course of the business compared to 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 realise.

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.

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

(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 all 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) Business Licenses

As announced in the 2020/2021 National Budget, effective from 1 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

(c) 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.

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 results of those operations, or the state of affairs of the Council in future years.

NASINU TOWN COUNCIL
COUNCIL'S REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

We acknowledge and would like to declare that the current management team only facilitated the completion of 2017 to 2018 accounts, the current SA board, CEO and The Senior Finance Team were not employed in the years of 2017 to 2018. We acknowledge the issues raised in the report compilation and the current management is working towards implementing the recommendations provided.

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

Dated this 3rd day of Sept, 2024


.....
Chief Executive Officer


.....
Administrator

NASINU TOWN COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2018

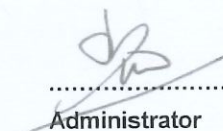
The Council states that:

- (i) 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 2018;
- (ii) the accompanying statement of changes in accumulated funds of the Council for the year ended 31 December 2018 is drawn up so as to give a true and fair view of the movement in accumulated funds;
- (iii) 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 2018;
- (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 2018;
- (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
- (vii) the financial statements have been made out in accordance with International Financial Reporting Standards and the Local Government Act.

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

Dated this 3rd day of Sept, 2024


.....
Chief Executive Officer


.....
Administrator

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 accompanying financial statements of the Nasinu Town Council which comprise the Statement of Financial Position as at 31 December 2018, Statement of Changes in Accumulated Funds, Statement of Financial Performance, 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 2017 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 2018 financial statements.

Cash on Hand and at Bank

2. The Council recorded Cash on Hand and at Bank amounting to \$777,561 in the Statement of Financial Position as at 31 December 2018 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.

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 2018.

Trade and Other Receivables

3. The Council recorded Trade and Other Receivables balance of \$8,703,434 (Note 10) in the Statement of Financial Position as at 31 December 2018. The Council has not provided evidence of any impairment assessment carried out on its Trade Receivable. In addition, the Council was not able to provide subsidiary listings for other receivables which included advances account amounting to \$65,027. Hence, we are not able to complete my testing relating to other receivables.

Consequently, I was not able to ascertain that, the existence and accuracy of the Trade and Other Receivables balance of \$8,703,434 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 2018.

Property Plant and Equipment

4. The Council was not able to provide the appropriate documents to support Property, Plant and Equipment and Investment Properties accounts amounting to \$1,749,638 and \$25,000 respectively. I was not able to complete my testing relating to the completeness and valuation of Property, Plant and Equipment and Investment Properties.

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, and Investment Properties. 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 2018.

Trade and other Creditors

5. The Council was unable to provide supports for Trade and other Creditors balance amounting to \$1,315,480 (Note 14). 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 2018.

Employee Benefit Obligations

6. The Council provided a reconciliation for the annual leave schedule amounting to \$71,394. However, the Council was unable to provide the correct Employee Benefit Obligations reconciliations and details to support the above Employee Benefit Obligations balance. 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 entitlement 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 2018.

Deferred Income

7. The Council was unable to provide the appropriate reconciliation and supporting documents to verify balances for Deferred Income amounting to \$1,148,709 (Note 17) as the reconciliations and certain grant agreements 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 2018.

Operating Revenue

8. The Council was unable to provide appropriate supporting documentation and detailed listings to support Operating Revenue balance for grant revenue \$3,526,827 and other income of \$913,216. 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 Revenue 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 2018.

Operating Expenditure

9. The Council was unable to provide appropriate supporting documentation and subsidiary listings to support Operating Expenses balance of \$3,066,828. The Council was unable to provide supporting documentation to confirm the completeness and accuracy of Payroll Expenses amounting to \$2,438,660. 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 2018.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Council in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other information

The Management and Special Administrators are responsible for the other information. The other information comprises the Council's 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 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.

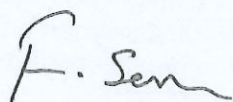
In preparing the financial statements, the Management and Special Administrators are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Special 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.



Finau Seru Nagera
AUDITOR-GENERAL



Suva, Fiji
16 October 2024

NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018	2017
<i>Revenue</i>			
Rates	5	2,362,096	2,334,536
Other Income	6	913,216	3,424,596
Interest Income		860,153	815,458
Grant		3,526,827	-
		<u>7,662,292</u>	<u>6,574,590</u>
<i>Expenditure</i>			
Advertising and public relation expense		5,038	3,402
Depreciation and amortisation expense	11,13	238,347	226,857
Employees salaries and benefits expenses	7	2,438,660	2,092,036
Garbage/rates collection expense		39,525	486,111
Repairs and maintenance expense		283,012	93,417
Transportation expense		47,628	40,612
Other operating expense	8	2,384,988	1,155,794
Finance Costs		690	1,197
Discount Allowed		67,600	131,716
		<u>5,505,488</u>	<u>4,231,142</u>
Total surplus		<u>2,156,804</u>	<u>2,343,448</u>

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

NASINU TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Accumulated Funds	Total Accumulated Funds
Balance as at 31 December 2016	7,897,434	7,897,434
Surplus for the year	2,343,448	2,343,448
Opening balance adjustment	882,630	882,630
Balance as at 31 December 2017	11,123,512	11,123,512
Surplus for the year	2,156,804	2,156,804
Balance as at 31 December 2018	13,280,316	13,280,316

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

**NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**


	Notes	2018	2017
ASSETS			
<u>CURRENT ASSETS</u>			
Cash on hand and at bank	9(b)	777,561	518,086
Trade and other receivables	10	8,703,434	8,234,297
Total Current Assets		<u>9,480,995</u>	<u>8,752,383</u>
<u>NON - CURRENT ASSETS</u>			
Property, plant and equipment	11	1,749,638	1,743,354
Construction in progress	12	5,299,783	2,765,662
Investment Properties	13	<u>25,000</u>	<u>30,000</u>
Total Non-Current Assets		<u>7,074,421</u>	<u>4,539,016</u>
TOTAL ASSETS		<u>16,555,416</u>	<u>13,291,399</u>
LIABILITIES			
<u>CURRENT LIABILITIES</u>			
Bank overdraft	9(b)	161,233	-
Trade and other creditors	14	1,315,480	980,611
Employee benefit obligations	15	71,394	63,692
Interest bearing borrowings	16	95,147	159,078
Deferred income	17	<u>830,307</u>	<u>80,523</u>
Total Current Liabilities		<u>2,473,561</u>	<u>1,283,904</u>
<u>NON-CURRENT LIABILITIES</u>			
Interest bearing borrowings	16	90,192	172,637
Deposits		392,945	392,945
Deferred income	17	<u>318,402</u>	<u>318,402</u>
		801,539	883,984
TOTAL LIABILITIES		<u>3,275,100</u>	<u>2,167,888</u>
NET ASSETS		<u>13,280,316</u>	<u>11,123,512</u>
<u>ACCUMULATED FUNDS</u>			
General Accumulated Funds		13,280,316	11,123,512
TOTAL ACCUMULATED FUNDS		<u>13,280,316</u>	<u>11,123,512</u>

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

Dated this 3rd day of Sept 2024.



Chief Executive Officer



Administrator

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

**NASINU TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018	2017
Cash flows from operating activities			
Receipts from customers		7,942,938	6,429,994
Payments to suppliers & employees		(4,847,345)	(3,961,422)
Net VAT movement		(76,533)	1,635
Net cash from operations		3,019,060	2,470,207
Finance costs		(690)	(1,197)
Net cash provided / (used) by operating activities	9(a)	<u>3,018,370</u>	<u>2,469,010</u>
Cash flows from investing activities			
Acquisition of property, plant & equipment		(239,631)	(233,731)
Construction in progress - material purchased		(2,534,122)	(2,286,413)
Net cash used in investing activities		<u>(2,773,753)</u>	<u>(2,520,144)</u>
Cash flows from financing activities			
Net borrowings movement		(146,374)	(162,571)
Net cash (used) / provided by financing activities		<u>(146,374)</u>	<u>(162,571)</u>
Net (decrease)/ increase in cash held		98,243	(213,707)
Cash and cash equivalents at the beginning of the year		518,086	731,793
Cash and cash equivalents at the end of the year	9(b)	<u>616,329</u>	<u>518,086</u>

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

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

1. General Information

The financial statements of Nasinu Town Council ("the Council") for the year ended 31 December 2018 were authorized for by the Chief Executive Officer on 3rd Sept 2024. 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. 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.

3. Summary of significant accounting policies (continued)

Operating activities are the principal revenue-producing activities of the Council. Cash flows from operating activities generally result from the transactions and other events and conditions that enter into the determination of profit or loss.

Investing activities are those activities relating to the acquisition, holding and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Council.

(b) Inventories

Inventories, comprising of maintenance materials, concrete products, steel, iron, mechanical spares, uniforms, stationery and miscellaneous items are valued at the lower of cost and net realizable value. Cost is assigned on a first-in-first-out basis.

(c) Trade and other receivable

Rates receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognized as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains or losses are recognized in the statement of comprehensive income when the receivables are derecognized or impaired, as well as through the amortization process. Bad debts are written-off as incurred. Rates received in advance of the rating period are recognized as a liability.

(d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment 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 plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

Rates are as follows:

	Over the term of the lease
Leasehold land	
Buildings	2.0%
Furniture & Fittings	10.0%
Plant & Equipment	10.0%
Office Equipment	10.0%
Motor Vehicles	10.0%
Roads, footpath and drains	1.0%

An item of property, plant and equipment is de-recognized 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.

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%
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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 derecognition 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.

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 derecognized.

(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.

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 losses'.

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) Provisions

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.

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.

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 analyze 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 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.

4. Financial risk management (continued)

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 optimizing 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 (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
5. Rates		
General rates	2,362,096	2,334,536
	<u>2,362,096</u>	<u>2,334,536</u>
6. Other Income		
Fines and miscellaneous income	146,123	2,487,870
Taxi stands and carrier base charges	77,479	295,846
Other operating income	268,706	228,193
Business license fees	236,022	228,080
Subscription	156	113
Market Income	113,057	109,718
Car park income	2,991	10,816
Rental income	68,682	63,960
	<u>913,216</u>	<u>3,424,596</u>
7. Personnel costs		
Salaries & Wages	2,107,473	1,885,961
FNPF	185,634	186,046
FBT	1,841	-
PAYE	14,561	-
FNU Levy	19,558	19,701
Staff deduction	102,628	-
Training and education	6,965	-
	<u>2,438,660</u>	<u>2,091,708</u>
8. Other Operating Costs		
Parks, gardens and public amenities	1,099,061	99,314
Hire of equipment's	890,112	212,757
Provisional tax	191,267	328
Legal expenses	15,376	53,438
Printing, stationery & postages	56,189	78,176
Telephone, internet and fax	16,619	28,240
Electricity & water	30,278	26,483
Office expenses	8,830	26,152
Computer expenses	20,367	24,689
Lease/rental	44,080	8,585
Rent	-	7,303
Meals & allowance	-	5,853
Insurance	-	3,907
Bank Charges	1,078	78,200
Uniforms	11,588	3,310
Filing fees	143	2,173
Doubtful debts	-	436
	<u>-</u>	<u>496,776</u>
	<u>2,384,988</u>	<u>1,156,120</u>

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
9. Notes to the statement of cash flows		
(a) Reconciliation of net surplus / (deficit) to cash provided by operating activities:		
Net (deficit)/surplus	2,156,804	2,343,448
<u>Add/ (Less) Non-cash items / items classified as investing:</u>		
Depreciation & amortization	238,347	226,857
Movements in Accumulated Finds	-	882,630
<u>Change in operating assets and liabilities:</u>		
(Increase)/Decrease in trade and other receivable	(469,138)	(778,739)
(Increase)/Decrease in accounts payable & other payables	411,402	41,666
(Increase)/Decrease in deferred income	749,785	(248,487)
(Increase)/Decrease in vat payable	(76,532)	1,635
(Increase)/Decrease in employee provisions	7,702	-
Cash flow provided/ (used) by operating activities	3,018,370	2,469,010
(b) Cash and cash equivalents consist of:		
Cash on hand and at bank		
Cash at Bank – ANZ Operating	26,603	23,831
Cash at Bank – BSP Operating	25,140	16,195
Cash at Bank – BSP Grant Fund	240,446	398,925
Cash at Bank – BSP 81984158	449,479	-
Cash at Bank – WBC	-	43,243
Cash on Hand	35,893	35,893
	777,561	518,086
<u>Bank Overdraft</u>		
Bank overdraft general fund	161,233	-
Total Cash and Cash Equivalents	616,329	518,086
10. Trade and other receivables		
(a) Rates and garage fees arrears		
Business license arrears	8,436,172	8,154,937
Less: provision for doubtful accounts	699,012	511,109
	(496,777)	(496,777)
	8,638,407	8,169,269
(b) Other receivables		
Advances	65,027	65,027
Total Receivables	8,703,434	8,234,297

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Property, plant and equipment

	Land & Buildings	Street lights	Motor Vehicles	Office Equipment, Furniture's & Plant	Total (\$)
Gross carrying amounts					
As at 31 December 2017	1,042,791	702,363	1,710,246	353,891	3,809,291
Additions	-	-	220,183	19,448	239,631
Disposals	-	-	-	-	-
As at 31 December 2018	1,042,791	702,363	1,930,429	373,339	4,048,922
Accumulated depreciation & amortization					
As at 31 December 2017	151,948	259,315	1,300,783	353,891	2,065,937
Depreciation	20,856	-	193,043	19,448	233,347
Disposals	-	-	-	-	-
As at 31 December 2018	172,804	259,315	1,493,826	373,339	2,299,284
Net carrying amounts					
As at 31 December 2017	890,843	443,048	409,463	-	1,743,354
As at 31 December 2018	869,987	443,048	436,603	-	1,749,638

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
12. Construction in progress (CIP)		
Opening balance		
Additions to CIP	2,765,662	479,248
Transfers	2,534,121	2,286,414
Closing balance as at 31 December	<u>5,299,783</u>	<u>2,765,662</u>
13. Investment Properties		
Land and Building – at cost	50,000	50,000
Less: accumulated depreciation	<u>(25,000)</u>	<u>(20,000)</u>
	<u>25,000</u>	<u>30,000</u>
14. Trade and other creditors		
Trade payables	831,713	573,377
VAT Payable	<u>483,767</u>	<u>407,234</u>
Total trade and other payables	<u>1,315,480</u>	<u>980,611</u>
15. Employee benefit obligations		
Employee leave	71,394	63,692
16. Interest bearing loans & drawings		
Current		
Bank overdraft – general fund	-	49,315
Finance loan – Credit Corporation 321538 (refer to note (a) below)	40,148	40,148
Finance loan – Credit Corporation 316656 (refer to note (b) below)	44,287	58,903
Finance loan – Credit Corporation 318386 (refer to note (c) below)	10,712	10,712
Total Current	<u>95,147</u>	<u>159,078</u>
Non-current		
Finance loan – Credit Corporation 321538 (refer to note (a) below)	80,368	117,186
Finance loan – Credit Corporation 316656 (refer to note (b) below)	-	39,380
Finance loan – Credit Corporation 318386 (refer to note (c) below)	9,824	16,071
Total non-current	<u>90,192</u>	<u>172,637</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 for 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

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

17. Deferred income

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

	2018	2017
Current	830,307	80,523
Non-current	318,402	318,402
	<u>1,148,709</u>	<u>398,925</u>

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

(b) The Japanese Government donated a Caterpillar SS660 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.

18. Related parties

(a) Identity of related party

Key management personnel's

(b) Transactions with related parties are as follows:

Transactions with

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

19. 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 all 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.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

19. Events subsequent to balance date (continued)

(b) Business Licenses

As announced in the 2020/2021 National Budget, effective from 1 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

(c) 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.

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 results of those operations, or the state of affairs of the Council in future years.

20. Approval of financial statements

The financial statements were approved by the Councilors and authorized for issue to members on the day of 2024 in accordance with a resolution of the Councilors.