

LEVUKA TOWN COUNCIL



ANNUAL REPORT 2015



PARLIAMENT OF FIJI

PARLIAMENTARY PAPPER NO. 101 OF 2022

Levuka Town Council

P.O. Box 70

Levuka, Fiji

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Phone: 3440014

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The Honorable Premila Kumar
Minister for Local Government, Housing & Community Development
Gladstone Road
SUVA

Dear Madam

I have much pleasure in submitting the Levuka Town Council Annual Report for 2015.

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

The Annual Report 2015 has been prepared in accordance with the provisions of Section 19(1) (a),(b) and (c) of the Local Government Act Cap. 125

Yours sincerely

.....
Josese Rakuita
Chief Executive Officer
LEVUKA TOWN COUNCIL

TABLE OF CONTENT

Foreward.....	1
Council Directory.....	2
Vision.....	3
Mission.....	3
Organisation Structure.....	4
Council Staff.....	5
Meetings.....	5
Highlights.....	6
Environmental Scan.....	7
Health Services.....	8
Works Department.....	9

FOREWARD

It gives me much pleasure to present the Levuka Town Council 2015 Annual Report. Levuka was declared a historical port town in 2013. This is a significant move for the town given its history in the link to the modern Fiji.

Levuka Town is on the island of Ovalau and was the administration centre for the Eastern Division. The town was once the first capital of Fiji and has changed over the years with the shifting of the capital to Suva. This has not diminished the value of the town still retaining a remarkable number of buildings from the colonial time. The physical evidence of the social, spiritual and cultural history of Levuka gives it a very special and important place in Fiji's history.

Today Levuka with only 152 ratepayers has limited resources hence our dependence on the central government, NGOs and other funding agencies is of importance in the upgrading of infrastructure in order to compete with the fast pace of modern society.

Having mentioned the above and with many highlights during the year is a result of vision, hard work and sacrifice amongst the Council staff and the ratepayers in supporting each other to progress Levuka into new heights.

Josese Rakuita
Chief Executive Officer

COUNCIL DIRECTORY

LOCATION: Council Office

Bowling Road, Levuka

POSTAL ADDRESS: P.O. Box 70, Levuka

PHONE: 3440014

FAX: 3440288

E-MAIL: ltc@connect.com.fj

BANK: Westpac Banking Corporation

AUDITOR: Auditor General

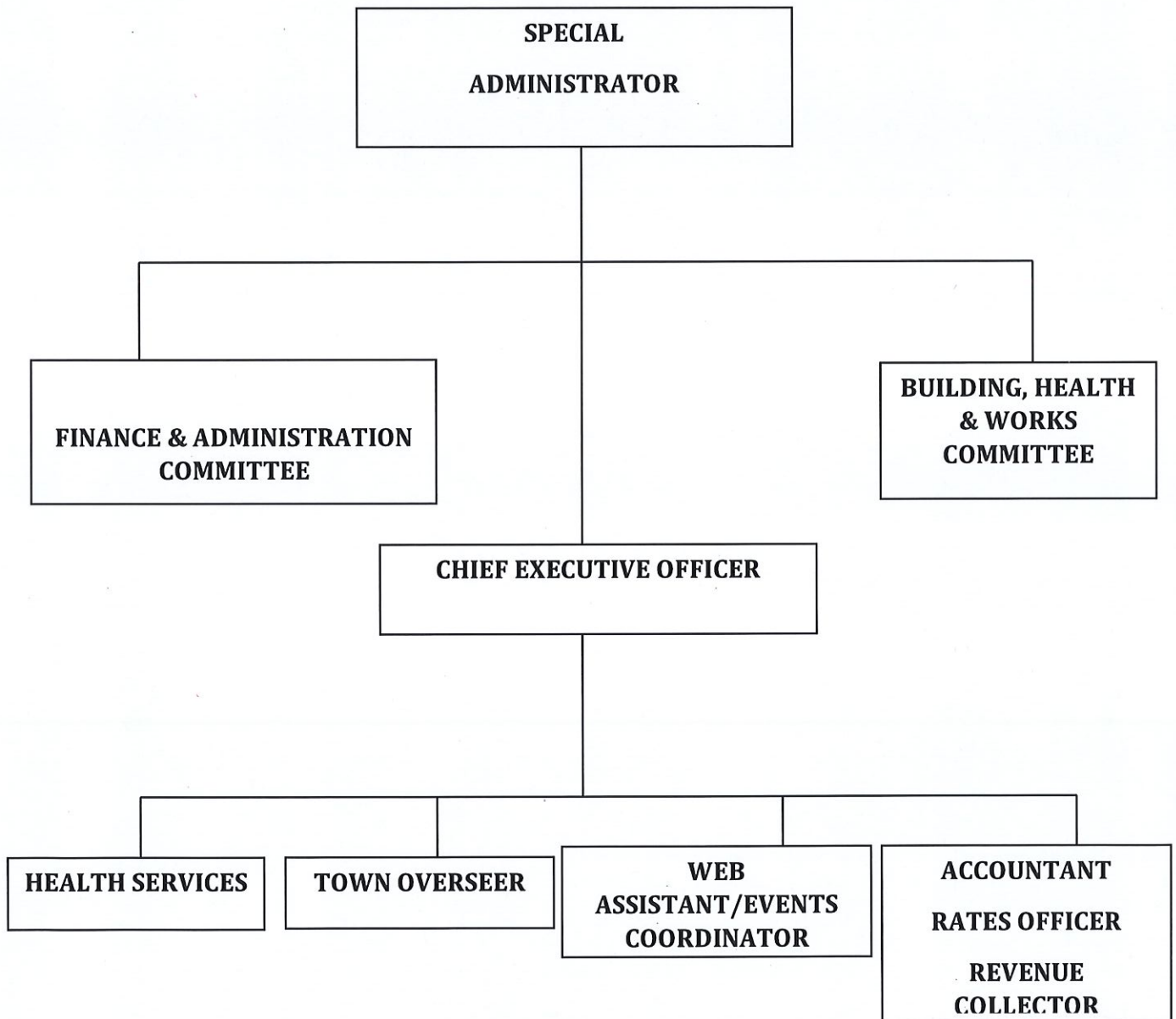
VISION

To uphold the significance of Levuka's heritage to derive sustainable livelihood for all

MISSION

To promote Levuka's economic growth through improved partnerships and efficient service delivery

ORGANISATION STRUCTURE



COUNCIL STAFF

- | | |
|----------------------------|-----------------------------------------|
| • Mr. Napolioni Masirewa | - Special Administrator(Levuka/Nausori) |
| • Ms. Suliana Sandys | - Chief Executive Officer |
| • Mr. Apenisa Tawake | - Executive Officer |
| • Shiu Nadan | - Health Inspector |
| • Mrs. Leba Aloï | - Revenue Collector |
| • Mrs. Ema Vakacegu | - Treasurer |
| • Mrs. Nunia Lomaiviti | - Ledger Clerk |
| • Mr. Timi Waqatabu | - Town Ranger |
| • Mr. Tavaga Tikomaimaleya | - Accounting Advisor |

MEETINGS

- | | |
|------------|---|
| • Council: | 9 |
| • Staff: | 3 |
| • Special: | 4 |

HIGHLIGHTS DURING THE YEAR

- Mr. Azam Khan was Acting CEO for Levuka Town Council.
- JICA volunteer, Mr. Hiroshi Yamasaki a heritage architect resume work with Council.
- Back to Levuka Carnival was held in October.
- Visit by Deputy Secretary for Local Government.
- Hosted Animals Fiji VET from UK for one week on de-sexing clinic.
- Council hosted weightlifters who represent Fiji in the South Pacific Games held at Papua New Guinea. They were all from Levuka.

ENVIRONMENTAL SCAN

The SWOT Analysis

STRENGTH	WEAKNESS	OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Historical significant• Cohesive community• Historical infrastructure• Multiracial societies and values• Educated community	<ul style="list-style-type: none">• Isolation• Lack of space for development• Transportation• Limited economic activities• Old infrastructures• Migration• Unemployment	<ul style="list-style-type: none">• Tourism heritage• Cultural diversity• Diversification of Pafco products• Cohesive community spirit	<ul style="list-style-type: none">• Adverse weather pattern• Susceptibility to disasters eg. Fire• Environment degradation• Economic downturn

HEALTH SERVICES

1. Building Applications

Total Applications Received: 19

Total Applications Approved: 11

Type of Development	Value
Residential	\$77,617.75
Commercial	\$43,540.00
Civic	\$734,778.01
Others	\$11,561,701.00
TOTAL	\$12,417,636.76

2. Land Developments: Nil

3. Nuisance Notices Issued: Nil

4. Complaints: Nil

WORKS DEPARTMENT

This year in mid June the department works together with the Town Ranger in enforcing related laws to the Town, are as follows:

1. Local Government Act
2. Levuka General Provisions and Levuka Town Planning Scheme
3. Environmental Management Act

The Department consists of a Town Ranger, Work Supervisor, trainee Environment Officer, 1 Cleaner, 1 Driver & Mechanic and 6 Field workers.

Department of Town and Country Planning provide Council a full set of a computer and a printer this to assist Council in their collecting data through the initiative of GIS Training to all Council.

Department of Environment together with JICA provides training on JPRISM Phase 1 Project. This project consists of two programs. These are:

1. Clean School Program
2. Home Composting Program

Through this initiative 10 compost bin was given from Department of Environment on a subsidy price whereby Council sold it for \$30.00 per bin.

Delana Primary School was the school whom we carried out awareness of Clean School Program.

Capital projects are as follows:

1. Restoration of the Town Hall
2. New Council Depot

Sanitation Project to Baba Informal Settlement Project

A grant was received from the New Zealand Embassy for beautification programs around town which includes a nursery.

Council also received 12 garbage bins to be installed around town sponsored by LICL.

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File: 769

20 June 2022

Mr. Josese Rakuita
Chief Executive Officer
Levuka Town Council
P O Box 70
LEVUKA

Dear Mr. Rakuita

**LEVUKA TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

The audited financial statements for Levuka Town Council for the year ended 31 December 2015 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Council for necessary action.

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

Encl.

**LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Contents

Managements' report.....	3 - 4
Statement by Chief Executive Officer.....	5
Independent auditor's report.....	6 - 8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in accumulated funds.....	11
Statement of cash flows	12
Notes to the financial statements.....	13 - 16
Detailed income statement	17
Statement of receipts and payments - Government grant account	18

**LEVUKA TOWN COUNCIL
MANAGEMENT REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

In accordance with a resolution of management, the Council herewith submits the statement of financial position as at 31 December 2015, the statement of profit and loss and other comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended on that date and report as follows:

1 Trading Results

The operating surplus for the year ended 31 December 2015 was \$249,526 (2014: \$83,363).

2 Current Assets

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

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

3 Bad and doubtful debts

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

4 Basis of accounting

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

5 Events subsequent to balance date

(a) Amendments to the Local Government Act 1972

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

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2015 financial statements is not expected to be material.

However, in financial year 2020 and beyond, it is expected that the effect of the pandemic will be substantial on our major revenue streams such as general rates, market fees and rental income. This will eventually affect the Council's operations and cash flow.

(c) Business Licenses

As announced in the 2020/2021 National budget, effective from 01 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

(d) Base Fees and Market Fees

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

(e) Other than the above mentioned events;

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

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

LEVUKA TOWN COUNCIL
MANAGEMENT REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

5 Events subsequent to balance date (continued)

(e) Other than the above mentioned events (continued);

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

6 Related party transactions

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

7 Other circumstances

At the date of this report, management is not aware of any circumstances not otherwise dealt with in this report or financial statements which

8 Unusual transactions

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

For and on behalf of management this 13th day of June 2022.



.....
Josese Rakuita
Chief Executive Officer

LEVUKA TOWN COUNCIL
STATEMENT BY CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2015

In my opinion:

- (a) the accompanying statement of profit and loss and other comprehensive income is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2015;
- (b) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Council for the year ended 31 December 2015;
- (c) the accompanying statement of changes in accumulated funds is drawn up so as to give a true and fair view of the movement in accumulated funds of the Council for the year ended 31 December 2015;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the cash flows of the Council for the year ended 31 December 2015; and
- (e) at the date of this statement there are reasonable grounds to believe the Council will be able to pay its debts as and when they fall due.

Signed on this 13th day of June 2022.



Josese Rakuita
Chief Executive Officer

OFFICE OF THE AUDITOR GENERAL

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INDEPENDENT AUDITOR'S REPORT

Levuka Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Levuka Town Council ("the Council"), which comprise the Statement of Financial Position as at 31 December 2015, the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Accumulated Funds, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, 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. The Council have not recorded any trade payables and accruals and employees annual leave expense and liability in accordance with Section 2.36 and Section 28 – *Employee Benefits* of IFRS for SMEs respectively. Furthermore, the Council did not include in its financial statements various accounting policies in the Notes to the Financial Statements in accordance with the requirements of *IFRS for SME's Section 8 – Notes to the Financial Statements* and related party transactions as required by *Section 33 – Related Party Disclosures*. As a result, the financial statements of the Council are not completely and fairly presented in accordance with all the requirements of IFRS for SMEs.
2. The Council did not record the Westpac Bank Challenge Fund bank account of \$30,898 in the Statement of Financial Position. In addition, the Council was unable to provide me with the audit trail to confirm that all transactions that occurred in this bank account were recorded in the general ledger and financial statements. As a result, I was unable to satisfy myself on the accuracy of the cash at bank balance recorded in the statement of Financial Position as at 31 December 2015.
3. The Council was unable to provide the rates receivables listings, subsidiary records and reconciliations to support the rates receivable balance of \$101,882 recorded in the Statement of Financial Position. Consequently, I was unable to ascertain the completeness and accuracy of the receivables balance of \$101,882 recorded in the financial statements as at 31 December 2015.
4. The Council recorded loan balance of \$4,975 in the statement of financial position as at 31 December 2015. The Council was unable to provide the details and reconciliation of this loan balance, which was necessary to confirm the existence and completeness of the balance. As a result, I was not able to ascertain the accuracy of loan balance of \$4,975 recorded in the financial statements as at 31 December 2015.

Basis for Disclaimer of Opinion (con't)

5. The Council was unable to provide relevant supporting documents to substantiate the disclosure of amortization of deferred grant of \$255,031 as disclosed in Note 5 to the Financial Statements. In addition, the Council has not disclosed the nature and amounts of government grant recognized in the financial statements and unfulfilled conditions and other contingencies attached to the government grant that have not been recognized in income. Consequently, I was not able to ascertain the accuracy of the deferred income balance of \$459,168 recorded in the financial statements as at 31 December 2015.
6. Note 3 to the financial statements notes grant income of \$300,255. Included in this balance is an adjustment of \$255,031. The Council was unable to provide relevant details and satisfactory explanations to support the adjustment. As a result, I was not able to ascertain the accuracy of grant income of \$300,255 recorded in the financial statements as at 31 December 2015.
7. The Council was unable to provide rates listings and reconciliations to substantiate rates income of \$141,031 as reported in Note 3 to the financial statements. Consequently, I was not able to ascertain the accuracy of the rates income of \$141,031 recorded in the financial statements as at 31 December 2015.
8. The Council was unable to provide supporting documents which includes payment vouchers, invoices or receipts to support transactions totaling \$14,058 recorded in other operating expenses of \$406,270 in the Statement of Profit or Loss and Other Comprehensive Income. In addition, the operating expenses include transactions totaling \$89,286 which relates to 2014 which were incorrectly expensed in the financial year 2015. Furthermore, expenses are recorded at VAT inclusive amount in the financial statements. As a result the total other operating expenses of \$406,270 is not fairly stated in the financial statements.
9. There was an unreconciled variance of \$28,855 in salaries and wages between the general ledger and the pay register report. The Council was unable to provide details and reconciliations to substantiate the variance. As a result, I was unable to ascertain whether the salaries and wages balance of \$207,695 is fairly stated in the financial statements.
10. The Council did not account for discount allowed on rates for the financial year ended 31 December 2015. Furthermore, relevant details and records for discount allowed was not provided by the Council. As result, I was unable to determine whether any adjustments might have been necessary in respect of the discount allowed on rates and any corresponding adjustments to the elements making up the Statement of Profit or Loss and Other Comprehensive Income.
11. Internal control functions of the Council were generally found to be weak. This is in respect of the non - preparation of monthly bank reconciliations and no separation of duties in receipting and banking. Furthermore, updating of accounting records were not practised, poor management of personnel files, reconciliations not prepared and incorrect classification of transactions in the books of accounts. In addition, there were poor revenue management, payment and procurement processes were not properly followed and journal voucher system was not maintained. For Property, Plant and Equipment, there were incorrect classification in the different classes of assets, annual board of survey was not conducted and assets were not tagged.

Emphasis of Matter

I draw attention to Note 10(b) to the financial statements which notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2015 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 10,

Emphasis of Matter (con't)

no adjustments have been made to the financial statements as at 31 December 2015. However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in the financial year 2020 and beyond.

My opinion is not modified in respect of this matter.

Other information

Management is 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 of Disclaimer of Opinion.

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

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


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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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


Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
20 June, 2022

LEVUKA TOWN COUNCIL
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
Revenue	3	963,916	558,118
Wages and salaries		(207,695)	(168,667)
Depreciation		(99,882)	(70,118)
Other operating expenses		(406,270)	(235,631)
Surplus from operations		250,069	83,702
Finance costs		(543)	(339)
Surplus for the year		249,526	83,363
Other comprehensive income		-	-
Total comprehensive income for the year		249,526	83,363

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

LEVUKA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
Current Assets			
Cash at bank	4	342,962	127,361
Receivables	6	101,882	95,319
		<u>444,844</u>	<u>222,680</u>
Non-Current Assets			
Property, plant and equipment	7	4,387,449	4,402,448
		<u>4,387,449</u>	<u>4,402,448</u>
TOTAL ASSETS		<u>4,832,293</u>	<u>4,625,128</u>
Current Liabilities			
Deferred income	5	459,168	501,529
		<u>459,168</u>	<u>501,529</u>
Non-Current Liabilities			
Loan		4,975	4,975
		<u>4,975</u>	<u>4,975</u>
TOTAL LIABILITIES		<u>464,143</u>	<u>506,504</u>
NET ASSETS		<u>4,368,150</u>	<u>4,118,624</u>
Accumulated funds		<u>4,368,150</u>	<u>4,118,624</u>

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

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Levuka Town Council's operations for the year ended 31 December 2015 and the state of affairs as at that date.


Josese Rakuita
Chief Executive Officer

Date: 13/6/22

LEVUKA TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Accumulated Funds	\$
Balance as at 31 December 2013	4,035,261	
Surplus for the year	<u>83,363</u>	
Balance as at 31 December 2014	4,118,624	
Surplus for the year	<u>249,526</u>	
Balance as at 31 December 2015	<u>4,368,150</u>	

LEVUKA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
Cash flows from operating activities		
Receipts from customers	699,459	355,607
Payments to suppliers and employees	(656,869)	(404,637)
Net cash flows/ (used) in operating activities	<u>42,590</u>	<u>(49,030)</u>
Cash flows from investing activities		
Payments for plant and equipment	(84,883)	(446,112)
Net cash used in investing activities	<u>(84,883)</u>	<u>(446,112)</u>
Cash flows from financing activities		
Receipts from government grant	257,894	529,434
Net cash provided by financing activities	<u>257,894</u>	<u>529,434</u>
Net increase in cash and cash equivalents	215,601	34,292
Cash and cash equivalents at the beginning of the financial year	<u>127,361</u>	<u>93,069</u>
Cash and cash equivalents at the end of the financial year	<u>342,962</u>	<u>127,361</u>

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: GENERAL INFORMATION

These financial statements were authorised for issue by management on 28 September, 2018.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of accounting

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

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

2.2 Fixed assets

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

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

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

Building	4.0%
Equipment	13.0%
Motor Vehicle	25.0%

2.3 Receivables

Receivables comprises rates in arrears for the year.

2.4 Payables

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

2.5 Deferred Income

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

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

2.6 Revenue Recognition

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

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont'd)

2.7 Comparative figures

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

2.8 Rounding

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

NOTE 3: REVENUE

	2015 \$	2014 \$
The breakdown of revenue is as follows:		
Fees and licenses	82,591	74,225
Rates	141,031	123,091
Rent	10,090	20,569
Other Income (other income as reported in Note 11 and hire charges)	171,949	144,715
Government grant Income	300,255	195,518
Japan Embassy Grant	244,000	-
New Zealand Grant	14,000	-
	<u>963,916</u>	<u>558,118</u>

NOTE 4: CASH AT BANK

Operational account	33,682	25,399
Government grant account	49,647	72,924
Japan Embassy grant account	244,000	-
New Zealand grant account	9,120	-
Citywide project account	6,513	29,038
	<u>342,962</u>	<u>127,361</u>

The total cash at bank balance of \$309,280 is not available for use except for the purpose of the heritage works (\$49,647), informal settlement works (\$6,513), upgrading Levuka seawall (\$244,000) and landscape improvement (\$9,120).

NOTE 5: DEFERRED INCOME

Opening balance	245,904	167,612
Government grants received during the year	257,894	242,649
Less: Amortisation for the year	(255,031)	(164,357)
	<u>248,767</u>	<u>245,904</u>
Deferred income related to donated assets	255,624	286,785
Less: accumulated amortization	(45,223)	(31,160)
	<u>210,401</u>	<u>255,625</u>
Total deferred income	<u>459,168</u>	<u>501,529</u>

NOTE 6: RECEIVABLES

Rates receivable	101,882	95,319
	<u>101,882</u>	<u>95,319</u>

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Motor Vehicle	Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2014						
Opening net book amount	3,505,000	497,263	750	23,441	-	4,026,454
Additions	-	56,703	177,624	211,785	-	446,112
Depreciation charge	-	(22,078)	(18,016)	(30,024)	-	(70,118)
Closing net book amount	3,505,000	531,888	160,358	205,202	-	4,402,448
As at 31 December 2014						
Cost	3,505,000	610,861	179,624	240,196	-	4,535,681
Accumulated depreciation	-	(78,973)	(19,266)	(34,994)	-	(133,233)
	3,505,000	531,888	160,358	205,202	-	4,402,448
Year ended 31 December 2015						
Opening net book amount	3,505,000	531,888	160,358	205,202	-	4,402,448
Additions	-	55,883	-	-	29,000	84,883
Depreciation charge	-	(24,952)	(44,906)	(30,024)	-	(99,882)
Closing net book amount	3,505,000	562,819	115,452	175,178	29,000	4,387,449
As at 31 December 2015						
Cost	3,505,000	666,744	179,624	240,196	29,000	4,620,564
Accumulated depreciation	-	(103,925)	(64,172)	(65,018)	-	(233,115)
	3,505,000	562,819	115,452	175,178	29,000	4,387,449

NOTE 8: COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital Commitments as at 31 December 2015 amounted to \$253,162 relating to the pending municipal council projects. There were no other commitments as at balance date (2014:\$28,971).

(b) There were no contingent liabilities as at 31 December 2015 (2014:\$Nil)

NOTE 9: RELATED PARTY TRANSACTIONS

Key management personnel

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

	2015 \$	2014 \$
Salary, allowances, and benefits	46,099	31,732

NOTE 10: EVENTS SUBSEQUENT TO BALANCE DATE

(a) Amendments to the Local Government Act 1972

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

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2015 financial statements is not expected to be material.

However, in financial year 2020 and beyond, it is expected that the effect of the pandemic will be substantial on our major revenue streams such as general rates, market fees and rental income. This will eventually affect the Council's operations and cash flow.

LEVUKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 10: EVENTS SUBSEQUENT TO BALANCE DATE (continued)

(c) Business Licenses

As announced in the 2020/2021 National budget, effective from 01 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

(d) Base Fees and Market Fees

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

(e) Other than the above mentioned events;

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

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

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

	2015	2014
	\$	\$
Fax, photocopy	85	138
Gatetakings	1,989	1,308
Interest	-	383
Miscellaneous	120,493	16,347
Public Convenience	59	1,624
Unidentified adjustment	46,723	130,842
	<u>169,349</u>	<u>150,642</u>

LEVUKA TOWN COUNCIL
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2015 \$	2014 \$
Revenue			
Business and trading license		31,286	28,257
Fees		51,305	45,969
Hire charges		2,600	6,143
Rates		141,031	123,091
Refund		-	39
Grant Income		300,255	195,518
Japan Embassy Grant		244,000	-
New Zealand Grant		14,000	-
Rent		10,090	8,459
Other income	11	169,349	150,642
Total revenue		<u>963,916</u>	<u>558,118</u>
Expenditure			
Administration		1,945	2,194
Advertisement		426	522
Audit and legal fees		11,342	13,150
Beautification and landscaping		57	-
Challenge fund expenses		31,789	-
Depreciation		99,882	70,118
Donation		1,510	1,823
Finance costs		543	339
FNPF contributions		11,022	6,508
FNU levy		1,289	2,141
FRCS penalty		113,322	48,233
Garbage		17,875	18,990
Greenhouse expenses		4,277	-
Insurance		928	-
Printing and stationary		3,289	-
Property maintenance		55,858	106,590
Roads and drains		880	1,840
Staff related expenses		16,466	-
Tourism marketing		-	1,130
Utilities		29,110	6,348
VAT		77,427	-
Salaries and wages		195,384	160,018
Other expenses		39,769	34,811
Total expenditure		<u>714,390</u>	<u>474,755</u>
Surplus for the year		<u>249,526</u>	<u>83,363</u>

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

LEVUKA TOWN COUNCIL
STATEMENT OF RECEIPTS AND PAYMENTS - GOVERNMENT GRANT ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
Receipts		
Government grant	257,894	242,649
Total receipts	<u>257,894</u>	<u>242,649</u>
Payments		
Administration costs	1,945	2,194
Advisor salary	16,362	14,870
Audit fees	2,267	-
Batiniwai creek retaining wall	56	2,159
CEO top up salary	29,099	14,732
Challenge fund	31,789	-
Environment officer	800	-
Events management	222	1,816
Health inspection	7,775	16,874
Heritage plaque	-	10,000
Marine drive drain upgrade	-	1,882
Market fencing	-	218
Mission hill drain	-	2,802
Garbage truck	-	102,624
New works depot	29,000	-
Nigau hill drain upgrade	-	7,798
Public convenience	-	14,275
Office equipment	-	-
Ovalau club	1,510	1,823
Pavilion upgrade	116	32,428
Project officer salary	-	338
Property maintenance	21,518	68,769
Reimbursement	11,277	654
Signage	-	6,242
Street beautification	16,661	129
Tourism marketing	-	1,130
Town hall improvement	55,883	-
VAT arrears-FRCS	77,427	-
Total payments	<u>303,707</u>	<u>303,757</u>
Deficit for the year	<u>(45,813)</u>	<u>(61,108)</u>
Balance at the beginning of the year	<u>(7,670)</u>	<u>53,438</u>
Net Loss	<u>(53,483)</u>	<u>(7,670)</u>