

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF SOMOLU LOCAL GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020

In compliance with the provisions of **Section 50 subsections 1-4 of Lagos State Local Government Administration Law No. 7 of 1999 and Sections 69 – 72 of Lagos State Public Finance Management Law No. 9 of 2011**, the accounts of Somolu Local Government for the year ended 31st December, 2020 have been audited.

The General Purpose Financial Statements were prepared by the Management of Somolu Local Government and are therefore responsible for the contents and the information contained therein.

The Financial Statements consisting Statements Nos. 3 to 6 attached herewith as Schedules (1A-1D) consisting of Statement of Cashflow, Statement of Financial Position, Statement of Financial Performance and Statement of Change in Public Fund with the accompanying notes to the accounts were prepared under International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting as applicable in the Public Sector.

The audit was conducted in accordance with Generally Accepted Auditing Standard. Projects and programmes were verified in line with the concept of Performance Audit. Hence the audit was comprehensively carried out.

In our opinion, subject to audit observation, the General Purpose Financial Statements presented for audit show a true and fair view of the financial activities of the Local Government for the year under review.

2. REVIEW OF GENERAL PURPOSE FINANCIAL STATEMENTS (GPFS)

(i) STATEMENT OF CASH FLOW

The Statement of Cashflow presented in the Financial Statements for the year ended 31st December, 2020 shows the true cashflow trend of the Local Government for the year under review. **See Schedule 1A for ease of reference**

(ii) STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position presented in the Financial Statements for the year ended 31st December, 2020 shows a true view of the Assets and Liabilities of the Local Government for the year under review. **See Schedule IB for ease of reference**

(iii) STATEMENT OF FINANCIAL PERFORMANCE

The Statement of Financial Performance presented in the Financial Statements for the year ended 31st December, 2020 shows a true view of the Income and Expenditure activities of the Local Government for the year under review. **See Schedule IC for ease of reference**

(iv) STATEMENT OF CHANGE IN PUBLIC FUND

The Statement of Change in Public Fund disclosed in the Financial Statements for the year ended 31st December, 2019 was confirmed correct. **See Schedule ID for ease of reference.**

3. Audit observations on the financial activities of the Local Government are as contained in the management report.

**SOMOLU LOCAL GOVERNMENT
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31ST DEC, 2020.
STATEMENT NO. 3 SCHEDULE 1A**

	NOTES	CURRENT PERIOD 2020	PREVIOUS PERIOD 2019
		=N=	=N=
Cash Flow From Operating Activities			
Cash Inflow			
GAIN ON DISPOSAL OF ASSETS		-	2,720,000.00
GRANT/SUBVENTION			5,070,829.39
STATUTORY ALLOCATION		2,987,271,141.34	2,707,423,903.95
INTERNALLY GENERATED REVENUE		90,576,253.91	201,457,861.44
MISCELLANEOUS		8,039,233.65	14,458,423.10
TOTAL Cash Inflow From Operating Activities		3,085,886,628.90	2,931,131,017.88
Cash Outflow From Operating Activities			
PERSONNEL EMOLUMENTS		221,204,816.87	175,240,305.62
WOMEN AFFAIRS AND POVERTY ALLEVIATION		45,940,000.00	84,732,642.00
EDUCATIONAL SERVICES		86,850,175.92	106,574,813.54
OTHER OF GENERAL NATURE		1,191,671,672.16	1,116,068,827.33
HEALTH AND ENVIRONMENTAL SERVICES		544,339,503.32	492,887,200.50
AGRICULTURAL SERVICES		161,956,999.80	125,623,100.00
WORKS AND HOUSING		132,563,642.59	136,813,759.20
DEPOSIT PAID		43,837,180.82	45,406,486.59
INVENTORIES		-	-
TOTAL Cash Outflow Operating Activities		2,428,363,991.48	2,283,347,134.78
Net Cash Flow from Operating Activities		657,522,637.42	647,783,883.10
Cash Flow from Investment Activities			
PURCHASE/CONSTRUCTION OF NON-CURRENT ASSETS (CAPITAL EXPENDITURE)		-	50,889,721.74
PURCHASE/CONSTRUCTION OF NON-CURRENT ASSETS (FIXED ASSETS)		645,032,639.61	719,869,375.56
NET PROCEED FROM OTHER ASSETS (Staff Loan, Receivables e.t.c.)		5,499,282.08	18,793,791.13
INTEREST/DIVIDEND RECEIVED		5,019.25	456.09
Net Cash Flow from Investing Activities		650,526,902.44	789,552,432.34
Net Cash Flow from Investing Activities/Operating Activities		6,995,734.98	- 141,768,549.24
Cash Flow from Financing Activities			
PROCEEDS FROM LOANS & BORROWINGS		1,313,982.08	-
PAYMENT OF OUTSTANDING LIABILITIES		2,417,215.00	1,430,837.60
NET PROCEED FROM LOAN & PAYMENT OF OUTSTANDING LIABILITIES		- 1,103,232.92	- 1,430,837.60
Net Increase/Decrease In Cash & its Equivalent		5,892,502.06	- 143,199,386.84
Cash & its Equivalent as at 01-01-2020		31,951,377.48	175,150,764.32
Cash & its Equivalent as at 31-12-2020		37,843,879.54	31,951,377.48

SOMOLU LOCAL GOVERNMENT
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST DEC, 2020.
STATEMENT NO. 4 SCHEDULE 1B

	CURRENT PERIOD 2020	PREVIOUS PERIOD 2019
ASSETS	=N=	=N=
Current Assets		
Cash And Bank Balance	37,843,879.54	31,951,377.48
Account Receivable	46,485,048.81	45,365,548.52
Staff Loans And Advances	-	-
Inventory	5,766,757.65	2,474,827.65
Prepayment	-	60,802,607.64
Transfer To Reserves	-	-
TOTAL CURRENT ASSETS	90,095,686.00	140,594,361.29
Non-Current Assets		
Land	1,244,644,065.00	1,244,644,065.00
Building	706,548,793.42	512,766,008.04
Motor Vehicle	306,081,932.20	353,896,904.94
Furniture And Equipment	76,848,515.45	14,483,146.26
Plant And Machinery	19,380,559.12	22,790,233.28
Infrastructural Assets	1,619,903,735.16	1,132,737,764.04
Utility Tools	-	-
Investments	-	-
TOTAL NON-CURRENT ASSETS	3,973,407,600.35	3,281,318,121.56
Total Asset	4,063,503,286.35	3,421,912,482.85
LIABILITIES		
Current Liabilities		
Deposits	309,259,535.46	169,660,008.61
Bank Loan And Lease	-	-
Accounts Payables	529,961,215.44	399,028,189.91
	839,220,750.90	568,688,198.52
Non-Current Liabilities		
Public Funds	-	-
Long Term Borrowings	-	-
	-	-
Total Liabilities	839,220,750.90	568,688,198.52
Net Assets	3,224,282,535.45	2,853,224,284.33
NET ASSETS/EQUITY		
Reserve	1,615,965,751.69	1,616,640,339.16
Accumulated Surlus/(Deficit)	1,608,316,783.76	1,236,583,945.17
Total Net Asset/Equity	3,224,282,535.45	2,853,224,284.33

**SOMOLU LOCAL GOVERNMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DEC, 2020.
STATEMENT NO. 5 SCHEDULE 1C**

REVENUE	CURRENT PERIOD 2020	PREVIOUS PERIOD 2019
Tax Revenue	=N=	=N=
Allocation	5,885,752,415.56	5,310,285,941.76
Taxes	14,317,793.11	11,413,421.77
Total Revenue Tax	5,900,070,208.67	5,321,699,363.53
Non Tax Revenue	-	
Grants	-	5,070,829.39
Rate	-	35,699,336.85
Local Licence And Fines	75,269,535.32	166,509,094.77
Earnings From Commercial Undertakings	12,507,467.64	27,794,335.38
Rent On Properties	2,455,000.00	6,910,000.00
Investment Income	5,019.25	456.09
Miscellaneous	8,039,233.65	17,768,623.64
Total Non Tax Revenue	98,276,255.86	259,752,676.12
Non Operating Income	-	
Gain On Disposal Of Assets	-	2,720,000.00
Total Non Operating Income	-	2,720,000.00
TOTAL REVENUE	5,998,346,464.53	5,584,172,039.65
LESS EXPENDITURE	-	
Personnel Emoluments	3,073,074,123.56	2,559,779,429.32
Works And Housing	166,667,882.46	171,459,132.48
Women Affairs And Poverty Alleviation	46,140,000.00	59,802,500.00
Educational Services	67,650,794.96	183,119,698.66
Agricultural Services	184,949,761.03	143,967,500.00
General Administration	782,014,808.87	893,842,671.83
Miscellaneous	483,891,670.42	344,946,980.41
Health And Environmental Services	607,826,108.12	542,081,856.57
Capital Expenditure	-	0.00
Current Year Depreciation	215,164,064.08	195,399,933.91
TOTAL EXPENDITURE	5,627,379,213.50	5,094,399,703.18
Net Surplus/(Deficit For The Year	370,967,251.03	489,772,336.47

**SOMOLU LOCAL GOVERNMENT
STATEMENT OF CHANGES IN PUBLIC FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 2020.
STATEMENT NO. 6 SCHEDULE 1D**

	CURRENT YEAR 2020	PREVIOUS YEAR 2019
	=N=	=N=
Accumulated surplus/(Deficit) As At 01-01-2020	1,255,261,262.67	2,864,987,596.94
Reserves As At 01-01-2020	1,616,640,339.16	- 506,006,502.60
Total Public Fund As At 01-01-2020	2,871,901,601.83	2,358,981,094.34
Net Surplus/(Deficit) For The Year	370,967,251.03	489,835,336.47
Reserves For The Year	- 18,586,317.41	4,407,853.52
Accumulated Surplus/(Deficit) & Reserve As At 31-12-2020	3,224,282,535.45	2,853,224,284.33