

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
APAPA LOCAL GOVERNMENT FOR THE YEAR ENDED 31<sup>ST</sup> 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 Apapa 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**

**(i) STATEMENT OF CASH FLOW**

The Statement of Cashflow presented in the General Purpose 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 General purpose Financial Statement for the year ended 31<sup>st</sup> December, 2020 do not show a true and fair view of the assets and liabilities of the Local Government for the year under review because the carrying values of non-current assets for the year ended 31<sup>st</sup> December, 2020 were doubtful and could not be validated as a result of failure on the part of the Local Government management to recognize the diminution value of Property, Plants and Equipments (PPE) occasioned by ENDSARS protest which led to burning of the following assets of the Local Government.

**Building**

**Motor Vehicle**

**Furniture and Equipment**

**Plant and Machinery**

The Local Government is enjoined to revalue these assets in accordance with the Generally Accepted Audit Standards (G.A.A.S) and restate the revalued amounts in line with International Public Sector Accounting Standards (3). **See Schedule 1B for ease of reference**

## **iii. STATEMENT OF FINANCIAL PERFORMANCE**

The Statement of Financial Performance presented in the General Purpose Financial Statements for the year ended 31<sup>st</sup> December, 2020 shows a true and fair view of the income and Expenditure activities of the Local Government for the year under review. **See Schedule 1C for ease of reference.**

## **iv. STATEMENT OF CHANGE IN PUBLIC FUND.**

The statement of change in public funds presented in the financial statement for the year under review 31<sup>st</sup> December, 2020 could not be confirmed correct in view of the observations noted in the Statement of Financial Position occasioned by ENDSARS Saga. **See Schedule 1D for ease of reference**

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

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

	CURRENT YEAR 2020	PREVIOUS YEAR 2019
<b>CASHFLOW FROM OPERATING ACTIVITIES:</b>	<b>=N=</b>	<b>=N=</b>
<b>CASH INFLOW:</b>		
Value Added Tax	1,552,908,009.21	945,641,007.62
Statutory Allocation	1,229,282,562.52	1,686,314,274.45
Rev	-	-
<b>GRANT/SUBVENTION</b>	<b>10,000,000.00</b>	-
Non-Tax Revenue (IGR)	-	
Sales/Disposal of Non-Current Assets	10,000.00	-
Internally Generated Revenue (IGR)	349,626,332.14	376,193,149.63
Miscellaneous	11,514,016.04	14,344,397.61
<b>ACTIVITIES</b>	<b>3,153,340,919.91</b>	<b>3,022,492,829.31</b>
<b>CASH OUTFLOW FROM OPERATING</b>		
Personnel Emolument	244,597,181.91	184,087,693.45
Other General Nature	1,165,900,631.31	1,068,018,535.43
Educational Services	55,662,000.00	66,254,275.00
Health and Environment Services	435,279,658.70	336,134,904.64
Women Affairs and Poverty Alleviation	87,130,569.35	65,028,750.00
Agricultural Services	35,815,247.50	57,007,175.68
Works and Housing	106,749,436.19	104,825,824.98
Remittance of Statutory Deductions	-	-
Payable Paid		15,046,300.00
Deposit Paid	44,951,569.40	32,796,320.95
<b>Total Cash Outflow from operating</b>	<b>2,176,086,294.36</b>	<b>1,929,199,780.13</b>
<b>Net Cashflow from Operating Activities</b>	<b>977,254,625.55</b>	<b>1,093,293,049.18</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES:</b>		
Purchase/Construction of Non-Current Assets (Capital Expenditure)	320,869,230.74	-444,265,275.09
Purchase/Construction of Non-Current Assets (Fixed Assets)	597,700,331.76	-43,483,678.53
Purchase From Other Assets	-	-519,531,911.75
Interest on Deposits	-	<b>92,570.99</b>
Proceeds from sales of unservicable vehicles	-	500,000.00
Proceeds from sales of other assets/Lake rice		-95,676,698.47
Outflow on other assets inventory		-1,950,000.00
Net Proceed From Other Assets (Staff Loan, Receivables etc.)		
Interest/Dividend Received		
<b>Cashflow From Investing Activities</b>	<b>928,272,985.00</b>	<b>(1,104,407,563.84)</b>
<b>NET CASHFLOW FROM</b>	<b>48,981,640.55</b>	<b>(11,114,514.66)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Loans and Borrowings		
Repayment of Loans and Borrowings		
<b>NET PROCEED FROM LOAN &amp; OTHER</b>		
<b>NET INCREASE/DECREASE IN CASH AND ITS EQUIVALENT</b>	<b>48,981,640.55</b>	<b>(11,114,514.66)</b>
CASH AND ITS EQUIVALENT AS AT 01-01-2020	17,632,685.30	28,747,199.96
CASH AND ITS EQUIVALENT AS AT 31-12-2020	66,706,896.84	17,632,685.30

APAPA LOCAL GOVERNMENT		
STATEMENT OF FINANCIAL POSITION		
FOR THE YEAR ENDED 31ST DECEMBER, 2020.		
STATEMENT NO. 4 SCHEDULE 1B		
	CURRENT YEAR 2020	PREVIOUS YEAR 2019
	=N=	=N=
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash And Bank Balance	66,706,896.84	17,725,256.29
Accounts Receivable	27,873,402.40	3,485,900.80
Staff Loan And Advances	10,000,000.00	10,000,000.00
Inventory	10,466,387.50	15,727,024.00
Prepayment	-	-
Transfer To Reserves	-	-
Bailout Fund	-	-
Asset Under Construction	-	203,191,011.42
<b>Total Current Assets</b>	<b>115,046,686.74</b>	<b>250,129,192.51</b>
<b>Non-Current Assets</b>		
Property, Plant & Equipment		17,279,259,698.39
Land	10,823,561,353.97	-
Building	4,623,606,842.36	-
Motor Vehicle	301,164,029.60	-
Furniture And Equipment	104,878,243.39	-
Plant And Machinery	21,039,933.42	-
Utility Tools/EQUIPMENT	9,329,977.54	-
Intangible Assets	-	-
Investments	-	-
Historical & Heritage Assets	-	-
Infrastructure Assets/ROAD	2,151,245,866.39	-
<b>Total Non-Current Asset</b>	<b>18,034,826,246.67</b>	<b>17,279,259,698.39</b>
<b>TOTAL ASSETS</b>	<b>18,149,872,933.41</b>	<b>17,529,388,890.90</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Deposits	495,965,855.31	316,518,907.96
Bank Loan And Lease	-	-
Unremitted Deduction	-	-
Accounts Payable	414,077,857.30	352,221,949.81
Deffered Income	-	-
Deposits (Lake Rice)	-	-
Total Current Liabilities	910,043,712.61	668,740,857.77
<b>Non-Current Liabilities</b>	-	-
Public Fund	-	-
Long Term Borrowings	-	-
	-	-
<b>TOTAL LIABILITIES</b>	<b>910,043,712.61</b>	<b>668,740,857.77</b>
<b>NET ASSETS</b>	<b>17,239,829,220.80</b>	<b>16,860,648,033.13</b>
<b>NET ASSETS/EQUITY</b>	-	-
<b>RESERVE</b>	<b>16,644,747,064.98</b>	16,734,973,964.25
<b>ACCUMULATED SURPLUS &amp; DEFICIT</b>	<b>595,082,155.83</b>	125,674,068.88
<b>TOTAL NET ASSETS/EQUITY</b>	<b>17,239,829,220.81</b>	<b>16,860,648,033.13</b>

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

REVENUE	CURRENT YEAR 2020	PREVIOUS YEAR 2019
	,=N=	,=N=
<b>TAX REVENUE</b>		
Allocation (Gross JAACSheet Fig)	<b>4,867,068,434.50</b>	4,253,030,024.63
Grants	-	
Taxes (1% Dev, Levy)	<b>14,293,777.39</b>	25,983,073.78
<b>TOTAL TAX REVENUE</b>	<b>4,881,362,211.89</b>	<b>4,279,013,098.41</b>
<b>NON TAX REVENUE</b>		
Grants	10,000,000.00	92,570.99
Rate	4,050,000.00	59,984,999.70
Local Licences And Fines	282,277,382.14	289,817,249.93
Earning From Commercial Undertakings	23,619,450.00	27,131,400.00
Rent On Properties	63,258,000.00	335,000.00
Interest On Deposit Account	0.00	
Investment Income	0.00	
Miscellaneous	17,088,267.47	15,463,298.64
State Consolidated Revenue	0.00	
<b>TOTAL NON TAX REVENUE</b>	<b>400,293,099.61</b>	<b>392,824,519.26</b>
<b>NON-OPERATING INCOME</b>		
Sales/Disposal Of Assets	10,000.00	500,000.00
Non-Current Assets		
<b>TOTAL NON-OPERATING INCOME</b>	<b>400,303,099.61</b>	<b>393,324,519.26</b>
<b>TOTAL REVENUE</b>	<b>5,281,665,311.50</b>	<b>4,672,337,617.67</b>
<b>LESS EXPENDITURE</b>		
Personnel Emoluments (Gross JAAC Sheet Fig)	2,309,788,514.21	1,818,412,784.87
Works And Housing	107,827,393.31	115,605,151.30
Women Affairs And Poverty Alleviation	81,239,704.00	72,451,750.00
Educational Services	57,160,386.56	69,454,693.24
Agricultural Services	36,762,800.00	59,459,550.00
General Administration	896,589,949.68	953,325,863.07
Miscellaneous	323,370,399.60	299,196,215.35
Health And Environmental Services	472,379,606.96	348,739,803.01
Capital Expenditure	0.00	
Current Year Depreciation	584,148,736.05	560,147,707.83
Loss on Impairment	35,251,633.46	
<b>TOTAL EXPENDITURE</b>	<b>4,904,519,123.83</b>	<b>4,296,793,518.67</b>
<b>Net Surplus/(Deficit) for the year</b>	<b>377,146,187.67</b>	<b>375,544,099.00</b>

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

DETAILS	CURRENT PERIOD 2020	PREVIOUS PERIOD 2019
=N=	=N=	=N=
Accumulated Surplus/(Deficit) As At 01-01-2020	13,766,040,759.70	13,422,440,529.21
Reserve As At 01-01-2019	3,096,642,273.44	3,019,911,548.27
Total Public Fund As At 01-01-2019	16,862,683,033.14	16,442,352,077.48
Net Surplus/(Deficit) For The Year	377,146,187.67	375,544,099.00
Reserve For The Year		42,751,856.65
Accumulated Surplus/(Deficit) & Reserve as at 31-12-2019	<b>17,239,829,220.81</b>	<b>16,860,648,033.13</b>