

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF LAGOS MAINLAND 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 Lagos Mainland Local Government for the year ended 31st December, 2020 have been audited.

The General Purpose Financial Statements were prepared by the Management of Lagos Mainland Government and are therefore responsible for the content 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 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 Statements for the year ended 31st December, 2020 do not show the true position of Assets and Liabilities of the Local Government because the carrying value of non-current assets for the year ended 31st December, 2020 were doubtful and could not be validated. Also the Local Government management failed to recognize the diminution value of most of the assets 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 management is enjoined to revalue these assets in accordance with the generally accepted audit standards (G.A.A.S) and restate the revalued figures in line with International Public Sector Accounting Standards (3). **See Schedule IB 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 31st December, 2020 shows a true 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 Fund presented in the General Purpose Financial Statements for the year ended 31st December, 2020 do not show the true net worth of the Local Government for the year under review. In view of the ENDSARS protest effects on Non-Current Assets Value disclosed in the Statement of Financial Position. **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.

LAGOS MAINLAND LOCAL GOVERNMENT		
STATEMENT OF CASHFLOW		
FOR THE YEAR ENDED 31ST DECEMBER, 2020.		
STATEMENT NO. 3 SCHEDULE 1A		
	CURRENT YEAR 2020	PREVIOUS YEAR 2019
CASHFLOW FROM OPERATING ACTIVITIES:	=N=	=N=
CASH INFLOW:		
Value Added Tax	443,484,683.35	376,034,564.70
Statutory Allocation	2,221,597,631.97	2,285,518,840.15
Grants/Subvention	11,698,500.00	-
CONSOLIDATED REVENUE	-	7,647,900.00
Sales/Disposal of Non-Current Assets	-	3,325,000.00
Internally Generated Revenue (IGR)	128,142,373.96	350,247,283.90
Miscellaneous	27,937,080.36	24,617,704.27
ACTIVITIES	2,832,860,269.64	3,047,391,293.02
CASH OUTFLOW FROM OPERATING	-	
Personnel Emolument	282,646,756.56	249,000,897.63
Other Of General Nature	955,380,300.70	966,120,581.05
Educational Services	146,814,542.67	191,984,726.17
Health and Environment Services	274,969,050.50	242,018,000.00
Women Affairs and Poverty Alleviation	88,215,874.07	53,147,780.00
Agricultural Services	68,664,092.19	94,844,500.00
Works and Housing	489,090,459.85	821,025,149.39
Remittance of Statutory Deductions	-	-
Deposit Paid	34,374,074.37	44,457,500.11
Total Cash Outflow from operating	2,340,155,150.91	2,662,599,134.95
Net Cashflow from Operating Activities	492,705,118.73	384,792,158.07
CASHFLOW FROM INVESTING ACTIVITIES:	-	
Purchase/Construction of Non-Current Assets (Capital Expenditure)	-	18,129,060.29
Purchase/Construction of Non-Current Assets (Fixed Assets)	495,713,154.79	154,837,929.99
Purchase From Other Assets (Inventory Paid)	-	
Interest on Deposits	-	-
Net Proceed From Other Assets (Staff Loan, Receivables etc.)	35,510,850.00	28,544,000.00
Interest/Dividend Received	-	(23,114.76)
Cashflow From Investing Activities	531,224,004.79	201,487,875.52
NET CASHFLOW FROM	(38,518,886.06)	183,304,282.55
CASHFLOW FROM FINANCING ACTIVITIES:	-	
Proceeds from Loans and Borrowings	75,000,000.00	
Repayment of Loans and Borrowings	28,211,909.98	5,000.00
NET PROCEED FROM LOAN & OTHER BORROWING	46,788,090.02	(5,000.00)
NET INCREASE/DECREASE IN CASH AND ITS	8,269,203.96	183,258,053.03
CASH AND ITS EQUIVALENT AS AT 01-01-2019	65,500,272.74	(117,757,780.29)
CASH AND ITS EQUIVALENT AS AT 31-12-2019	73,769,476.70	65,500,272.74

LAGOS MAINLAND 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=
ASSETS		
Current Assets		
Cash And Bank Balance	73,769,476.70	65,500,272.74
Accounts Receivable	33,359,011.67	16,817,260.65
Staff Loan And Advances	-	-
Inventory	13,101,605.00	7,734,630.00
Prepayment	-	-
Transfer To Reserves	-	-
Bailout Fund	-	-
Asset Under Construction	148,522,400.12	313,702,381.90
Total Current Assets	268,752,493.49	403,754,545.29
Non-Current Assets		-
Land	9,018,702,900.00	9,011,702,900.00
Building	1,483,562,551.88	1,468,488,593.55
Motor Vehicle	218,682,202.61	188,978,977.42
Furniture And Equipment	65,698,231.13	72,904,070.51
Plant And Machinery	23,470,409.41	35,361,379.21
Utility Tools	-	-
Intangible Assets	-	-
Investments	-	-
Historical & Heritage Assets	-	-
Infrastructure Assets	1,328,982,586.73	537,364,656.71
Total Non-Current Asset	12,139,098,881.76	11,314,800,577.40
		-
TOTAL ASSETS	12,407,851,375.25	11,718,555,122.69
LIABILITIES		
Current Liabilities		
Deposits	105,220,988.16	68,932,007.84
Bank Loan And Lease	46,993,018.78	-
Unremitted Deduction	147,023,505.63	83,470,110.46
Accounts Payable	381,998,990.51	399,709,383.45
Deffered Income	-	-
Deposits (Lake Rice)	-	-
Total Current Liabilities	645,803,062.20	552,111,501.75
Non-Current Liabilities		-
Public Fund	-	-
Long Term Borrowings	-	-
Total Non-Current Liability		-
TOTAL LIABILITIES	645,803,062.20	552,111,501.75
NET ASSETS	11,762,048,313.05	11,166,443,620.94
NET ASSETS/EQUITY		
RESERVE	10,814,900,144.44	10,629,684,362.11
ACCUMULATED SURPLUS & DEFICIT	947,148,168.61	536,759,258.83
TOTAL NET ASSETS/EQUITY	11,762,048,313.05	11,166,443,620.94

**LAGOS MAINLAND 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=
TAX REVENUE		
Allocation (Gross JAACSheet Fig)	5,404,729,279.99	4,762,694,485.83
Grants	-	
Taxes (1% Dev, Levy)	9,880,655.30	13,799,494.89
TOTAL TAX REVENUE	5,414,609,935.29	4,776,493,980.72
NON TAX REVENUE		
Grants	11,698,500.00	0.00
Rate	5,968,140.10	35,471,572.02
Local Licences And Fines	103,871,383.86	170,861,259.11
Earning From Commercial Undertakings	24,494,600.00	30,089,500.00
Rent On Properties	10,350,000.00	107,117,500.00
Interest On Deposit Account	0.00	0.00
Investment Income	0.00	23,114.76
Miscellaneous	27,937,080.36	24,617,704.27
State Consolidated Revenue	0.00	7,647,900.00
TOTAL NON TAX REVENUE	184,319,704.32	375,828,550.16
NON-OPERATING INCOME		
Sales/Disposal Of Assets	0.00	
Non-Current Assets	0.00	627,083.37
TOTAL NON-OPERATING INCOME	0.00	0.00
TOTAL REVENUE	5,598,929,639.61	5,152,949,614.25
LESS EXPENDITURE		
Personnel Emoluments (Gross JAAC Sheet Fig)	2,990,033,295.21	2,404,069,270.34
Works And Housing	387,526,204.44	1,096,508,591.82
Women Affairs And Poverty Alleviation	93,069,261.98	54,120,787.00
Educational Services	167,566,582.64	255,368,395.89
Agricultural Services	75,271,092.19	99,059,500.00
General Administration	831,607,712.18	818,879,003.78
Miscellaneous	218,906,181.07	254,250,102.13
Health And Environmental Services	297,992,235.98	280,221,078.71
Capital Expenditure	0.00	6,937,340.00
Current Year Depreciation	126,568,164.14	122,937,128.81
TOTAL EXPENDITURE	5,188,540,729.83	5,392,351,198.48
Net Surplus/(Deficit) for the Year	410,388,909.78	(239,401,584.23)

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

DETAILS	CURRENT YEAR 2020	PREVIOUS YEAR 2019
=N=	=N=	
Accumulated Surplus/(Deficit) As At 01-01-2019	593,914,163.77	4,422,466,145.62
Reserve As At 01-01-2019	10,610,707,120.45	46,739,670.81
Total Public Fund As At 01-01-2019	11,204,621,284.22	4,469,205,816.43
Net Surplus/(Deficit) For The Year	410,388,909.78	-239,401,584.23
Reserve For The Year	147,038,119.05	6,936,639,388.74
Accumulated Surplus/(Deficit) & Reserve as at 31-12-2019	11,762,048,313.05	11,166,443,620.94