

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF SURULERE 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 Surulere 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, 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 cash flow presented in the General Purpose Financial Statements for the year ended 31st December, 2020 shows the true liquidity position 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 shows the true position of the Assets and Liabilities of the Local Government for the year under review. **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 31st December, 2020 shows the true position 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 shows the true position of the Reserve and Net Surplus/Deficit of the Local Government for the year under review. **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.

SURULERE 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:		
Grant/Subvention		
Value Added Tax		158,225,707.98
Statutory Allocation	2,814,259,136.28	2,675,096,941.87
Statutory Allocation/Grants	33,911,000.00	
Non-Tax Revenue (IGR)	-	
Sales/Disposal of Non-Current Assets	-	3,933,500.00
Internally Generated Revenue (IGR)	221,756,722.96	411,096,521.08
Investment Income		335,500.00
Miscellaneous	33,377,935.33	26,770,614.74
ACTIVITIES	3,103,304,794.57	3,275,458,785.67
CASH OUTFLOW FROM OPERATING		
Personnel Emolument	273,297,860.68	257,702,444.92
Other General Nature	1,166,888,292.45	1,117,887,460.11
Educational Services	46,620,500.00	69,116,500.00
Health and Environment Services	296,006,900.00	290,296,811.69
Women Affairs and Poverty Alleviation	53,853,000.00	105,726,291.60
Agricultural Services	85,734,000.00	152,865,976.02
Works and Housing	420,356,149.17	477,282,586.00
Remittance of Statutory Deductions	-	
Deposit Paid	38,212,278.39	66,271,121.92
Total Cash Outflow from operating	2,380,968,980.69	2,537,149,192.26
Net Cashflow from Operating Activities	722,335,813.88	738,309,593.41
CASHFLOW FROM INVESTING ACTIVITIES:		
Purchase/Construction of Non-Current Assets (Capital Expenditure)		55,829,944.60
Purchase/Construction of Non-Current Assets (Fixed Assets)	686,257,649.54	522,875,610.94
Purchase From Other Assets (Inventory Paid)		
Interest on Deposits		
Net Proceed From Other Assets (Staff Loan, Receivables etc.)	157,703,928.83	22,073,359.63
Interest/Dividend Received		
Cashflow From Investing Activities	843,961,578.37	600,778,915.17
NET CASHFLOW FROM	(121,625,764.49)	137,530,678.24
CASHFLOW FROM FINANCING ACTIVITIES:		
Proceeds from Loans and Borrowings	150,697,952.56	
Other Payables Liabilities Paid	24,801,099.01	
Repayment of Loans and Borrowings	104,172,539.95	35,810,579.00
NET PROCEED FROM LOAN & OTHER BORROWING	21,724,313.60	-35,810,579.00
NET INCREASE/DECREASE IN CASH AND ITS EQUIVALENT	(99,901,450.89)	101,720,099.24
CASH AND ITS EQUIVALENT AS AT 01-01-2020	144,345,857.05	42,625,757.81
CASH AND ITS EQUIVALENT AS AT 31-12-2020	44,444,406.16	144,345,857.05

SURULERE 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	44,444,406.16	144,345,856.65
Accounts Receivable	316,369,150.26	271,115,879.90
Staff Loan And Advances	8,343,469.18	
Inventory	25,851,545.60	25,089,177.26
Prepayment	-	
Transfer To Reserves	-	
Bailout Fund	-	
Asset Under Construction	376,590,285.10	
Total Current Assets	771,598,856.30	440,550,913.81
Non-Current Assets		
Land	8,652,612,370.37	8,634,664,393.50
Building	1,359,270,262.74	1,385,915,371.53
Motor Vehicle	263,475,488.50	228,986,654.34
Furniture And Equipment	59,512,735.68	46,804,824.76
Plant And Machinery	31,649,074.20	34,144,082.44
Utility Tools	-	2,195,131,415.14
Intangible Assets	-	
Investments	585,058,000.00	585,058,000.00
Historical & Heritage Assets	-	
Infrastructure Assets	2,479,808,522.93	
Total Non-Current Asset	13,431,386,454.42	13,110,704,741.71
TOTAL ASSETS	14,202,985,310.72	13,551,255,655.52
LIABILITIES		
Current Liabilities		
Deposits	291,489,926.34	161,333,786.59
Bank Loan And Lease	60,000,000.00	
Unremitted Deduction	107,043,489.88	59,618,757.20
Accounts Payable	447,314,974.04	493,602,484.45
Deferred Income		
Deposits (Lake Rice)		
Total Current Liabilities	905,848,390.26	714,555,028.24
Non-Current Liabilities		
Public Fund		-
Long Term Borrowings		-
		-
TOTAL LIABILITIES	905,848,390.26	714,555,028.24
NET ASSETS	13,297,136,920.46	12,836,700,627.28
NET ASSETS/EQUITY		
RESERVE	11,651,715,059.21	11,667,333,642.96
ACCUMULATED SURPLUS & DEFICIT	1,645,421,861.25	1,169,366,984.32
TOTAL NET ASSETS/EQUITY	13,297,136,920.46	12,836,700,627.28

**SURULERE 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)	6,097,395,518.26	5,501,143,739.92
Grants	-	
Taxes (1% Dev, Levy)	17,196,446.61	8,062,731.30
TOTAL TAX REVENUE	6,114,591,964.87	5,509,206,471.22
NON TAX REVENUE		
Grants	33,911,000.00	
Rate	0.00	58,749,251.16
Local Licences And Fines	290,167,587.29	342,654,998.03
Earning From Commercial Undertakings	52,415,500.00	57,040,800.00
Rent On Properties	1,704,500.00	5,497,100.00
Interest On Deposit Account	0.00	
Investment Income	0.00	335,500.00
Miscellaneous	41,149,455.60	54,285,697.25
State Consolidated Revenue	0.00	
TOTAL NON TAX REVENUE	419,348,042.89	518,563,346.44
NON-OPERATING INCOME		6,027,769,817.66
Sales/Disposal Of Assets		(7,996,500.00)
Non-Current Assets		
TOTAL NON-OPERATING INCOME	6,533,940,007.76	6,019,773,317.66
TOTAL REVENUE		
LESS EXPENDITURE		
Personnel Emoluments (Gross JAAC Sheet Fig)	3,495,708,265.65	2,891,834,773.90
Works And Housing	494,492,202.85	609,280,372.37
Women Affairs And Poverty Alleviation	53,158,000.00	111,886,799.00
Educational Services	55,243,730.69	74,842,474.30
Agricultural Services	86,605,500.00	160,085,440.20
General Administration	974,544,250.24	926,425,565.69
Miscellaneous	354,091,275.44	364,723,060.54
Health And Environmental Services	340,849,422.58	308,777,368.66
Capital Expenditure	0.00	
Current Year Depreciation	208,929,159.28	181,338,617.01
TOTAL EXPENDITURE	6,063,621,806.73	5,629,194,471.67
Net Surplus/(Deficit) for the year	470,318,201.03	390,578,845.99

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

DETAILS	CURRENT YEAR 2020	PREVIOUS YEAR 2019
=N=	=N=	=N=
Accumulated Surplus/(Deficit) As At 01-01-2019	5,534,157,825.41	5,148,727,303.72
Reserve As At 01-01-2019	7,308,279,477.67	6,288,051,923.74
Total Public Fund As At 01-01-2019	12,842,437,303.08	11,436,779,227.46
Net Surplus/(Deficit) For The year	470,318,201.03	390,578,845.99
Reserve For The year	(15,618,583.65)	1,009,342,553.83
Accumulated Surplus/(Deficit) & Reserve as at 31-12-2019	13,297,136,920.46	12,836,700,627.28