



**BAUCHI STATE OF NIGERIA**  
**OFFICE OF THE AUDITOR-GENERAL**  
**FOR LOCAL GOVERNMENTS**

P.M.B 0130, Bauchi, Bauchi State.

Ref: ALG/OFF/S/70/VOL.I

22<sup>nd</sup> October, 2020  
Date: \_\_\_\_\_

**ANNUAL REPORT OF THE AUDITOR GENERAL FOR LOCAL GOVERNMENTS**  
**ON THE ACCOUNT OF 20 LOCAL GOVERNMENT COUNCILS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**BAUCHI STATE**

**AUDIT OBJECTIVE**

The office of the Auditor General for Local Governments is vested with the statutory powers to continuously assesses how well the Local Governments have managed their financial affairs and operations and to report the results of such assessments to the Bauchi State House of Assembly through the Public Accounts Committee.

**The objectives of our audit are: -**

- i) To obtain a reasonable assurance about whether the financial statements submitted by the Local Government Councils have been prepared in accordance with the provisions of international and Local legislations and standards, and are free from material misstatement due to fraud or error, thereby enabling the Auditor General to express an opinion on the view presented by the financial statements.
- ii) To report on the financial statement and communicate as required by the law to the Speaker of the Bauchi State House of Assembly, the Auditor General's findings on the audit of the accounts of the Local Government Councils.

**STATEMENT OF OPINION OF AUDITOR GENERAL**

We have examined the financial statement on pages 20 to 202 Which have been prepared under the existing accounting policies.

**RESPECTIVE RESPONSIBILITIES OF TREASURERS AND AUDITOR GENERAL**

The Local Government Treasurers are responsible for the preparation of the financial statement, it is my responsibility as Auditor General to form an independent opinion based on the view presented by the financial statements and report same to the State House of Assembly.

# **AUDITOR GENERAL FOR LOCAL GOVERNMENTS BAUCHI STATE**

## **ANNUAL REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

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### **STATEMENT OF OPINION OF AUDITOR GENERAL**

We have examined the financial statement on pages 20 to 202 Which have been prepared under the existing accounting policies.

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The Local Government Treasurers are responsible for the preparation of the financial statement, it is my responsibility as Auditor General to form an independent opinion based on the view presented by the financial statements and report same to the State House of Assembly.

## **SCOPE OF MY AUDIT**

We conducted our audit in accordance with the Generally Accepted Auditing Standards. An audit includes the examination on test basis of evidence related to the accounts and disclosures in the financial statements. It also includes an assessment of significant estimate and judgement made by the councils in the preparation of the financial statements and whether the accounting policies were appropriate in the council's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations considered necessary and to provide sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatement whether by fraud or other irregularities or errors. In affirming our opinion, we evaluated the preparation of the information on the financial statements and assessed whether the council's books and accounts had been properly kept.

## **AUDIT CERTIFICATION**

I have examined the financial statements of all the 20 Local Government Councils of Bauchi State as at 31<sup>st</sup> December, 2018 in accordance with Section 125 (2), (4) and (5) of the 1999 Constitution of the Federal Republic of Nigeria as amended. I have obtained all information and explanation required for my audit.

I certify as a result of my audit, that in my opinion, the statement of financial position and the supporting accounts and statements show a true and fair view of the state of affairs of Bauchi State Local Governments as at 31<sup>st</sup> December, 2018 and of the transactions for the year ended on that date subject to my comments in the reports of respective Local Governments.

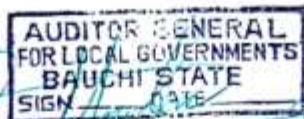
## **INTRODUCTION:**

The auditing of financial statements for the year ended 31<sup>st</sup> December, 2018 of all the twenty (20) Local Government Councils was adequately conducted and discussed with the respective Local

Government Councils. Final copy of the consolidated audited financial statements was produced as enshrined by the 1999 Constitution of the Federal Republic of Nigeria as amended, section 125 (3) connected to section 316 of the same constitution and section 38 (2) of the Bauchi State Law Vol. 3 of 2007, which I am presenting to the Honorable House.

### **SUBMISSION OF REPORT**

In the discharge of my statutory responsibilities and in compliance with the provisions of section 125 and 316 of 1999 Constitution as amended, and also section 38 (2) of the Bauchi State Law Vol. 3 of 2007. I hereby submit to the Honorable House of Assembly, my Annual Report of the Accounts of 20 Local Government Councils of Bauchi State for the financial year ended 31<sup>st</sup> December, 2018. The report contains analysis, disclosures and observations raised from routine audit inspection of Local Government Councils that were not responded to by the Local Government Councils despite the long period of time given by my office.



Sign.....22/10/2020  
**NAFIU MOHAMMED AZARE**  
**Ag. AUDITOR GENERAL FOR LOCAL GOVERNMENTS,**  
**BAUCHI STATE.**

### **RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS**

The Directors of Finance and account of each Local Government are individually responsible for maintenance of proper books of account and preparation of the financial statement of the councils. This responsibility includes decision, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatements whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.



**IBRAHIM AHMED MOHAMMED, FCNA.**

ON BEHALF OF DIRECTORS OF FINANCE AND ACCOUNTS



## **SUMMARY OF GROSS STATUTORY ALLOCATION TO THE 20 LOCAL GOVERNMENT COUNCILS**

S/N	DETAILS	2017	2018
1	Government share of FAAC	13,091,597,510.00	11,845,584,193.00
2	Value Added Tax (VAT)	-	-
3	10% Share of State Revenue	-	-
4	Other Revenue	351,308,514.00	117,393,710.00

## **SUMMARY OF LOCAL GOVERNMENTS REVENUE**

S/N	LOCAL GOVERNMENT COUNCILS	FAAC	INVT. INCOME	IGR	TOTAL
1	ALKALERI	914,866,133.00	-	4,443,686.00	919,407,819.00
2	BAUCHI	963,009,822.00	-	16,120,458.00	979,130,280.00
3	BOGORO	416,568,004.00	-	847,648.00	417,417,652.00
4	DAMBAM	508,378,770.00	-	3,479,337.00	311,858,107.00
5	DARAZO	590,130,906.00	-	5,812,648.00	695,943,554.00
6	DASS	459,170,502.00	-	2,285,851.00	461,456,353.00
7	GAMAWA	817,777,158.00	-	9,089,673.00	826,866,831.00
8	GANJUWA	476,067,543.00	-	5,416,364.00	481,681,907.00
9	GIADE	473,343,588.00	-	4,427,868.00	477,771,456.00
10	ITAS/GADAU	646,363,072.00	-	2,576,770.00	648,939,842.00
11	JAMA'ARE	318,746,190.00	-	3,095,770.00	321,842,260.00
12	KATAGUM	639,292,910.00	-	16,268,447.00	655,561,357.00
13	KIRFI	399,587,099.00	-	4,047,512.00	403,625,611.00
14	MISAU	483,616,900.00	-	4,398,733.00	488,010,633.00
15	NINGI	687,449,443.00	-	2,737,034.00	690,186,477.00
16	SHIRA	411,885,157.00	-	2,605,854.00	414,491,011.00
17	TAFAWA/BALEWA	781,107,691.00	-	4,538,587.00	785,646,278.00
18	TORO	836,855,300.00	-	16,352,908.00	853,208,208.00
19	WARJI	461,181,277.00	-	199,000.00	461,380,277.00
20	ZAKI	660,093,448.00	-	8,727,562.00	668,821,010.00
	<b>TOTAL</b>	<b><u>N11,845,584,193.00</u></b>	<b>=</b>	<b><u>117,393,710.00</u></b>	<b><u>11,963,246,923.00</u></b>

## **STATEMENT OF REVENUE AND EXPENDITURE**

<b>S/N</b>	<b>LOCAL GOVERNMENT COUNCILS</b>	<b>TOTAL REVENUE</b>	<b>TOTAL EXPENDITURE</b>
1	ALKALERI	919,407,819.00	891,167,324.00
2	BAUCHI	979,130,280.00	916,489,610.00
3	BOGORO	417,417,652.00	423,048,455.00
4	DAMBAM	311,858,107.00	501,110,431.00
5	DARAZO	695,943,554.00	666,662,862.00
6	DASS	461,456,353.00	381,232,228.00
7	GAMAWA	826,866,831.00	758,196,893.00
8	GANJUWA	481,681,907.00	492,930,081.00
9	GIADE	477,771,456.00	472,099,931.00
10	ITAS/GADAU	648,939,842.00	655,301,346.00
11	JAMA'ARE	321,842,260.00	329,165,629.00
12	KATAGUM	655,561,357.00	653,724,344.00
13	KIRFI	403,625,611.00	396,840,715.00
14	MISAU	488,010,633.00	494,278,234.00
15	NINGI	690,186,477.00	669,796,335.00
16	SHIRA	414,491,011.00	428,519,379.00
17	TAFAWA/BALEWA	785,646,278.00	722,805,268.00
18	TORO	853,208,208.00	796,761,427.00
19	WARJI	461,380,277.00	457,268,005.00
20	ZAKI	668,821,010.00	617,812,316.00
	<b>TOTAL</b>	<b><u>11,963,246,923.00</u></b>	<b><u>11,725,210,813.00</u></b>

## **GENERAL STATE OF ACCOUNTS AND RECORD KEEPING**

Some inadequacies were observed in the area of record keeping which have been forwarded to the respective Local Governments alongside recommendations and remedial action to adopt. These observed inadequacies are summarized below:

- i. Fixed mobile Assets register were either not properly kept or not maintained, improperly kept or not up to date.
- ii. Cash books were not properly kept and balanced: payment/receipt voucher codes lacked uniformity with budgetary codes.
- iii. Investment register/ ledgers were not kept.
- iv. Loans /overdraft registers/ ledgers were not maintained.
- v. No adherence to regulations on advances evidenced in the huge balances of unretired advances.
- vi. Monthly bank reconciliation was either not done or not regular.

## **FUNCTIONS OF INTERNAL CONTROL SYSTEM**

It was observed that the local Governments maintained functional system of internal control which include internal Audit Units and proper segregation of duties to ensure checks and balances in the performance of Government business. However, some internal control weaknesses were still observed. These are contained in my Audit inspection reports which have been forwarded to the Local Governments concerned for remedial actions.



## **ANALYSIS OF ASSETS AND LIABILITIES**

### **CASH AND ITS EQUIVALENT**

The consolidated closing cash and its equivalents amounted to **N106,134,252.00** for the 20 local Governments as at 31<sup>st</sup> December 2018. Some accumulated bank charges and loan repayments which were not vouched as at the time of reporting thus, were not yet charged to appropriate expenditure votes. It is expected that the time cash and bank balances would be lower than the above figure reported after proper reconciliation have been carried out. This observation has also been forwarded to the local Governments for their comments and necessary action.

### **INVESTMENTS**

The total consolidated value of all investments held by the 20 local Governments councils is **N323,801,509.00.re** These investments were not properly documented as investment Register/ Ledgers were not maintained by various councils thus, their current values could neither be ascertained nor verified. Most investment have been found to be dormant as no income by way of dividends, interest or sales were recorded in respect of those investments. Some of the organization in which these investments are said to be held are no longer in existence.

In my opinion, investigation into the current status of these investments should be carried out to established their existence, viability and fair values. Appropriate actions should be taken to write –off any moribund investments and write up/down of the active ones to their fair values.

### **PREPAYMENTS**

These represent advance payments for goods and services which the local Governments are yet to received. Monies are usually advanced to the staff of the Local Governments to carry out Jobs and other transactions on behalf of the 20 local Governments which were expected to be retired at the completion of purpose for which the advances were granted or at the end of financial year.

For the year under review, a consolidated total prepayment stood at **N229,460,082.00** balance brought forward on this account was **N87,820,928.00** During the year, there was a net movement of **N141,639,159.00** which increased the amount to be carried forward.

Audit investigation has revealed that the huge balance in the advance account was due to the non –retirement of advances after events for which they were granted have been concluded or time given has elapsed. Over the years, these have accumulated and have resulted to the current state.

It was observed that some staffs who owed advances have exited the service either by the retirement, death etc. it is therefore recommended that immediate recovery of these advances should commenced or that there should be a write off of those which have become irrecoverable so that the true position of these accounts can be established. It is also imperative for Audit clearance to be given before officers proceeded on retirement to ensure that such officers don't have unretired advances against them. This audit recommendation has already been sent to the individual Local Governments in my audit inspection report for their compliance.

### **PROPERTY PLANT AND EQUIPMENT**

The aggregate value of property, plant and equipment of 20 Local Governments amounted to **N1,064,579,851.00** as at 31<sup>st</sup> December, 2018. PPE include all allocated physical Assets of the Local Government. PPE value stated above for the year under review is net of depreciation.

### **LIABILITIES**

#### **➤ DEPOSITS**

The sum of **N247,933,875.00** represents balance on deposit account as at 31<sup>st</sup> December, 2018. This includes receipt relating to future accounting period and sum held on behalf of the third party.

It mainly consists of dues and retentions.

## **ACCUMULATED SURPLUS**

These represents accumulated excess of revenue over operational expenditure including depreciation, impairment and other charges. The consolidated figure of accumulated surpluses as at 31<sup>st</sup> December, 2018 was **N238,036,110.00**

## **AUDIT INSPECTION REPORTS**

During the year under review, Audit inspection was carried out in the Local Governments of Bauchi state. Observation, recommendations and matters arising from application of fund and other related activities were issued as inspection report to the individual Local Governments for their comments and compliance.

However, some of the observations have been resolved while others are outstanding and follow –up actions have already been taken by the office.

Accounting officers of the Local Governments are advised to ensure speedy response to all outstanding observations and sanctions. these uncleared observations are as follows.

## **UNCLEARED OBSERVATIONS**

### **UNACCOUNTED REVENUE**

The statement below represents list of unaccounted revenue receipts by some local governments amounting to N1,577,318.85  
Diversion of revenue is an offence sanctionable under financial memoranda 39(13).

Directors of finance were asked to recover the amount involved from the responsible officer's salaries without any delay. The reports were not replied despite the long period of time taken and several reminders sent.

<b>S/N</b>	<b>LOCAL GOVERNMENT</b>	<b>AMOUNT (₦)</b>
1	BAUCHI	350,200.00
2	DASS	736,218.85
3	JAMA'ARE	60,000.00
4	SHIRA	29,000.00
5	T/BALEWA	401,900.00
	<b>TOTAL</b>	<b><u>N1,577,318.85</u></b>

## **UNCLEARED OBSERVATIONS**

### **IRREGULAR PAYMENTS**

The table below represents list of payments made in respect of procurement of goods and services amounting to N196,939,577.87. However, examination of the transactions relating to these payments, revealed that goods and services said to have been procured were not actually executed. The payees concerned confirmed that they have no idea of these transactions and that their names were only used, hence our basis for qualifying these expenditures as irregular. Irregular payments represent a payment which were not made in the interest of the public and is recoverable as per FM(39)

Directors of Finance were asked to explain the circumstances behind these payments or in alternative, recover the amount involved from those responsible for the payments.

The reports were not replied despite the long time taken.

<b>S/N</b>	<b>LOCAL GOVERNMENT</b>	<b>AMOUNT (₦)</b>
1	ALKALERI	15,273,000.00
2	BAUCHI	15,000,000.00
3	BOGORO	15,045,919.00
4	DAMBAM	10,978,064.00
5	DARAZO	10,664,500.00
6	DASS	2,581,561.87
7	GAMAWA	8,900.00
8	GANJUWA	3,125,000.00
9	GIADE	2,923,600.00
10	ITAS/GADAU	6,648,700.00
11	JAMA'ARE	12,600,000.00
12	KATAGUM	15,220,000.00

13	KIRFI	15,750,000.00
14	MISAU	9,675,000.00
15	NINGI	15,855,035.00
16	SHIRA	5,694,700.00
17	TAFAWA BALEWA	15,530,000.00
18	TORO	15,368,098.00
19	WARJI	6,887,500.00
20	ZAKI	2,110,000.00
	<b>TOTAL</b>	<b><u>N196,939,577.87</u></b>



## **UNCLEARED OBSERVATIONS**

### **WRONG PAYMENT OF ALLOWANCES**

The list below represents wrong payment of various allowances to some staff of the Local Governments amounting to N25,529,252.26.

Directors of finance were asked to immediately stop payment of these allowances and recover the amount involved from the affected staff salaries.

No response was received to that effect despite the long period of time taken.

<b>S/N</b>	<b>LOCAL GOVERNMENT</b>	<b>AMOUNT</b>
1	ALKALERI	2,396,650.20
2	BOGORO	70,925.40
3	DAMBAM	451,305.12
4	DARAZO	3,015,435.74
5	DASS	1,764,528.00
6	GAMAWA	1,291,613.77
5	GIADE	662,007.68
7	KIRFI	3,694,353.60
8	MISAU	3,140,250.34
9	NINGI	2,855,743.44
10	SHIRA	279,510.59
11	WARJI	241,937.42
12	ZAKI	5,664,990.96
	<b>TOTAL</b>	<b><u>N25,529,252.26</u></b>

## **UNCLEARED OBSERVATIONS**

### **PAYMENT OF SALARIES TO DECEASE/RETIRED STAFF**

The statement below represents salaries of some staff who are being paid while they have retired from the service or have died. The total amount involved is N18,347,242.78.

Directors of finance were asked to stop the payment of salaries to this category of staff immediately and to recover the salary wrongly paid. No response was received to that effect despite the long period of time taken.

<b>S/N</b>	<b>LOCAL GOVERNMENT</b>	<b>AMOUNT</b>
1	ALKALERI	116,715.94
2	BOGORO	3,258,041.18
3	DARAZO	2,964,003.71
4	GAMAWA	853,186.25
5	Ganjuwa	1,054,064.93
6	GIADE	159,250.15
7	ITAS/GADAU	1,021,749.80
8	KIRFI	4,891,982.16
9	MISAU	695,890.76
10	TORO	3,332,357.90
	<b>TOTAL</b>	<b><u>N18,37,242.78</u></b>

## **UNCLEARED OBSERVATIONS**

### **PAYMENTS MADE WITHOUT PAYMENT VOUCHERS**

The statement below represents list payments observed to have been made without raising payment vouchers in some local governments contrary to the provision of financial memoranda (14.3).

The total amount involved is N98,874,432.48.

Directors of finance were asked to make available, all the outstanding payment vouchers for Auditing, no reply was received to that effect despite the early notifications and several reminders.

<b>S/N</b>	<b>LOCAL GOVERNMENT</b>	<b>AMOUNT</b>
1	ALKALERI	15,258,984.28
2	BAUCHI	15,486,000.00
3	BOGORO	8,641,674.75
4	DAMBAM	2,477,860.00
5	DARAZO	1,750,000.00
6	DASS	770,000.00
7	GANJUWA	6,130,280.46
8	GIADE	4,708,132.57
9	ITAS GADAU	4,286,989.42
10	JAMAARE	5,690,821.00
11	KIRFI	4,285,000.00
12	MISAU	1,995,250.00
13	NINGI	1,888,250.00
14	SHIRA	173,000.00
15	TAFAWA BALEWA	15,612,500.00
16	TORO	8,989,690.00
17	WARJI	730,000.00
	<b>TOTAL</b>	<b><u>N98,874,432.48</u></b>

**UNCLEARED OBSERVATIONS**  
**PAYMENTS MADE WITHOUT PROPER DOCUMENTATIONS**

The statement below represents list of payment observed to have been made without attaching the necessary supporting documents to the payment vouchers. The total amount involved is N74,452,604.53 This is contrary to the provision of the financial memoranda 14.4(8).

Directors finance were asked to make available, all the lacking document and attach them to the affected payment vouchers.

No reply was received to that effect despite a long period of time taken.

S/N	LOCAL GOVERNMENT	AMOUNT
1	ALKALERI	9,929,000.00
2	BAUCHI	4,724,500.00
3	BOGORO	6,510,600.00
4	DAMBAM	14,070,151.00
5	DASS	1,031,818.61
6	GANJUWA	2,106,000.00
7	GIADE	1,833,822.30
8	ITAS/GADAU	2,308,500.00
9	JAMA'ARE	9,619,295.00
10	KIRFI	1,825,750.00
11	MISAU	2,034,000.00
12	SHIRA	948,994.08
13	T/BALEWA	9,700,000.00
14	TORO	2,600,863.54
15	WARJI	4,797,560.00
16	ZAKI	411,750.00
	<b>TOTAL</b>	<b><u>N74,452,604.53</u></b>

S/N	MONTH	STATUTORY ALLOCATION N	VAT ALLOCATION N	EXCHANGE GAIN DIFF. N	NLNG DIVIDEND SHARE/ EXCESS BANK CHARGES SHARE/EXCESS PPT ACCOUNT N	TOTAL N
1	JANUARY, 2018	2,938,952,722.61	653,756,270.68	-	176,706,005.61	3,769,414,998.90
2	FEBRUARY, 2018	2,913,774,863.76	750,501,437.56	-	-	3,664,276,301.32
3	MARCH, 2018	3,009,773,092.65	693,471,241.09	-	4,028,776.00	3,707,273,109.74
4	APRIL, 2018	2,598,587,663.28	647,675,727.58	-	231,710,399.97	3,477,973,790.83
5	MAY, 2018	3,288,655,646.44	647,799,482.25	-	-	3,936,455,128.69
6	JUNE, 2018	3,140,502,890.52	722,543,280.58	-	-	3,863,046,171.10
7	JULY, 2018	3,268,028,541.07	668,823,435.20	-	45,059,646.70	3,981,911,622.97
8	AUGUST, 2018	3,152,822,529.52	617,506,441.00	-	-	3,770,328,970.52
9	SEPTEMBER, 2018	3,212,003,319.68	883,772,188.51	-	-	4,095,775,508.19
10	OCTOBER, 2018	3,077,196,969.41	612,415,981.57	1,488,640.23	294,866,144.59	3,985,967,735.80
11	NOVEMBER, 2018	3,323,088,352.47	811,764,181.90	4,130,783.79	-	4,138,983,318.16
12	DECEMBER, 2018	3,282,384,989.09	762,947,287.81	-	374,870,983.72	4,420,203,260.62
	<b>TOTAL</b>	<b>37,205,771,580.50</b>	<b>8,472,976,955.73</b>	<b>5,619,424.02</b>	<b>1,127,241,956.59</b>	<b>46,811,609,916.84</b>

S/N	MONTH	LGCs SALARY N	SUBEB/LEAs SALARY N	LOCAL GOVT. PENSION N	CONTRIBUTION TO EMIRATE COUNCILS N
1	JANUARY, 2018	978,928,467.98	1,100,696,907.10	340,168,281.60	54,750,000.00
2	FEBRUARY, 2018	980,136,049.38	1,098,926,462.06	338,304,279.30	54,750,000.00
3	MARCH, 2018	1,104,129,450.77	1,107,453,698.28	341,451,778.33	54,750,000.00
4	APRIL, 2018	1,103,436,585.81	1,104,940,938.96	341,174,263.52	54,750,000.00
5	MAY, 2018	1,103,772,279.05	1,106,071,968.39	341,805,480.90	54,750,000.00
6	JUNE, 2018	1,110,642,860.84	1,110,821,733.88	346,318,652.95	54,750,000.00
7	JULY, 2018	1,117,768,922.65	1,105,338,556.35	349,529,188.03	54,750,000.00
8	AUGUST, 2018	1,142,030,899.44	1,106,260,340.90	348,933,102.12	54,750,000.00
9	SEPTEMBER, 2018	1,135,841,915.76	1,118,340,480.33	349,371,401.60	54,750,000.00
10	OCTOBER, 2018	1,143,466,460.96	1,188,660,602.39	351,881,961.41	54,750,000.00
11	NOVEMBER, 2018	1,278,988,972.77	1,188,660,602.39	351,686,470.18	54,750,000.00
12	DECEMBER, 2018	1,288,424,345.03	1,261,412,369.89	341,682,088.81	54,750,000.00
	<b>TOTAL</b>	<b>13,487,567,210.44</b>	<b>13,597,584,660.92</b>	<b>4,142,306,948.75</b>	<b>657,000,000.00</b>

CONTRIBUTION TO STATE UNIVERSITY N	TOTAL STATUTORY DEDUCTIONS N	OTHER DEDUCTIONS	BALANCE
40,000,000.00	2,514,543,656.68	820,745,331.46	434,126,010.76
40,000,000.00	2,512,116,790.74	827,754,282.80	324,405,227.78
40,000,000.00	2,647,784,927.38	1,071,709,653.66	-12,221,471.30
40,000,000.00	2,644,301,788.29	1,840,732,961.60	-
40,000,000.00	2,646,399,728.34	1,223,641,643.10	66,413,757.25
40,000,000.00	2,662,533,247.67	1,273,101,376.84	-72,588,453.41
40,000,000.00	2,667,386,667.03	1,482,095,368.59	-167,570,412.65
40,000,000.00	2,691,974,342.46	2,055,632,729.01	-977,278,100.95
40,000,000.00	2,698,303,797.69	2,397,655,816.76	-
40,000,000.00	2,778,759,024.76	2,494,049,740.42	-
40,000,000.00	2,914,086,045.34	-	1,224,897,272.82
40,000,000.00	2,986,268,803.73	-	1,433,934,456.89
480,000,000.00	32,364,458,820.11	15,487,118,904.24	-
			<b>1,039,967,807.51</b>



# **ALKALERI LOCAL GOVERNMENT COUNCIL**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

ALH. ABDULKADIR H. FUTUK

### **HEAD OF ADMINISTRATION**

ALH. ABDULKADIR ALIYU

### **TREASURER**

DAUDA DANLADI

### **AUDITORS**

Abdulkadeer Mahmoud & Co.  
(Chartered Accountants)

### **BANKERS**

FIDELITY BANK PLC.  
FIRST BANK NIG. LTD.

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF ALKALERI LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of Alkaleri Local Government Council for the year ended 31st December, 2018 set out on pages 7-10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11-14.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards (IPSAS) and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	(5,073,251)		1,447,849	
Prepayments	6	253,000		253,000	
Inventories		<u>-</u>		<u>-</u>	
<b>Total Current Assets A</b>			(4,820,251)		1,700,849
<b>Non-Current Assets</b>					
Investments	7	18,284,170		18,284,170	
Property, Plant & Equipment	8	<u>110,644,448</u>		<u>13,164,996</u>	
<b>Total Non Current Assets B</b>			<u>128,928,618</u>		<u>31,449,166</u>
<b>Total Assets C=A+B</b>			<b>124,108,367</b>		<b>33,150,015</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	27,968,570		21,311,069	
Payables	10	<u>987,236</u>		<u>987,236</u>	
<b>Total Current Liabilities D</b>			28,955,806		22,298,305
<b>Non Current Liabilities</b>					
Public fund		26,689,921		26,689,921	
Long Term Borrowings		<u>-</u>		<u>-</u>	
<b>Total Non Current Liabilities E</b>			<u>26,689,921</u>		<u>26,689,921</u>
<b>Total Liabilities F=D+E</b>			55,645,727		48,988,226
<b>NET ASSETS G=C-F</b>			<u><b>68,462,640</b></u>		<u><b>(15,838,211)</b></u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants		56,158,376		-	
Accumulated Surplus/(Deficit)	11	<u>12,304,264</u>	<u>68,462,640</u>	<u>(15,838,211)</u>	<u>(15,838,211)</u>
<b>Total Net Assets/Equity H=G</b>			<u><b>68,462,640</b></u>		<u><b>(15,838,211)</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
N			N	N	N
<b>REVENUE</b>					
807,199,138	Govt Share of FAAC	1	914,866,113	5,818,250,000	(4,903,383,887)
-	Interest Earned	2	-	-	-
-	Aid & Grants		-	41,320,000	(41,320,000)
11,753,493	Other Revenue	3	4,443,686	68,734,073	(64,290,387)
<b>818,952,631</b>	<b>TOTAL REVENUE (a)</b>		<b>919,309,799</b>	<b>5,928,304,073</b>	<b>(5,008,994,274)</b>
<b>EXPENDITURE</b>					
794,289,519	Salaries	4	628,397,096	976,486,529	348,089,433
	Social Benefits			-	-
24,798,246	Overhead Cost	5	262,770,228	1,690,843,198	1,428,072,970
-	Grants & Contributions		-	-	-
-	Depreciation Charges		-	-	-
-	Impairment Charges		-	-	-
<b>819,087,765</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>891,167,324</b>	<b>2,667,329,727</b>	<b>1,776,162,403</b>
Surplus/(Deficit) from operating Activities for					
(135,134)	the period C=(a-b)		28,142,475	3,260,974,346	3,232,831,871
-	Gain/Loss on Disposal	22	-	-	-
-	Gain/Loss on Foreign Exchange Transaction	23	-	-	-
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture	24	-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		<b>-</b>	<b>-</b>	<b>-</b>
(135,134)	Surplus/(Deficit)from Ordinary Activities e=(c+d)		28,142,475	3,260,974,346	3,232,831,871
-	Minority Interest Share of Surplus/(Deficit) (f)	25	-	-	-
<b>(135,134)</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>28,142,475</b>	<b>3,260,974,346</b>	<b>3,232,831,871</b>



FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

**STATEMENT OF CHANGES IN EQUITY**

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	(15,838,211)	-	(15,838,211)
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	28,142,475	-	28,142,475
	<u>12,304,264</u>	<u>-</u>	<u>12,304,264</u>
			-
Balance as at 31 December 2018	<u>12,304,264</u>	<u>-</u>	<u>12,304,264</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<b>Inflows</b>		-		-	
Government Share of FAAC	1	914,866,113		807,199,138	
Government Share of VAT		-		-	
Interest Earned		-		-	
Aid & Grants		-		-	
Other Revenue	2	<u>4,443,686</u>		<u>11,739,589</u>	
<b>Total inflow from Operating Activities (A)</b>			919,309,799		818,938,727
<b>Outflows</b>					
Salaries & Wages	3	(628,397,096)		(794,289,519)	
Social Benefits		-		-	
Overhead Cost	4	(262,770,228)		(24,798,246)	
Finance Cost		<u>-</u>		<u>-</u>	
<b>Total outflow from operating Activities (B)</b>			<u>(891,167,324)</u>		<u>(819,087,765)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			28,142,475		(149,038)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from Sale of Investment		-			
Dividends Received		-		13,904	
Purchase/Construction of PPE	8	(97,479,452)		-	
Purchase/Construction of Investment Property		-		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<u>(97,479,452)</u>		<u>13,904</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received	12	56,158,376			
Proceeds from Borrowings		-			
Repayment of Borrowings		<u>-</u>			
<b>Net Cash Flow from Financing Activities</b>			<u>56,158,376</u>		<u>-</u>
<b>Net Cash flow from all Activities</b>			<u>(13,178,601)</u>		<u>(135,134)</u>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories					(253,000)
Net Movement in Receivables			-		(34,305,102)
Net Movement in Payables			<u>6,657,501</u>		<u>(34,558,102)</u>
			<u>6,657,501</u>		<u>(34,558,102)</u>
Net Cash Flow from Operating Activities			<u>(6,521,100)</u>		<u>(34,693,236)</u>
<b>Cash &amp; Its Equivalent as at 1/1/2017</b>			<u>1,447,849</u>		<u>36,141,085</u>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>			<u><u>(5,073,251)</u></u>		<u><u>1,447,849</u></u>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			26,552		26,545
Bank Balances			<u>(5,099,802)</u>		<u>1,421,304</u>
			<u><u>(5,073,251)</u></u>		<u><u>1,447,849</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	914,866,113	807,199,138
	<u><b>914,866,113</b></u>	<u><b>807,199,138</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	4,443,686	9,581,559
Interest payment & dividends	-	13,904
Miscellaneous	-	2,158,030
	<u><b>4,443,686</b></u>	<u><b>11,753,493</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	600,253,496	783,182,505
Allowances	28,143,600	11,107,014
	<u><b>628,397,096</b></u>	<u><b>794,289,519</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	2,619,237	4,497,100
Honourarium & sitting allowance	2,072,674	500,000
Welfare packages	11,291,400	459,000
Immunization supervision allowance	1,165,000	-
	<u><b>17,148,311</b></u>	<u><b>5,456,100</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	19,528,082	74,200
Local travel & transport: Training	2,277,125	51,000
International travel & transport	-	-
	<u><b>21,805,207</b></u>	<u><b>125,200</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<i><b>MATERIALS AND SUPPLIES</b></i>		
Relief materials	38,500,000	-
Purchase of Agro-chemicals	1,000,000	-
Drugs & medical supplies	2,979,000	-
Books	2,156,825	-
Teaching aids/instructional materials	1,780,000	-
Office stationeries/computer consumabl	1,960,000	5,000
Printing of security document	525,000	-
Printing of non-security document	4,669,609	307,784
	<u><b>53,570,434</b></u>	<u><b>312,784</b></u>
<i><b>MISCELLANEOUS EXPENSES</b></i>		
Security vote	13,800,000	-
Security services	50,662,800	-
Security materials	35,161,000	-
Refreshment & Meals	14,776,500	793,500
Financial Assistance	1,322,442	-
Hospitality & entertainment	-	422,000
Telephone & internet charges	147,000	818,442
Postages & courier services	-	20,000
Water pollution control	-	12,000
Water rate	-	60,000
Sporting activities	220,000	70,000
Medical expenses	-	20,000
Rent	3,577,000	947,000
Local training	2,175,000	95,000
general expenses	-	-
Electricity bills	130,000	120,700
Grant to communities	-	-
Bank charges	309,905	-
Special days celebration	5,250,000	4,563,000
	<u><b>127,531,648</b></u>	<u><b>7,941,642</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator	60,000	453,944
Other maintenance services	16,111,065	5,232,341
Maintenance of office furniture	4,000	373,715
Other transport equipment fuel cost	372,747	2,556,020
Maintenance of motor vehicles	5,532,963	130,000
Maintenance of office equipment	-	400,000
Other transport equipment maintenance	400,000	-
Maintenance of residential building	6,770,418	-
Maintenance of of office building	1,188,070	1,577,500
Maintenance of road	11,292,500	-
Maintenance of boat	514,865	-
Generator fuel cost	130,000	120,000
Motor vehicle fuel cost	-	119,000
	<b><u>42,376,628</u></b>	<b><u>10,962,520</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Surveying services	338,000	-
	<b><u>338,000</u></b>	<b><u>-</u></b>
<b>Total Overhead</b>	<b><u>262,770,228</u></b>	<b><u>24,798,246</u></b>
 <b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity bank	-	1,415,838
Unity bank	-	5,466
Bank balance	(5,099,802)	-
Cash	26,552	26,545
	<b><u>(5,073,251)</u></b>	<b><u>1,447,849</u></b>
 <b>NOTE 6 PREPAYMENTS</b>		
Advances	<b><u>253,000</u></b>	<b><u>253,000</u></b>
 <b>NOTE 7 INVESTMENTS</b>	<b><u>18,284,170</u></b>	<b><u>18,284,170</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Construction/renovation of D/Head hou	3,983,000	
Purchase/compensation of land	4,529,000	
Construction/renovation of primary sch	12,800,712	
Drilling of hand pump	13,919,808	
Renovation of Dispensary clinic	3,812,333	
Construction of skill acquisition centre	924,000	
Construction/ provision of housing	9,396,945	
Construction/provision of office building	1,900,993	
Fencing of graveyard	1,800,000	
Cattle route demarcation	2,000,000	
Construction of access road	7,760,750	
Construction/provision of water facilitie	7,500,000	
Rehabilitation/repairs- electricity	500,000	
Construction of feeder road	1,478,155	
Renovation of market	625,000	
Construction & fencing of graveyard	14,903,445	
Construction/renovation of health faciliti	9,645,310	
Infrastructure	13,164,996	13,164,996
	<b><u>110,644,448</u></b>	<b><u>13,164,996</u></b>
<b>NOTE 9 DEPOSITS</b>	<b><u>27,968,570</u></b>	<b><u>21,311,069</u></b>
<b>NOTE 10 PAYABLES</b>		
Loan/overdraft-Alkaleri MFB	<b><u>987,236</u></b>	<b><u>987,236</u></b>
<b>NOTE 11 PUBLIC FUND</b>	<b><u>26,689,921</u></b>	<b><u>26,689,921</u></b>
<b>NOTE 12 CAPITAL GRANT</b>		
Paris club refund	<b><u>56,158,376</u></b>	<b><u>-</u></b>
<b>NOTE 13 RESERVES</b>		
Brought Forward	(15,838,211)	(15,703,077)
Operating Balance for the Year	<b><u>28,142,475</u></b>	<b><u>(135,134)</u></b>
	<b><u>12,304,264</u></b>	<b><u>(15,838,211)</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**APPENDIX 1**

**SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Bauchi Sate Investment	100,000
2	Ashaka Cement Company Plc	120,000
3	Zaranda Hotel Bauchi	137,420
4	Arewa Ceremic Ltd	100,000
5	Kaduna Textile Ltd	245,000
6	Bauchi Printing & Publishing Ltd	120,000
7	Fedral Savings Bank Plc	40,000
8	Afribank Nig. Plc	10,158,750
9	Unipetrol Plc	935,000
10	Yankari Savings and Loans Ltd	50,000
11	African Petroleum	10,000
12	National Oil & Chemical Co. Plc	20,000
13	Jaiz Plc	<u>6,248,000</u>
		<u><b>18,284,170</b></u>

**APPENDIX 2**

**SCHEDULES OF ADVANCES**

<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	SUNDRY PERSONS	<u>253,000</u>
		<u><b>253,000</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

### APPENDIX 3 SCHEDULES OF DEPOSIT

D/N	PARTICULARS	AMOUNT
1	Nulge Union dues	475,520
2	N.A.N.N.M Dues	645,533
3	Medical Health Workers Union	137,397
6	Fed. Inland Revenue VAT & WHT	20,467,306
8	Yaya Digare	34,284
9	Bako Natsira	16,447
10	Adamu Gemu S/Gari	10,726
11	Tela Noma Yashi	10,726
12	Dayyabu Zakari	17,049
13	Sama'ila Lukman	49,838
14	Alh. Wambai Saleh	38,465
15	Alh. Babayo Rasha	219,900
16	Malam Bako Gwaram	100,000
17	Ahmed Aminu	50,000
18	Shehu Ahmed Futuk	50,000
19	Nuhu Sama'ila	50,000
21	Saleh Umar	10,000
22	Shehu Muh'd	31,964
23	Alh Isyaku A. Adamu	43,900
24	Alh. Ibrahim Yusuf	49,920
25	Yaya Ahmed	10,000
26	Abubakar Ado	50,000
27	Sarkin Yamman Duguri	2,067
28	Isah Sambo	50,000
29	Alh. Haruna Mai'Awaki	44,550
30	Babayo Mamuda	28,400
31	Sarkin Yamman Duguri	20,000
32	Husaini A. Kirfi	352,068
33	Iliya Abubakar Abdullahi	2,394
	NULge Motorcycle loan	4,900,116
		<b><u>27,968,570</u></b>

# **BAUCHI LOCAL GOVERNMENT COUNCIL**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

ALH CHINDO ABDU

### **HEAD OF ADMINISTRATION**

ALH YUNUSA ABDULLAHI

### **TREASURER**

AUWAL MAGAJI SALEH

### **AUDITORS**

ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)

### **BANKERS**

UNITY BANK PLC  
FIDELITY BANK PLC  
STIRLING BANK PLC  
UBA PLC  
ZENITH BANK PLC

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF BAUCHI LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of BAUCHI LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	1,898,986		533,879	
Prepayments	6	20,701,185		13,264,600	
Total Current Assets	A		22,600,171		13,798,479
<b>Non-Current Assets</b>					
Investments	7	37,692,216		37,692,216	
Property, Plant & Equipment	8	<u>138,877,748</u>		<u>-</u>	
Total Non Current Assets	B		<u>176,569,964</u>		<u>37,692,216</u>
Total Assets C=A+B			<u>199,170,135</u>		<u>51,490,695</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	24,416,686		9,619,353	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities	D		24,416,686		9,619,353
<b>Non Current Liabilities</b>					
Public Funds	10	16,687,628		16,687,628	
Long Term Borrowings		<u>-</u>		<u>-</u>	
Total Non Current Liabilities	E		<u>16,687,628</u>		<u>16,687,628</u>
Total Liabilities F=D+E			41,104,314		26,306,981
Net Assets G=C-F			<u>158,065,822</u>		<u>25,183,714</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	11	70,241,438		-	
Reserves	12	<u>87,824,384</u>		<u>25,183,714</u>	
			158,065,822		25,183,714
Total Net Assets/Equity H=G			<u>158,065,822</u>		<u>25,183,714</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017 ACTUAL N		NOTES	2018 ACTUAL N	BUDGET N	VARIANCE N
<b>REVENUE</b>					
1,088,420,328	Govt Share of FAAC	1	963,009,822	3,816,548,365	(2,853,538,543)
-	Aid & Grants		-	363,920,604	(363,920,604)
60,089,633	Other Revenue	2	16,120,458	53,308,870	(37,188,412)
<b>1,148,509,961</b>	<b>TOTAL REVENUE (a)</b>		<b>979,130,280</b>	<b>4,233,777,839</b>	<b>(3,254,647,559)</b>
<b>EXPENDITURE</b>					
1,051,305,666	Salaries	3	566,406,191	1,409,842,813	843,436,622
	Social Benefits			-	-
96,566,583	Overhead Cost	4	350,083,419	755,734,261	405,650,842
-	Grants & Contributions		-	-	-
-	Depreciation Charges		-	-	-
-	Impairment Charges		-	-	-
<b>1,147,872,249</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>916,489,610</b>	<b>2,165,577,074</b>	<b>1,249,087,464</b>
637,712	Surplus/(Deficit) from operating Activities for the period C=(a-b)		62,640,670	2,068,200,765	2,005,560,095
-	Gain/Loss on Disposal	22	-	-	-
-	Gain/Loss on Foreign Exchange Transaction	23	-	-	-
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture	24	-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		-	-	-
637,712	Surplus/(Deficit)from Ordinary Activities e=(c+d)		62,640,670	2,068,200,765	2,005,560,095
-	Minority Interest Share of Surplus/(Deficit) (f)	25	-	-	-
<b>637,712</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>62,640,670</b>	<b>2,068,200,765</b>	<b>2,005,560,095</b>

**FINANCIAL STATEMENTS**



FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

**STATEMENT OF CHANGES IN EQUITY**

	Reserve Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	25,183,714	-	25,183,714
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	62,640,670	-	62,640,670
	<u>87,824,384</u>	<u>-</u>	<u>87,824,384</u>
			-
Balance as at 31 December 2018	<u>87,824,384</u>	<u>-</u>	<u>87,824,384</u>

**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018

## CONSOLIDATED STATEMENT OF CASH FLOW

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC		963,009,822		1,088,420,328	
Government Share of VAT		-		-	
Interest Earned		-		-	
Aid & Grants		-		-	
Other Revenue		<u>16,120,458</u>		<u>60,089,633</u>	
<b>Total inflow from Operating Activities (A)</b>			979,130,280		1,148,509,961
<i>Outflows</i>					
Salaries & Wages		(566,406,191)		(1,051,305,666)	
Social Benefits		-		-	
Overhead Cost		<u>(350,083,419)</u>		<u>(96,566,583)</u>	
<b>Total outflow from operating Activities (B)</b>			<u>(916,489,610)</u>		<u>(1,147,872,249)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			62,640,670		637,712
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from Sale of Investment		-		-	
Dividends Received		-		-	
Purchase/Construction of PPE		(138,877,748)		-	
Purchase/Construction of Investment Proper		-		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(138,877,748)</b>		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		70,241,438			
Proceeds from Borrowings		-			
Repayment of Borrowings		-	<u>70,241,438</u>		-
<b>Net Cash Flow from Financing Activities</b>			<b>70,241,438</b>		-
<b>Net Cash flow from all Activities</b>			<b>(5,995,641)</b>		<b>637,712</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories					
Net Movement in Receivables			(7,436,585)		13,872,089
Net Movement in Payables			<u>14,797,333</u>		<u>-</u>
			7,360,748		13,872,089
Net Cash Flow from Operating Activities			<b>1,365,107</b>		<b>14,509,801</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>			<u>533,879</u>		<u>(13,975,922)</u>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>			<b><u>1,898,986</u></b>		<b><u>533,879</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			5,509		22,010
Bank Balances			<u>1,893,477</u>		<u>511,869</u>
			<b>1,898,986</b>		<b>533,879</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	947,117,577	1,078,461,098
Other grants	<u>15,892,245</u>	<u>9,959,230</u>
	<b><u>963,009,822</u></b>	<b><u>1,088,420,328</u></b>
 <b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	<u>16,120,458</u>	<u>60,089,633</u>
	<b><u>16,120,458</u></b>	<b><u>60,089,633</u></b>
 <b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	532,557,391	1,030,261,603
Allowances	<u>33,848,800</u>	<u>21,044,063</u>
	<b><u>566,406,191</u></b>	<b><u>1,051,305,666</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	9,060,000	8,593,213
Sallah gift allowance	–	2,228,195
Honourarium & sitting allowance	17,079,940	19,257,207
Immunization supervision allowance	2,026,000	4,814,302
Medical expenses–local	438,000	2,120,750
Welfare package	18,878,700	2,896,600
	<b><u>47,482,640</u></b>	<b><u>39,910,267</u></b>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	19,835,639	8,920,175
Local travel & transport: Training	20,687,000	11,119,700
	<b><u>40,522,639</u></b>	<b><u>20,039,875</u></b>
<i>MATERIALS AND SUPPLIES</i>		
Relief materials	106,003,800	–
Skills acquisition materials	15,460,700	–
Teaching Aid/ Instructional materials	150,000	1,120,000
Office stationeries/computer consumables	1,445,000	500,000
Field material supplies	–	50,000
Catering materials	–	299,141
Uniform & other clothing	2,864,000	58,000
Supply of materials	7,844,260	972,209
Drug & medical supplies	6,243,600	1,087,250
Printing of security document	–	623,211
Printing of non–security document	1,132,000	598,282
	<b><u>141,143,360</u></b>	<b><u>5,308,093</u></b>
<i>MISCELLANEOUS EXPENSES</i>		
Security vote	70,310,000	
Refreshment & Meals	17,693,550	4,175,000
Financial Assistance	2,353,000	1,643,604
Hospitality & entertainment	–	1,120,000
General expenses	–	3,071,768
Residential rent	300,000	–
Publicity & advertisement	1,444,000	–
Electricity bills	500,000	–
Grant to communities	13,745,000	–
Logistic support	–	3,300,978
Sporting activities	200,000	850,000
Bank charges	16,531	676,594
Cleaning & fumigation	455,000	500,000
Postage & courier service	–	341,930
Special days celebration	1,430,000	310,000
	<b><u>108,447,081</u></b>	<b><u>15,989,874</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator	150,000	91,000
Other maintenance	6,084,350	11,957,500
Maintenance of communication equipment	-	20,000
Maintenance of office furniture	45,000	40,000
Maintenance of motor vehicles	3,269,245	1,559,800
Maintenance of office equipment	236,000	20,000
Maintenance of water facility	-	112,000
Maintenance of market/public places	290,000	-
Maintenance of drainages	1,200,000	-
Maintenance of of office building	8,000	700,174
Motor vehicle fuel cost	45,105	-
	<b><u>11,327,700</u></b>	<b><u>14,500,474</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Legal services	-	108,000
Medical consulting	60,000	150,000
Engineering survey	140,000	
Information Technology consulting	-	295,000
Surveying	960,000	265,000
	<b><u>1,160,000</u></b>	<b><u>818,000</u></b>
Total Overhead	<b><u>350,083,419</u></b>	<b><u>96,566,583</u></b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity	-	125,914
UBA	-	122,671
Unity	-	87,908
Zenith	-	37,640
Sterling	-	82,737
Garu MFB	-	54,999
Bank balances	1,893,477	
Cash	5,509	22,010
	<b><u>1,898,986</u></b>	<b><u>533,879</u></b>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<b><u>20,701,185</u></b>	<b><u>13,264,600</u></b>
<b>NOTE 7 INVESTMENTS</b>	<b><u>37,692,216</u></b>	<b><u>37,692,216</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Construction / provision of hospital / health centre	4,325,941	-
Rehabilitation/repairs of residential building	7,736,983	-
Construction/provision of electricity	14,372,497	-
Rehabilitation/repairs -Roads	18,852,500	-
Rehabilitation/repairs-Market/parks	850,000	-
Construction/provision of water facilities	3,576,000	-
office furniture	1,000,000	-
Rehabilitation/repairs -electricity	1,250,500	-
Renovation of slaughter	1,551,625	-
Renovation of dispensary	60,000	-
Fencing & drilling of hand pump	26,415,782	-
Rural electrification	18,911,609	-
Construction/provision of public school	2,544,000	-
Purchase of land	1,900,000	-
Supply of office equipment	2,131,900	-
Construction of toilet	315,575	-
Constuction of shops	6,818,526	-
PURCHASE OF HEALTH / MEDICAL EQUIPMENT	3,444,000	-
CONSTRUCTION / PROVISION OF OFFICE BUILDINGS	261,000	-
CONSTRUCTION / PROVISION OF RESIDENTIAL BUILDINGS	1,281,000	-
Renovation of health centre	21,198,310	-
Purchase of generator	80,000	-
	<b><u>138,877,748</u></b>	<b><u>-</u></b>
<b>NOTE 9 DEPOSITS</b>	<b><u>24,416,686</u></b>	<b><u>9,619,353</u></b>
<b>NOTE 10 PUBLIC FUND</b>	<b><u>16,687,628</u></b>	<b><u>16,687,628</u></b>
<b>NOTE 11 CAPITAL GRANT</b>		
Paris club refund	<b><u>70,241,438</u></b>	<b><u>-</u></b>
<b>NOTE 12 RESERVES</b>		
Brought Forward	25,183,714	24,546,002
Operating Balance for the Year	62,640,670	637,712
	<b><u>87,824,384</u></b>	<b><u>25,183,714</u></b>

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**APPENDICES**

**APPENDIX 1**

**SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	FCMB (Inland Bank Plc)	16,754,231
4	F.S.B. Int Bank Plc	107,600
5	Yankari Savings & Loans	1,477,685
6	Jaiz International Plc	8,992,700
7	African petroluem Nigeria Plc	250,000
9	Access Bank (Nig) Plc	8,000,000
	Ashaka cement Nigeria limited	1,610,000
17	Conoil (National Oil) Plc	500,000
		<b><u>37,692,216</u></b>

**APPENDIX 2**

**SCHEDULES OF ADVANCES  
DESCRIPTION**

<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	Sundry Persons 2017	1,833,600
2	Alh. Ghani Shehu	8,190,350
3	Danladi Mohammed	500,000
4	Babangida Abdullahi	360,000
5	Hamza Aliyu	42,000
6	Abdullahi Aliyu	500,000
7	Umar Mohammed	500,000
8	Shehu Yelwa Jahun	8,425,235
9	Sulaiman Abubakar	350,000
		<b><u>20,701,185</u></b>

**APPENDIX 3**

**SCHEDULES OF DEPOSIT**

<b>S/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	NULGE Union Dues	613,206
2	N.A.N.N.MUnion Dues	2,057,947
3	Retention	1,533,030
4	FIRS – WHT	4,799,964
5	FIRS – 5% VAT on Contracts	15,412,539
		<b><u>24,416,686</u></b>

# **BOGORO LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ELISHA T GWAMIS**

### **HEAD OF ADMINISTRATION**

**SABO M ABDULLAHI**

### **TREASURER**

**ABDULRAHMAN IBRAHIM**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIDELITY BANK PLC  
FIRST BANK LTD  
BIC MFB LTD**



## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF BOGORO LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of BOGORO LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

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## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.  
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The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equ	5	8,386,327		(104,979)	
Prepayments	6	1,100,500		2,150,500	
Inventories		<u>-</u>		<u>-</u>	
Total Current Assets	A		9,486,827		2,045,521
<b>Non-Current Assets</b>					
Investments	7	16,600,828		16,600,828	
Property, Plant &	8	<u>30,908,850</u>		<u>-</u>	
Total Non Current Assets	B		<u>47,509,678</u>		<u>16,600,828</u>
Total Assets C=A+B			56,996,505		18,646,349
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	13,622,912		12,625,412	
Payables	10	<u>-</u>		<u>105,757</u>	
Total Current Liabilities	D		13,622,912		12,731,169
<b>Non Current Liabilities</b>					
Public Funds	11	79,003,625		79,003,625	
Long Term Borrowings		<u>-</u>		<u>-</u>	
Total Non Current Liabilities	E		<u>79,003,625</u>		<u>79,003,625</u>
Total Liabilities F=D+E			92,626,537		91,734,794
Net Assets G=C-F			<u>(35,630,032)</u>		<u>(73,088,445)</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	12	43,091,215		-	
Reserves	13	<u>(78,721,247)</u>	<u>(35,630,032)</u>	<u>(73,088,445)</u>	<u>(73,088,445)</u>
Total Net Assets/Equity H=G			<u>(35,630,032)</u>		<u>(73,088,445)</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017 ACTUAL N		NOTES	2018 ACTUAL N	2018 BUDGET N	VARIANCE N
<b>REVENUE</b>					
465,142,241	Govt Share of FAAC	1	416,568,004	3,816,548,365	(3,399,980,361)
-	Aid & Grants	2	-	363,920,604	(363,920,604)
5,859,109	Other Revenue	2	847,648	53,308,870	(52,461,222)
<b>471,001,350</b>	<b>TOTAL REVENUE (a)</b>		<b>417,415,653</b>	<b>4,233,777,839</b>	<b>(3,816,362,186)</b>
<b>EXPENDITURE</b>					
445,453,282	Salaries	3	328,411,267	1,409,842,813	1,081,431,546
	Social Benefits			-	-
25,653,047	Overhead Cost	4	94,637,188	755,734,261	661,097,073
<b>471,106,329</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>423,048,455</b>	<b>2,165,577,074</b>	<b>1,742,528,619</b>
Surplus/(Deficit) from operating Activities for the period C=(a-b)					
(104,979)			(5,632,802)	2,068,200,765	2,073,833,567
-	Share of Surplus/(Deficit) In .	24	-	-	-
<b>Total Non Operating Revenue or (Expenses)(d)</b>					
-			-	-	-
Surplus/(Deficit)from Ordinary Activities e=(c+d)					
(104,979)			(5,632,802)	2,068,200,765	2,073,833,567
<b>Net Surplus/(Deficit) for the period g=(e-f)</b>					
(104,979)			(5,632,802)	2,068,200,765	2,073,833,567

**FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.****STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated</b>	<b>Revaluation</b>	<b>TOTAL</b>
	<b>Fund</b>	<b>Reserve</b>	
	<b>=N=</b>	<b>=N=</b>	<b>=N=</b>
Balance as at 31 December 2017	(73,088,445)	-	(73,088,445)
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	(5,632,802)	-	(5,632,802)
	<u>(78,721,247)</u>	<u>-</u>	<u>(78,721,247)</u>
			-
Balance as at 31 December 2018	<u>(78,721,247)</u>	<u>-</u>	<u>(78,721,247)</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC		416,568,004		465,142,241	
Government Share of VAT		-		-	
Other Revenue		<u>847,648</u>		<u>5,859,109</u>	
<b>Total inflow from Operating Activities (A)</b>		<b>417,415,653</b>		<b>471,001,350</b>	
<i>Outflows</i>					
Salaries & Wages		(328,411,267)		(445,453,282)	
Social Benefits		-		-	
Overhead Cost		<u>(94,637,188)</u>		<u>(25,653,047)</u>	
<b>Total outflow from operating Activities (B)</b>		<b>(423,048,455)</b>		<b>(471,106,329)</b>	
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>		<b>(5,632,802)</b>		<b>(104,979)</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Dividends Received		-		-	
Purchase/Construction of PPE		(30,908,850)		-	
Purchase/Construction of Investment Proper		-		-	
Acqusition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>		<b>(30,908,850)</b>		<b>-</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		43,091,215		-	
Repayment of Borrowings		<u>-</u>		<u>-</u>	
<b>Net Cash Flow from Financing Activities</b>		<b>43,091,215</b>		<b>-</b>	
<b>Net Cash flow from all Activities</b>		<b>6,549,563</b>		<b>(104,979)</b>	
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories					
Net Movement in Receivables		1,050,000		27,932,542	
Net Movement in Payables		<u>891,743</u>		<u>-</u>	
		<u>1,941,743</u>		<u>27,932,542</u>	
Net Cash Flow from Operating Activities		<b>8,491,306</b>		<b>27,827,563</b>	
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>		<b>(104,979)</b>		<b>(27,932,542)</b>	
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>		<b><u>8,386,327</u></b>		<b><u>(104,979)</u></b>	
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances		1,084,004		-	
Bank Balances		7,302,323		778	
Overdraft		<u>-</u>		<u>(105,757)</u>	
		<b><u>8,386,327</u></b>		<b><u>(104,979)</u></b>	

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	416,568,004	465,142,241
	<u><b>416,568,004</b></u>	<u><b>465,142,241</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	847,648	5,859,109
10% Share of State Internal Revenue	-	-
Sale of shares	-	-
	<u><b>847,648</b></u>	<u><b>5,859,109</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	322,871,267	445,453,282
Allowances	5,540,000	-
	<u><b>328,411,267</b></u>	<u><b>445,453,282</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	14,100,900	8,933,695
Honourarium & sitting allowance	4,073,618	3,033,000
Immunization supervision allowance	2,921,400	
Welfare packages	7,300,000	
Medical expenses-local	-	
Burial expenses	429,000	
Disturbance allowance	-	-
	<u><b>28,824,918</b></u>	<u><b>11,966,695</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	14,885,627	2,313,000
Local travel & transport: Training	-	568,765
International travel & transport	-	-
	<u><b>14,885,627</b></u>	<u><b>2,881,765</b></u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**NOTES TO THE ACCOUNTS**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<i><b>MATERIALS AND SUPPLIES</b></i>		
Relief materials	12,889,576	
Purchase of agro-chemical	9,999,750	
Drugs & medical supplies	4,424,760	
Office stationeries/computer coms	80,000	2,059,873
Printing of non-security document	371,500	1,350,000
	<b><u>27,765,586</u></b>	<b><u>3,409,873</u></b>
<i><b>MISCELLANEOUS EXPENSES</b></i>		
Security vote		
Refreshment & Meals	3,644,240	1,070,000
Rent	100,000	
Financial Assistance	1,189,650	
Hospitality & entertainment	3,380,000	3,967,540
Sporting activities	1,230,000	
Awareness & sensitization	4,751,585	
Training	1,913,520	
Advertisement & publicity	1,458,000	
Electricity bills	20,000	216,431
Grant to communities	616,000	
Bank charges	198,312	131,216
Special days celebration	1,290,000	-
	<b><u>19,791,307</u></b>	<b><u>5,385,187</u></b>
<i><b>MAINTENANCE SERVICES</b></i>		
Maintenance of generator	-	275,305
Other maintenance services	905,000	
Maintenance of office furniture	-	
Maintenance of motor vehicles	141,000	785,200
Maintenance of office equipment		235,890
Generator fuel cost		476,500
Maintenance of residential building	480,000	
Motor vehicle fuel cost	1,843,750	236,632
	<b><u>3,369,750</u></b>	<b><u>2,009,527</u></b>
<i><b>CONSULTING &amp; PROFESSIONAL SERVICES</b></i>		
Surveying	-	-
	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Overhead</b>	<b><u>94,637,188</u></b>	<b><u>25,653,047</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
BIC Micrifinance bank		(105,757)
First Bank	-	778
Bank balance	7,302,323	
Cash	1,084,004	-
	<u><b>8,386,327</b></u>	<u><b>(104,979)</b></u>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<u><b>1,100,500</b></u>	<u><b>2,150,500</b></u>
<b>NOTE 7 INVESTMENTS</b>	<u><b>16,600,828</b></u>	<u><b>16,600,828</b></u>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Completion of guest house	3,036,972	
Drilling of borehole	9,975,000	
Hand pump	4,307,692	
Purchase of generator	65,000	
Lock up shop	5,033,061	
Construction of culvert	1,936,125	
Renovation of primary school	1,115,500	
Sport equipment	720,000	
Purchase of motor cycle	2,009,500	
Construction of BOI S/complex	2,710,000	
	<u><b>30,908,850</b></u>	
<b>NOTE 9 DEPOSITS</b>	<u><b>13,622,912</b></u>	<u><b>12,625,412</b></u>
<b>NOTE 10 LOAN/OVERDRAFT</b>		
First Bank	<u><b>-</b></u>	<u><b>105,757</b></u>
<b>NOTE 11 PUBLIC FUND</b>	<u><b>79,003,625</b></u>	<u><b>79,003,625</b></u>
<b>NOTE 12 CAPITAL GRANT</b>		
Paris club refund	<u><b>43,091,215</b></u>	<u><b>-</b></u>
<b>NOTE 13 RESERVES</b>		
Brought Forward	(73,088,445)	(72,983,466)
Operating Balance for the Year	(5,632,802)	(104,979)
	<u><b>(78,721,247)</b></u>	<u><b>(73,088,445)</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**SCHEDULES OF INVESTMENT**

**APPENDIX 1**

1 African Petroleum Limited	50,000
2 Ashaka Cement Factory	175,000
3 Inland Bank Nigeria Limited	1,516,000
4 Urban Development Bank Nigeria Plc	500,000
5 Bauchi Hotels Limited	118,520
6 Union Bank Nigeria Plc	183,658
7 First Bank Nigeria Plc	100,700
8 Wasco Cement Company	159,186
9 FCB International Bank	159,118
10 Agric Bank ( Bauchi)	1,136,045
11 Ja'iz International Plc	4,055,200
12 Intercellular Nigeria Plc	1,190,476
13 Yankari Savings and Loans	1,256,925
14 Bawa Investment	6,000,000
	<u><b>16,600,828</b></u>

**SCHEDULES OF ADVANCES**

**APPENDIX 2**

<b>S/N</b>	<b>NAMES</b>	<b>DETAILS</b>	<b>AMOUNT ₦</b>
1	SUNDRY PERSONS	MONTHLY IMPREST	<u><b>1,100,500</b></u>

**SCHEDULES OF DEPOSIT**

**APPENDIX 3**

<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
D2	FIRS – 5% VAT on Contracts	650,598
D3	Contract deduction	1,681,634
D3	UBA NULGE Cash loan	11,290,680
		<u><b>13,622,912</b></u>

# **DAMBAM LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ALH MOHAMMED JAURO DAGAUDA**

### **HEAD OF ADMINISTRATION**

**ALH. MUSA M UDUBO**

### **TREASURER**

**ABDULMUTALIB A. MAHMOUD**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIDELITY BANK  
UNITY BANK**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF DAMBAM LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of DAMBAM LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	(8,986)		41,721	
Prepayments	6	-		1,986,000	
Inventories		-		-	
Total Current Assets	A		(8,986)		2,027,721
<b>Non-Current Assets</b>					
Investments	7	22,016,383		22,016,383	
Property, Plant & Equipment	8	50,330,390		-	
Investment Property		-		-	
Total Non Current Assets	B		72,346,772		22,016,383
Total Assets C=A+B			72,337,787		24,044,104
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities</b>					
Deposits	9	24,973,830		22,992,262	
Payables		-		-	
Total Current Liabilities	D		24,973,830		22,992,262
<b>Non Current Liabilities</b>					
Public Funds		-		-	
Long Term Borrowings		-		-	
Total Non Current Liabilities	E		-		-
Total Liabilities F=D+E			24,973,830		22,992,262
NET ASSETS G=C-F			47,363,957		1,051,842
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	35,564,440		-	
Reserves	11	11,799,517	47,363,957	1,051,841	1,051,841
Total Net Assets/Equity H=G			47,363,957		1,051,842



**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017 ACTUAL N		NOTES	2018 ACTUAL N	BUDGET N	VARIANCE N
<b>REVENUE</b>					
561,015,272	Govt Share of FAAC	1	508,378,770	4,902,991,722	(4,394,612,952)
-	Aid & Grants		-		-
9,451,998	Other Revenue	2	3,479,337	14,486,564	(11,007,227)
<b>570,467,270</b>	<b>TOTAL REVENUE (a)</b>		<b>511,858,107</b>	<b>4,917,478,286</b>	<b>(4,405,620,179)</b>
<b>EXPENDITURE</b>					
531,138,345	Salaries	3	389,369,114	988,166,344	598,797,230
	Social Benefits			-	-
39,421,331	Overhead Cost	4	111,741,317	1,812,411,321	1,700,670,004
-	Grants & Contributions		-	-	-
-	Depreciation Charges		-	-	-
<b>570,559,676</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>501,110,431</b>	<b>2,800,577,665</b>	<b>2,299,467,234</b>
(92,406)	Surplus/(Deficit) from operating Activities for the period C=(a-b)		10,747,676	2,116,900,621	2,106,152,945
-	Gain/Loss on Disposal	22	-	-	-
-	Gain/Loss on Foreign Exchange Transaction	23	-	-	-
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture	24	-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		<b>-</b>	<b>-</b>	<b>-</b>
(92,406)	Surplus/(Deficit)from Ordinary Activities e=(c+d)		10,747,676	2,116,900,621	2,106,152,945
-	Minority Interest Share of Surplus/(Deficit) (f)	25	-	-	-
<b>(92,406)</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>10,747,676</b>	<b>2,116,900,621</b>	<b>2,106,152,945</b>

**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	1,073,394	-	1,073,394
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>10,747,676</u>	<u>-</u>	<u>10,747,676</u>
	<u><u>11,821,070</u></u>	<u><u>-</u></u>	<u><u>11,821,070</u></u>
		-	-
Balance as at 31 December 2018	<u><u>11,821,070</u></u>	<u><u>-</u></u>	<u><u>11,821,070</u></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018 N	2017 N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
<i>Inflows</i>			
Government Share of FAAC	1	508,378,770	561,015,272
Other Revenue	2	<u>3,479,337</u>	<u>9,451,998</u>
<b>Total inflow from Operating Activities (A)</b>		511,858,107	570,467,270
<i>Outflows</i>			
Salaries & Wages	3	(389,369,114)	(531,138,345)
Social Benefits		-	-
Overhead Cost	4	<u>(111,741,317)</u>	<u>(39,421,331)</u>
<b>Total outflow from operating Activities (B)</b>		<u>(501,110,431)</u>	<u>(570,559,676)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>		10,747,676	(92,406)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Investment		-	-
Dividends Received		-	-
Purchase/Construction of PPE	8	(50,330,390)	-
Purchase/Construction of Investment Property		-	(1,190,476)
Acquisition of investments		<u>-</u>	<u>-</u>
<b>Net Cash from Investing Activities</b>		<b>(50,330,390)</b>	<b>(1,190,476)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Capital Grants Received	10	35,564,440	-
Proceeds from Borrowings		-	-
Repayment of Borrowings		<u>-</u>	<u>-</u>
<b>Net Cash Flow from Financing Activities</b>		<b><u>35,564,440</u></b>	<b><u>-</u></b>
<b>Net Cash flow from all Activities</b>		<b>(4,018,274)</b>	<b>(1,282,882)</b>
<b>Net Movement in Current Assets / Liabilities</b>			
Net Movement in Inventories		1,986,000	(2,007,552)
Net Movement in Receivables		<u>1,981,568</u>	<u>(14,558,494)</u>
Net Movement in Payables		<u>3,967,568</u>	<u>(16,566,046)</u>
Net Cash Flow from Operating Activities		<b>(50,706)</b>	<b>(17,848,928)</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>		<u>41,721</u>	<u>17,890,649</u>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>		<b><u>(8,986)</u></b>	<b><u>41,721</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>			
Cash Balances		-	-
Bank Balances		<u>(8,986)</u>	<u>41,721</u>
		<b><u>(8,986)</u></b>	<b><u>41,721</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	2018 N	2017 N
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	508,378,770	561,015,272
	<u>508,378,770</u>	<u>561,015,272</u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	3,479,337	9,451,998
10% Share of State Internal Revenue	-	-
	<u>3,479,337</u>	<u>9,451,998</u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	374,119,402	531,138,345
Allowances	15,249,712	-
	<u>389,369,114</u>	<u>531,138,345</u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	11,104,000	-
Grants to community/NGOs/Emirate Coun	2,000,000	500,000
Honourarium & sitting allowance	3,777,000	8,651,687
Welfare package	14,636,830	1,967,000
Disturbance allowance	1,573,672	-
	<u>33,091,502</u>	<u>11,118,687</u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	13,381,181	5,628,287
Local travel & transport: Training	1,535,000	177,000
	<u>14,916,181</u>	<u>5,805,287</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Relief materials	5,265,000	–
Purchase of fertilizer	–	–
Purchase of materials	1,411,400	–
Magazines & periodicals	–	–
Office stationeries/computer consumable	4,703,000	15,000
Drug and medical supplies	550,900	3,000,000
Printing of non–security document	923,400	290,000
	<b><u>12,853,700</u></b>	<b><u>3,305,000</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security services	8,000,000	2,643,296
Refreshment & Meals	8,604,875	5,966,462
Financial Assistance	1,433,000	–
Hospitality & entertainment	200,000	–
Sporting activities	200,000	–
Telephone Charges	1,285,000	–
Uniform & other clothing	1,970,000	220,000
Residential rent	1,070,000	640,000
Water rate	100,000	80,000
Electricity bills	2,807,000	–
	<b><u>25,669,875</u></b>	<b><u>9,549,758</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator	2,848,000	–
Generator fuel cost	1,775,000	–
Maintenance of office furniture	–	–
Maintenance of communication equipmer	350,000	–
Other maintenance service	1,930,800	2,745,800
Maintenance of office equipment	2,285,000	246,899
Maintenance of motor vehicles	4,720,000	1,876,000
Maintenance of of office building	660,000	3,524,600
Motor vehicle fuel cost	8,520,564	–
	<b><u>23,089,364</u></b>	<b><u>8,393,299</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Medical consulting		29,300
Surveying services	39,000	–
Financial consulting		230,000
Information technology consulting	2,070,000	990,000
	<b><u>2,109,000</u></b>	<b><u>1,249,300</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	2018 N	2017 N
<b>FINANCIAL CHARGES</b>		
Bank charges	<u>11,695</u>	<u>21,553</u>
<b>Total overheads</b>	<u>111,741,317</u>	<u>39,421,331</u>
 <b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity	-	13,914
Zenith Bank	-	12,732
Union Bank	-	15,075
Bank Balance	(8,986)	-
Cash	-	-
	<u>(8,986)</u>	<u>41,721</u>
 <b>NOTE 6 PREPAYMENTS</b>		
Advances	<u>-</u>	<u>1,986,000</u>
 <b>NOTE 7 INVESTMENTS</b>	<u>22,016,383</u>	<u>22,016,383</u>
 <b>NOTE 8 CAPITAL EXPENDITURE</b>		
Construction/provision of infrastructure	2,126,600	
Rehabilitation/repairs –water facilities	1,044,000	
Rehabilitation/repairs –electricity	989,000	
Purchase of guest house	15,400,000	
Purchase of Residential building	3,500,000	
Purchase of motor cycles	1,151,269	
Purchase of office furniture & fittings	3,600,000	
Rehabilitation/repairs–Market/parks	1,019,500	
Construction/provision of water facilities	3,020,000	
Rehabilitation/repairs–Agricultural facilitie	859,021	
Rehabilitation/repairs of residential buildi	500,000	
Construction/provision of water–ways	1,375,000	
Construction/provision of electricity	2,000,000	
Rehabilitation/repairs –Roads	1,500,000	
Construction/provision of residential buil	9,325,000	
Constuction/provision of housing	2,351,000	
Renovation of market	570,000	
	<u>50,330,390</u>	

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 9 DEPOSITS</b>	<b><u>24,973,830</u></b>	<b><u>22,992,262</u></b>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<b><u>35,564,440</u></b>	<b><u>-</u></b>
<b>NOTE 11 RESERVES</b>		
Brought Forward	1,051,841	1,165,800
Operating Balance for the Year	<b><u>10,747,676</u></b>	<b><u>(92,406)</u></b>
	<b><u>11,799,517</u></b>	<b><u>1,073,394</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**APPENDIX 1**

**SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Yankari Savings and Loans	133,696
2	Yankari Savings and Loans	1,136,045
3	Zaranda Hotel	350,000
4	Jaiz Bank Nigeria Limited	4,508,882
5	Access Bank Plc	700,000
6	InterCellular Nigeria Plc	1,190,476
7	Inland Bank Plc	111,038
8	Inland Bank Plc	37,013
9	Inland Bank Plc	749,234
10	NAL Merchant Bank Plc	10,000,000
11	Access Bank Plc	100,000
12	Purchase of Shares	3,000,000
		<b><u>22,016,383</u></b>

**APPENDIX 3  
SCHEDULES OF DEPOSIT**

<b>S/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	5% C.P.D	2,199,723
2	5% VAT	2,993,145
3	Pay As You Earn (P.A.Y.E.)	5,578,448
4	NULGE Union Dues	44,074
5	Mortgage	188,497
6	MHWUN Union Dues	2,163
7	FIRS – WHT	28,000
8	NANM Union Dues	90,964
9	Staff welfare scheme	474,604
10	Loan to Local Government	11,025,955
11	Agric loan	330,775
12	Motorcycle loan	1,084,456
13	Loan from Shira LGA	26,000
14	O.V.C	284,192
15	Mosque deduction	5,000
16	Staff ID cards	259,200
22	N.H.F.	358,634
		<b><u>24,973,830</u></b>



# **DARAZO LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ALH. AHMAD MOHAMMED**

### **HEAD OF ADMINISTRATION**

**IBRAHIM MOHAMMED AHMAD**

### **TREASURER**

**IBRAHIM MAGAJI**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIDELITY BANK PLC  
FIRST BANK LTD**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF DARAZO LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of DARAZO LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	20,781,628		182,319	
Prepayments	6	<u>1,130,000</u>		<u>1,130,000</u>	
Total Current Assets A			21,911,628		1,312,319
<b>Non-Current Assets</b>					
Investments	7	20,842,248		20,842,248	
Property, Plant & Equipment	8	<u>53,407,661</u>		<u>-</u>	
Total Non Current Assets B			<u>74,249,909</u>		<u>20,842,248</u>
Total Assets C=A+B			96,161,537		22,154,567
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	15,176,227		14,922,264	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			15,176,227		14,922,264
<b>Non Current Liabilities</b>					
Long Term Borrowings		-		-	
Total Non Current Liabilities E			<u>-</u>		<u>-</u>
Total Liabilities F=D+E			15,176,227		14,922,264
Net Assets G=C-F			<u>80,985,310</u>		<u>7,232,303</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants		44,472,316		-	
Accumulated Surplus/(Deficit)		<u>36,512,995</u>	<u>80,985,311</u>	<u>7,232,303</u>	<u>7,232,303</u>
Total Net Assets/Equity H=G			<u>80,985,310</u>		<u>7,232,303</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
N			N	N	N
<b>REVENUE</b>					
737,500,402	Govt Share of FAAC	1	690,130,906	5,449,648,255	(4,759,517,349)
-	Govt Share of VAT	1	-	-	-
17,595,501	Other Revenue	2	5,812,648	36,044,015	(30,231,367)
<b>755,095,903</b>	<b>TOTAL REVENUE (a)</b>		<b>695,943,554</b>	<b>5,485,692,270</b>	<b>(4,789,748,716)</b>
<b>EXPENDITURE</b>					
736,615,167	Salaries	3	548,808,346	2,111,430,990	1,562,622,644
	Social Benefits			-	-
18,298,418	Overhead Cost	4	117,854,516	1,417,907,570	1,300,053,054
<b>754,913,585</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>666,662,862</b>	<b>3,529,338,560</b>	<b>2,862,675,698</b>
	Surplus/(Deficit) from operating				
182,318	Activities for the period C=(a-b)		29,280,692	1,956,353,710	1,927,073,018
	Share of Surplus/(Deficit) In Assoc.				
-	& Joint Venture		-	-	-
	<b>Total Non Operating Revenue</b>				
-	<b>or (Expenses)(d)</b>		-	-	-
	Surplus/(Deficit)from Ordinary				
182,318	Activities e=(c+d)		29,280,692	1,956,353,710	1,927,073,018
	Minority Interest Share of				
-	Surplus/(Deficit) (f)		-	-	-
<b>182,318</b>	<b>Net Surplus/(Deficit) for the</b>				
	<b>period g=(e-f)</b>		<b>29,280,692</b>	<b>1,956,353,710</b>	<b>1,927,073,018</b>

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

**STATEMENT OF CHANGES IN EQUITY**

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	7,232,303	-	7,232,303
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>29,280,692</u>	<u>-</u>	<u>29,280,692</u>
	<u><b>36,512,995</b></u>	<u><b>-</b></u>	<u><b>36,512,995</b></u>
			-
Balance as at 31 December 2018	<u><b>36,512,995</b></u>	<u><b>-</b></u>	<u><b>36,512,995</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>					
Government Share of FAAC		690,130,906		737,500,402	
Other Revenue		<u>5,812,648</u>		<u>17,595,501</u>	
<b>Total inflow from Operating Activities (A)</b>			695,943,554		755,095,903
<i>Outflows</i>					
Salaries & Wages		(548,808,346)		(736,615,167)	
Social Benefits		-		-	
Overhead Cost		<u>(117,854,516)</u>		<u>(18,298,418)</u>	
<b>Total outflow from operating Activities (B)</b>			<u>(666,662,862)</u>		<u>(754,913,585)</u>
<b>Net Cash Inflow/(Outfl</b>			29,280,692		182,318
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase/Construction of PPE		(53,407,661)		-	
Purchase/Construction of Investment Property		-		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(53,407,661)</b>		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		44,472,316			
Proceeds from Borrowings		-			
Repayment of Borrowings		-			
<b>Net Cash Flow from Financing Activities</b>			<b><u>44,472,316</u></b>		-
<b>Net Cash flow from all Activities</b>			<b>20,345,346</b>		<b>182,318</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories			-		
Net Movement in Receivables					
Net Movement in Payables			<u>253,963</u>		<u>(1,781,872)</u>
			<u>253,963</u>		<u>(1,781,872)</u>
Net Cash Flow from Operating Activities			<b>20,599,309</b>		<b>(1,599,553)</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>			<u>182,319</u>		<u>1,781,872</u>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>			<b><u>20,781,628</u></b>		<b><u>182,319</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			1,066		2,422
Bank Balances			<u>20,780,562</u>		<u>179,897</u>
			<b><u>20,781,628</u></b>		<b><u>182,319</u></b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	690,130,906	737,500,402
	<u><b>690,130,906</b></u>	<u><b>737,500,402</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	5,812,648	17,595,501
10% Share of State Internal Revenue	-	-
Sale of shares	-	-
	<u><b>5,812,648</b></u>	<u><b>17,595,501</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	524,542,327	736,615,167
Allowances	24,266,019	-
	<u><b>548,808,346</b></u>	<u><b>736,615,167</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	24,240,000	1,921,000
Honourarium & sitting allowance	4,921,059	4,740,100
Hospitality & entertainment		2,732,063
Grants to community/NGOs/Emirate cour	29,090,253	1,361,550
	<u><b>58,251,313</b></u>	<u><b>10,754,713</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	8,394,379	252,500
Local travel & transport: Training	2,420,399	151,000
International travel & transport	-	-
	<u><b>10,814,778</b></u>	<u><b>403,500</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Relief materials	7,500,000	
Teaching / Learning Aids	1,704,360	
Purchase of agro-chemicals & seedlings	15,000,000	
Drug & medical supplies	5,510,000	1,000,000
Office stationeries/computer consumabl	1,308,130	9,000
Printing of non-security document	1,463,310	305,000
	<b><u>32,485,800</u></b>	<b><u>1,314,000</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	4,250,000	
Refreshment & Meals	540,300	
Local training	2,911,000	
Skills acquisition	2,050,000	
Welfare package	1,449,500	819,500
Advertisement & publicity	500,000	
Medical expenses		250,000
Electricity bills	500,000	–
Bank charges	165,576	773,037
	<b><u>12,366,376</u></b>	<b><u>1,842,537</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator		734,050
Other maintenance services	19,500	1,216,417
Maintenance of office furniture	450,000	
Maintenance of office equipment		400,000
Maintenance of motor vehicles		47,500
Maintenance of of office building	2,405,500	840,700
Plant/ generator fuel cost	152,299	
Motor vehicle fuel cost	–	745,000
	<b><u>3,027,299</u></b>	<b><u>3,983,667</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Engineering services	908,950	–
	<b><u>908,950</u></b>	<b><u>–</u></b>
<b>Total Overhead</b>	<b><u>117,854,516</u></b>	<b><u>18,298,418</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		2,390
First Bank revenue account		16,891
First bank mass transit account		4,475
First Bank main account		156,141
Bank balance	20,780,562	
Cash	1,066	2,422
	<u><b>20,781,628</b></u>	<u><b>182,319</b></u>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<u><b>1,130,000</b></u>	<u><b>1,130,000</b></u>
<b>NOTE 7 INVESTMENTS</b>	<u><b>20,842,248</b></u>	<u><b>20,842,248</b></u>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Construction/ provision of electricity	18,029,420	
Rehabilitation/repairs of water facilities	13,986,597	
Purchase / acquisition of land	1,708,166	
Minor road maintance	3,570,000	
Purchase of commuication equipment	1,000,000	
Maintenance of market/public places	2,209,504	
Construction/provision of roads	2,327,600	
Construction/ provision of infrastrucutur	6,701,374	
Purchase of tricycles	3,875,000	
Infrastructure	<u><b>53,407,661</b></u>	
<b>NOTE 9 DEPOSITS</b>	<u><b>15,176,227</b></u>	<u><b>14,922,264</b></u>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<u><b>44,472,316</b></u>	<u><b>-</b></u>
<b>NOTE 11 RESERVES</b>		
Brought Forward	7,232,303	7,049,985
Operating Balance for the Year	29,280,692	182,318
	<u><b>36,512,995</b></u>	<u><b>7,232,303</b></u>

## APPENDICES

### SCHEDULES OF INVESTMENT

#### APPENDIX 1

S/N	NAME OF COMPANY	AMOUNT (N)
1	AfriBank Plc	72,000
2	Union Bank of Nigeria	50,000
3	Savannah Bank Plc	50,000
4	Int Merchant Bank	50,000
5	Kaolin Project	462,024
6	Zaranda Hotels	73,260
7	Ashaka Cement Plc	60,000
8	Inland Bank Plc	1,400,000
9	First Bank Plc	67,430
10	BPPC	200,000
11	Access Bank Plc	950,000
12	Int Bank	12,000,000
13	Total Plc	500
14	JND	5,407,034
		<u><b>20,842,248</b></u>

### SCHEDULES OF ADVANCES

#### APPENDIX 2

S/N	DESCRIPTION	AMOUNT
A/1	Aminu Baba	300,000
A/2	Mustapha Shehu Zirami	300,000
A/3	Bello A. Sani	50,000
A/4	Muhammed Adamu Aliya	50,000
A/5	Bappayo Maigari	50,000
A/6	Abubakar Sanda	50,000
A/7	Saidu Idris	20,000
A/8	Usman bello	5,000
A/9	Yusuf B. Santuraki	55,000
A/10	Hussaini Waziri	50,000
A/11	Hussaini Waziri	65,000
A/12	Hussaini Waziri	35,000
A/13	Ibrahim Adamu	100,000
		<u><b>1,130,000</b></u>

### SCHEDULES OF DEPOSIT

#### APPENDIX 3

D/N	PARTICULARS	AMOUNT
D1	NANNM	166,198
D3	5% C P D	6,226,781
D4	10% RETENTION MONEY	6,407,078
D5	5% VAT	469,389
D6	NACHP DUES	397,174
D10	A.H. SHITU	708,333
D11	L.E.A. DARAZO LG	1,050
D12	JOS HAITI	28,353
D14	2% Local Govt Share	186,555
D17	Comm. Health & Tech	585,315
		<u><b>15,176,227</b></u>

# **DASS LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ADO DANLADI MAIGORO**

### **HEAD OF ADMINISTRATION**

**ABUBAKAR SHUAIBU JUGUDU**

### **TREASURER**

**NASIRU ZAKARAI NINGI**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIDELITY BANK PLC  
UNITY BANK PLC**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF DASS LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of DASS LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies



# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	32,504,072		805,548	
Prepayments	6	23,045,403		3,255,591	
Inventories		<u>-</u>		<u>-</u>	
Total Current Assets A			55,549,475		4,061,139
<b>Non-Current Assets</b>					
Investments	7	17,743,868		17,743,868	
Property, Plant & Equipment	8	<u>64,521,668</u>		<u>-</u>	
Total Non Current Assets B			<u>82,265,536</u>		<u>17,743,868</u>
Total Assets C=A+B			137,815,011		21,805,007
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	6,186,154		-	
Payables	10	<u>-</u>		<u>-</u>	
Total Current Liabilities D			6,186,154		-
<b>Non Current Liabilities</b>					
Public fund				-	
Long Term Borrowings		-		-	
Total Non Current Liabilities E			<u>-</u>		<u>-</u>
Total Liabilities F=D+E			6,186,154		-
Net Assets G=C-F			<u>131,628,857</u>		<u>21,805,007</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants		29,599,724		-	
Accumulated Surplus/(Deficit)	11	<u>102,029,132</u>	<u>131,628,857</u>	<u>21,805,007</u>	<u>21,805,007</u>
			<u>131,628,857</u>		<u>21,805,007</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
N			N	N	N
<b>REVENUE</b>					
417,179,238	Govt Share of FAAC	1	459,170,502	3,816,548,365	(3,357,377,863)
-	Aid & Grants		-	363,920,604	(363,920,604)
<u>12,034,420</u>	Other Revenue	3	<u>2,285,851</u>	<u>53,308,870</u>	<u>(51,023,019)</u>
<b>429,213,658</b>	<b>TOTAL REVENUE (a)</b>		<b>461,456,353</b>	<b>4,233,777,839</b>	<b>(3,772,321,486)</b>
<b>EXPENDITURE</b>					
404,589,245	Salaries	3	257,144,504	1,409,842,813	1,152,698,309
	Social Benefits			-	-
23,818,865	Overhead Cost	4	124,087,724	755,734,261	631,646,537
-	Grants & Contributions		-	-	-
-	Depreciation Charges		-	-	-
-	Impairment Charges		-	-	-
<b>428,408,110</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>381,232,228</b>	<b>2,165,577,074</b>	<b>1,784,344,846</b>
805,548	Surplus/(Deficit) from operating Activities for the period C=(a-b)		80,224,125	2,068,200,765	1,987,976,640
-	Gain/Loss on Disposal	22	-	-	-
-	Gain/Loss on Foreign Exchange Transaction	23	-	-	-
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture	24	-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		<b>-</b>	<b>-</b>	<b>-</b>
805,548	Surplus/(Deficit)from Ordinary Activities e=(c+d)		80,224,125	2,068,200,765	1,987,976,640
-	Minority Interest Share of Surplus/(Deficit) (f)	25	-	-	-
<b>805,548</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>80,224,125</b>	<b>2,068,200,765</b>	<b>1,987,976,640</b>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENT OF CHANGES IN EQUITY**

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	21,805,007	-	21,805,007
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	80,224,125	-	80,224,125
	<u>102,029,132</u>	<u>-</u>	<u>102,029,132</u>
			-
Balance as at 31 December 2018	<u>102,029,132</u>	<u>-</u>	<u>102,029,132</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

CONSOLIDATED STATEMENT OF CASH FLOW					
Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC	1	459,170,502		417,179,238	
Government Share of VAT		-		-	
Interest Earned		-		-	
Aid & Grants		-		-	
Other Revenue	2	<u>2,285,851</u>		<u>12,034,420</u>	
<b>Total inflow from Operating Activities (A)</b>			461,456,353		429,213,658
<i>Outflows</i>					
Salaries & Wages	3	(257,144,504)		(404,589,245)	
Social Benefits		-		-	
Overhead Cost	4	<u>(124,087,724)</u>		<u>(23,818,865)</u>	
<b>Total outflow from operating Activities (B)</b>			<u>(381,232,228)</u>		<u>(428,408,110)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			80,224,125		805,548
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from Sale of Investment		-		-	
Dividends Received		-		-	
Purchase/Construction of PPE	8	(64,521,668)		-	
Purchase/Construction of Investment Property		-		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(64,521,668)</b>		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		29,599,724			
Proceeds from Borrowings		-			
Repayment of Borrowings		<u>-</u>			
<b>Net Cash Flow from Financing Activities</b>			<b>29,599,724</b>		-
<b>Net Cash flow from all Activities</b>			<b>45,302,182</b>		<b>805,548</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories			(19,789,812)		
Net Movement in Receivables			<u>6,186,154</u>		<u>7,287,884</u>
Net Movement in Payables			<u>(13,603,658)</u>		<u>7,287,884</u>
Net Cash Flow from Operating Activities			<b>31,698,524</b>		<b>8,093,432</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>			<u>805,548</u>		<u>(7,287,884)</u>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>			<b><u>32,504,072</u></b>		<b><u>805,548</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			7,043,555		-
Bank Balances			<u>25,460,516</u>		<u>805,548</u>
			<b>32,504,072</b>		<b>805,548</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	459,170,502	417,179,238
	<u><b>459,170,502</b></u>	<u><b>417,179,238</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	2,285,851	12,034,420
Interest payment & dividends	-	-
Miscellaneous	-	-
	<u><b>2,285,851</b></u>	<u><b>12,034,420</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	241,639,504	404,589,245
Allowances	15,505,000	-
	<u><b>257,144,504</b></u>	<u><b>404,589,245</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	4,487,000	619,526
Honourarium & sitting allowance	162,000	331,000
Welfare packages	2,898,000	2,619,004
Sallah gift	3,556,000	235,001
Immunization supervision allowance	1,250,000	-
Medical expenses-local	25,000	-
Burial expenses	-	-
Disturbance allowance	3,814,836	-
	<u><b>16,192,836</b></u>	<u><b>3,804,531</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	17,781,997	5,545,853
Local travel & transport: Training	853,200	720,422
International travel & transport	-	-
	<u><b>18,635,197</b></u>	<u><b>6,266,275</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Relief materials	33,341,000	-
Purchase of agro-chemicals & seedling:	1,446,000	-
Magazines & periodicals	37,000	500,000
Office stationeries/computer comsuma	748,104	814,500
Drugs & medical supplies	1,766,724	495,000
Uniforms & other clothing	1,290,000	-
Postages & courier	-	338,711
Printing of security document	-	48,000
Printing of non-security document	2,297,000	383,500
	<b><u>40,925,829</u></b>	<b><u>2,579,711</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	17,370,000	-
Refreshment & Meals	6,365,117	2,166,251
Financial Assistance	299,000	-
Hospitality & entertainment	1,865,000	-
Telephone & internet charges	79,000	-
Water rate	-	423,000
Sporting activities	767,000	150,000
Medical expenses		55,000
Rent	2,440,275	1,707,500
Newspapers		330,000
Communication expenses		152,000
Sewage charges		28,900
Satellitd broadcasting access charges		46,000
Publicity & advertisement	42,000	143,000
Local training	331,000	
Electricity bills	540,000	208,000
Grant to communities	4,610,000	-
Special days celebration	6,550,000	-
	<b><u>41,258,392</u></b>	<b><u>5,409,651</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator	1,001,000	-
Other maintenance services	781,000	1,539,022
Maintenance of communication equipm	50,000	609,051
Maintenance of market	245,000	80,001
Minor road maintenance	350,000	470,000
Other transport equipment fuel cost		100,000
Maintenance of motor vehicles	2,834,420	538,553
Maintenance of office equipment		10,000
Maintenance of of office building	153,600	348,195
Generator fuel cost		66,000
Motor vehicle fuel cost	409,500	13,000
	<b><u>5,824,520</u></b>	<b><u>3,773,822</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Legal services		-
Architectural services	680,000	15,000
Agricultural consulting		539,000
Information technology consulting	101,000	995,000
	<b><u>781,000</u></b>	<b><u>1,549,000</u></b>
<b><i>FINANCIAL CHARGES</i></b>		
Bank charges	<b><u>469,950</u></b>	<b><u>435,875</u></b>
<b>Total Overhead</b>	<b><u>124,087,724</u></b>	<b><u>23,818,865</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity bank		802,725
Unity bank	-	2,823
Bank balance	24,460,516	
Cash	7,043,555	-
	<b><u>31,504,072</u></b>	<b><u>805,548</u></b>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<b><u>23,045,403</u></b>	<b><u>3,255,591</u></b>
<b>NOTE 7 INVESTMENTS</b>	<b><u>17,743,868</u></b>	<b><u>17,743,868</u></b>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Renovation of guest house	3,517,441	-
Purchase of generator	80,000	-
Purchase of car	1,500,000	-
Purchase of motorcycle	742,000	-
Construction/provision of infrastru	1,000,000	-
Office furniture	500,000	-
construction of market stalls	582,000	-
Renovation of staff quarters	3,145,777	-
Repair of borehole	1,110,000	-
Drilling of hand pump	540,000	-
Fencing of graveyard	51,804,450	-
Infrastructure	<b><u>64,521,668</u></b>	<b><u>-</u></b>
<b>NOTE 9 DEPOSITS</b>	<b><u>6,186,154</u></b>	<b><u>-</u></b>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<b><u>29,599,724</u></b>	<b><u>-</u></b>
<b>NOTE 11 RESERVES</b>		
Brought Forward	21,805,007	30,333,840
Prior year adjustment	-	(9,334,381)
Operating Balance for the Year	79,224,125	805,548
	<b><u>101,029,132</u></b>	<b><u>21,805,007</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018  
APPENDICES**

**APPENDIX 1  
SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Sterlin Bank Of Nigeria	526,315
2	Urban Developement Bank	500,000
3	Zaranda Hotel	112,000
4	Access Bank Nig. Plc.	2,057,142
5	Bauchi Publishing & Printing Company	200,000
6	MAL Bank Plc.	5,000,000
7	Jaiz International Plc.	3,265,300
8	Inland Bank of Nigeria	3,645,425
9	Kaduna Textile Limited	210,000
10	Arewa Ceramic Misau	350,000
11	Galabi Cattle Ranch	150,000
12	Yankari Savings & Loans	1,477,686
13	Ashaka Cement Company	250,000
		<b><u>17,743,868</u></b>

**APPENDIX 2  
SCHEDULE OF ADVANCES**

<b>S/N</b>	<b>NAMES</b>	<b>AMOUNT N</b>
1	SUNDRY PERSONS (2017)	3,255,591
2	BASHIR MUTARI MOTOR	1,933,000
3	ABDULLAHI MATO	4,190,000
4	IDI ABBA BADEL	2,643,500
5	BASHIR MUTARI MOTOR	3,963,312
6	IDI ABBA BADEL	6,100,000
7	ABDULLAHI MATO	960,000
		<b><u>23,045,403</u></b>

**APPENDIX 3**

<b>D/N</b>	<b>SCHEDULES OF DEPOSIT PARTICULARS</b>	<b>AMOUNT</b>
1	CPD 5% Tax on Contract	6,186,154
		<b><u>6,186,154</u></b>



# **GAMAWA LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ALH NASIRU BAKURA**

### **HEAD OF ADMINISTRATION**

**ALH DAUDA ADAMU MANAKO**

### **TREASURER**

**IBRAHIM ADAMU**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIRST BANK OF NIGERIA LTD  
GAMAWA MICROFINANCE BANK LTD**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF GAMAWA LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of Gamawa Local Government Council for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–14.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards (IPSAS) and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	(5,803,526)		1,576,112	
Prepayments	6	20,454,082		472,429	
Inventories		<u>-</u>		<u>-</u>	
<b>Total Current Assets A</b>			14,650,556		2,048,541
<b>Non-Current Assets</b>					
Investments	7	1,735,511		1,735,511	
Property, Plant & Equipment	8	<u>56,773,524</u>		<u>-</u>	
<b>Total Non Current Assets B</b>			<u>58,509,035</u>		<u>1,735,511</u>
<b>Total Assets C=A+B</b>			<b>73,159,592</b>		<b>3,784,052</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	1,659,069		43,057,926	
Payables		<u>-</u>		<u>5,045,408</u>	
<b>Total Current Liabilities D</b>			1,659,069		48,103,334
<b>Non Current Liabilities</b>					
Long Term Borrowings		-		-	
<b>Total Non Current Liabilities E</b>			<u>-</u>		<u>-</u>
<b>Total Liabilities F=D+E</b>			1,659,069		48,103,334
<b>Net Assets G=C-F</b>			<u><b>71,500,523</b></u>		<u><b>(44,319,282)</b></u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	47,145,867		-	
Accumulated Surplus/(Deficit)	11	<u>24,354,655</u>	<u>71,500,523</u>	<u>(44,319,282)</u>	<u>(44,319,282)</u>
<b>Total Net Assets/Equity H=G</b>			<u><b>71,500,523</b></u>		<u><b>(44,319,282)</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
₦			₦	₦	₦
<b>REVENUE</b>					
724,088,886	Govt Share of FAAC	1	817,777,158	-	817,777,158
26,730,544	Other Revenue	2	9,089,673	-	9,089,673
<b>750,819,430</b>	<b>TOTAL REVENUE (a)</b>		<b>826,866,831</b>	<b>-</b>	<b>826,866,831</b>
<b>EXPENDITURE</b>					
645,830,303	Personnel cost	3	506,542,308	-	(506,542,308)
	Social Benefits			-	-
108,220,038	Overhead Cost	4	251,650,586	-	(251,650,586)
-	Grants & Contributions		-	-	-
<b>754,050,341</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>758,192,893</b>	<b>-</b>	<b>(758,192,893)</b>
Surplus/(Deficit) from operating Activities for the					
(3,230,911)	period C=(a-b)		68,673,937	-	(68,673,937)
-	Gain/Loss on Disposal	22	-	-	-
-	Gain/Loss on Foreign Exchange Transaction	23	-	-	-
	Share of Surplus/(Deficit) In Assoc. & Joint				
-	Venture	24	-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		<b>-</b>	<b>-</b>	<b>-</b>
(3,230,911)	Surplus/(Deficit)from Ordinary Activities e=(c+d)		68,673,937	-	(68,673,937)
-	Minority Interest Share of Surplus/(Deficit) (f)	25	-	-	-
<b>(3,230,911)</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>68,673,937</b>	<b>-</b>	<b>(68,673,937)</b>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated Fund =N=</b>	<b>Revaluation Reserve =N=</b>	<b>TOTAL =N=</b>
Balance as at 31 December 2017	(44,319,282)	-	(44,319,282)
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>68,673,937</u>	<u>-</u>	<u>68,673,937</u>
	<u><b>24,354,655</b></u>	<u><b>-</b></u>	<u><b>24,354,655</b></u>
			-
Balance as at 31 December 2018	<u><b>24,354,655</b></u>	<u><b>-</b></u>	<u><b>24,354,655</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018	2017
		N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
<i>Inflows</i>			
Government Share of FAAC	817,777,158		724,088,886
Other Revenue	9,089,673		26,730,544
<b>Total inflow from Operating Activities (A)</b>		826,866,831	750,819,430
<i>Outflows</i>			
Salaries & Wages	(506,542,308)		(645,830,303)
Social Benefits	-		-
Overhead Cost	(251,650,586)		(108,220,038)
<b>Total outflow from operating Activities (B)</b>		(758,192,893)	(754,050,341)
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>		68,673,937	(3,230,911)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Investment	-		-
Dividends Received	-		-
Purchase/Construction of PPE	(56,773,524)		-
Purchase/Construction of Investment Property	-		-
Acquisition of investments	-		-
<b>Net Cash from Investing Activities</b>		(56,773,524)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Capital Grants Received	47,145,867		
Proceeds from Borrowings	-		
Repayment of Borrowings	-		
<b>Net Cash Flow from Financing Activities</b>		47,145,867	-
<b>Net Cash flow from all Activities</b>		59,046,280	(3,230,911)
<b>Net Movement in Current Assets / Liabilities</b>			
Net Movement in Inventories			
Net Movement in Receivables		(19,981,653)	(1,524,670)
Net Movement in Payables		(41,398,857)	-
		(61,380,510)	(1,524,670)
Net Cash Flow from Operating Activities		(2,334,230)	(4,755,581)
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>		(3,230,911)	1,524,670
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>		<u>(5,565,141)</u>	<u>(3,230,911)</u>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>			
Cash Balances		309	-
Bank Balances		(5,803,835)	1,576,112
Overdraft		-	(5,045,408)
		<u>(5,803,526)</u>	<u>(3,469,296)</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	817,777,158	724,088,886
	<u><b>817,777,158</b></u>	<u><b>724,088,886</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	9,089,673	26,730,544
10% Share of State Internal Revenue	-	-
	<u><b>9,089,673</b></u>	<u><b>26,730,544</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	502,765,808	645,830,303
Allowances	3,776,500	-
	<u><b>506,542,308</b></u>	<u><b>645,830,303</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	16,087,625	1,302,500
Honourarium & sitting allowance	9,343,260	3,012,370
Welfare packages	12,942,889	1,463,000
Disturbance allowance	934,436	-
Immunization supervision allowance	18,315	-
Medical expenses-local	298,000	-
	<u><b>39,624,524</b></u>	<u><b>5,777,870</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	14,257,028	11,745,225
Local travel & transport: Training	2,612,000	55,758,383
	<u><b>16,869,028</b></u>	<u><b>67,503,608</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Relief materials	2,000,000	-
Agric. chemicals & inputs	1,125,000	-
Drugs & medical supplies	-	3,000,000
Skills acquisition machines	36,100,000	-
Sanitation materials	1,970,000	-
Office stationeries/computer consumables	5,170,000	15,000
Printing of security document	213,330	-
Printing of non-security document	3,740,000	538,170
	<b><u>50,318,330</u></b>	<b><u>3,553,170</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	4,765,800	-
Refreshment & Meals	23,506,916	21,905,989
Security services	-	1,871,000
Uniforms & other clothing	-	220,000
Financial Assistance	13,933,375	-
Sundry expenses	6,623,318	-
Residential rent	832,920	-
Office/residential rent	1,000,000	-
Telephone	150,000	-
Publicity & advertisement	591,700	-
Local training	1,210,000	-
Sporting activities	176,000	-
Sewage charges	4,500	-
Electricity bills	300,000	-
Water rates	119,300	839,500
Grant to communities	49,005,265	-
Special days celebration	2,000,000	-
	<b><u>104,219,094</u></b>	<b><u>24,836,489</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Other maintenance services	27,340,621	2,216,500
Maintenance of office furniture	1,277,050	-
Balance c/f	28,617,671	2,216,500

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**NOTES TO THE ACCOUNTS**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>MAINTENANCE SERVICES Cont.</i></b>		
Balance b/f	28,617,671	2,216,500
Maintenance of motor vehicles	2,411,900	2,033,458
Maintenance of of office building	1,717,400	100,000
Maintenance of plant/generator	90,000	-
Maintenance of graveyard	750,000	-
Maintenance of drainage	728,000	-
Maintenance of IT/Office equipment	1,007,000	10,000
Plant & generator fuel cost	458,000	-
Motor vehicle fuel cost	2,202,375	-
	<b><u>37,982,346</u></b>	<b><u>4,359,958</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Agricultural consulting	244,000	-
Medical consulting	41,720	30,000
Financial consulting	246,800	1,520,500
Legal consulting	-	568,500
	<b><u>532,520</u></b>	<b><u>2,119,000</u></b>
 Bank charges	 <b><u>2,104,744</u></b>	 <b><u>69,944</u></b>
 <b>Total Overheads</b>	 <b><u>251,650,586</u></b>	 <b><u>108,220,038</u></b>
 <b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
First bank (Main account)	-	32,471
First bank (Revenue account)	-	1,505,386
Gamawa MFB ( Capital project)	-	33,176
Gamawa MFB ( Fertilizer account)	-	5,079
Bank balance	(5,803,835)	-
Cash	309	-
	<b><u>(5,803,526)</u></b>	<b><u>1,576,112</u></b>
 <b>NOTE 6 PREPAYMENTS</b>		
Advances	<b><u>20,454,082</u></b>	<b><u>472,429</u></b>
 <b>NOTE 7 INVESTMENTS</b>	 <b><u>1,735,511</u></b>	 <b><u>1,735,511</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Rehabilitation/repairs of office building	3,594,480	-
Construction of market stalls	680,000	-
Construction of lock-up shop	1,317,359	-
Minor road repairs	1,506,750	-
Construction of maternity	22,338,878	-
Construction of mosque	200,000	-
Renovation of LG HQ	603,462	-
Renovation of govt, lodge	1,702,531	-
Rehabilitation/repairs - water facilities	4,800,000	-
Construction of agric shop	1,508,000	-
Earth sandfilling	5,900,000	-
Drilling of borehole	200,000	-
Motor vehicle	8,000,000	-
Construction of fire service	1,000,000	-
Purchase of solar	45,430	-
Renovation of guest house	2,656,634	-
Construction/provision of water facilities	720,000	-
	<b>56,773,524</b>	<b>-</b>
<b>NOTE 9 DEPOSITS</b>	<b>1,659,069</b>	<b>43,057,926</b>
<b>BANK OVERDRAFT</b>		
Gamawa MFB (Mass transport)	-	4,549,061
Gamawa MFB (Main account)	-	496,347
	<b>-</b>	<b>5,045,408</b>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<b>47,145,867</b>	<b>-</b>
<b>NOTE 11 RESERVES</b>		
Brought Forward	(44,319,282)	(11,956,181)
Prior year adjustment	-	(29,132,190)
Operating Balance for the Year	68,673,937	(3,230,911)
	<b>24,354,655</b>	<b>(44,319,282)</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**APPENDIX 1  
SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Inland Bank of Nigeria	600,000
2	Yankari Savings and Loans	267,511
3	Kaduna Textile Nigeria	122,500
4	Bauchi Publishing and Printing	100,000
5	Zaranda Hotels, Bauchi	63,500
6	Ashaka Cement Nigeria	48,000
7	First Bank of Nigeria Plc	40,000
8	Federal Savings Bank	31,500
9	Manto Processing Company	12,500
10	Gamawa Microfinance Bank	450,000
		<u><b>1,735,511</b></u>

<b>APPENDIX 2 SCHEDULE OF ADVANCES</b>		<b>AMOUNT</b>
<b>S/N</b>	<b>NAMES</b>	<b>N</b>
1	ALH. IBRAHIM A. INUWA	35,000
2	BABANGIDA I. DOJI	10,000
3	BURA ABDULAH	(848)
4	MOHAMMED WAZIRI	25
5	MOHAMMED SANI	752
6	DAUDA ADAMU	25,000
7	BABAYO ADAMU UDUBO	20,000
8	SHEHU ABUBAKAR	382,500
9	ALH. ADAMU ABDULKADIR	759,853
10	HON. BALA ABBA	1,281,000
11	ALH. DAUDA ADAMU	556,000
12	ISA SALEH	1,575,000
13	MUSA UMAR	8,569,800
14	YAKUBU UMAR	5,916,700
15	AUWALU DADMI	1,323,300
		<u><b>20,454,082</b></u>

**APPENDIX 3**

<b>SCHEDULES OF DEPOSIT</b>		<b>AMOUNT</b>
<b>D/N</b>	<b>PARTICULARS</b>	
D10	11% Contract deductions	<u>1,659,069</u>
		<u><b>1,659,069</b></u>

# **GANJUWA LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

### **HEAD OF ADMINISTRATION**

### **TREASURER**

### **AUDITORS**

**Abdulkadeer Mahmoud & Co.**  
**(Chartered Accountants)**

### **BANKERS**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF GANJUWA LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of GANJUWA LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

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## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**



## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

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These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	6,331,012		15,602	
Prepayments	6	16,474,550		1,797,000	
Inventories		<u>-</u>		<u>-</u>	
Total Current Assets A			22,805,562		1,812,602
<b>Non-Current Assets</b>					
Investments	7	8,528,820		8,528,820	
Property, Plant & Equipment	8	<u>17,369,850</u>		<u>-</u>	
Total Non Current Assets B			<u>25,898,670</u>		<u>8,528,820</u>
Total Assets C=A+B			48,704,232		10,341,422
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	1,597,671		1,597,671	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			1,597,671		1,597,671
<b>Non Current Liabilities</b>					
Long Term Borrowings		-		-	
Total Non Current Liabilities E			<u>-</u>		<u>-</u>
Total Liabilities F=D+E			1,597,671		1,597,671
Net Assets G=C-F			<u>47,106,561</u>		<u>8,743,751</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	48,154,548		-	
Accumulated Surplus/(Deficit)	11	<u>(1,047,987)</u>	<u>47,106,561</u>	8,743,751	<u>8,743,751</u>
Total Net Assets/Equity H=G			<u>47,106,561</u>		<u>8,743,751</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
₦			₦	₦	₦
<b>REVENUE</b>					
588,404,801	Govt Share of FAAC	1	477,721,579	5,284,162,443	(4,806,440,864)
-	Interest Earned		-	682,660	(682,660)
-	Aid & Grants		-	25,850,000	(25,850,000)
28,015,927	Other Revenue	2	5,416,364	36,795,408	(31,379,044)
<b>616,420,728</b>	<b>TOTAL REVENUE (a)</b>		<b>483,137,944</b>	<b>5,347,490,511</b>	<b>(4,864,352,567)</b>
<b>EXPENDITURE</b>					
578,945,290	Personnel cost	3	393,176,194	962,985,274	569,809,080
	Social Benefits			-	-
37,459,837	Overhead Cost	4	99,753,487	1,872,135,651	1,772,382,164
-	Grants & Contributions		-	-	-
<b>616,405,127</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>492,929,681</b>	<b>2,835,120,925</b>	<b>2,342,191,244</b>
15,602	Surplus/(Deficit) from operating Activities for the period C=(a-b)		(9,791,737)	2,512,369,586	2,522,161,323
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture		-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		-	-	-
15,602	Surplus/(Deficit) from Ordinary Activities e=(c+d)		(9,791,737)	2,512,369,586	2,522,161,323
-	Minority Interest Share of Surplus/(Deficit) (f)		-	-	-
<b>15,602</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>(9,791,737)</b>	<b>2,512,369,586</b>	<b>2,522,161,323</b>

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	8,743,751	-	8,743,751
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>(9,791,737)</u>	<u>-</u>	<u>(9,791,737)</u>
	<u>(1,047,987)</u>	<u>-</u>	<u>(1,047,987)</u>
			-
Balance as at 31 December 2018	<u>(1,047,987)</u>	<u>-</u>	<u>(1,047,987)</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018 N	2017 N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
<i>Inflows</i>		-	-
Government Share of FAAC	1	477,721,579	588,404,801
Other Revenue	2	<u>5,416,364</u>	<u>28,015,927</u>
<b>Total inflow from Operating Activities (A)</b>		483,137,944	616,420,728
<i>Outflows</i>			
Salaries & Wages	3	(393,176,194)	(578,945,290)
Social Benefits		-	-
Overhead Cost	4	<u>(99,753,487)</u>	<u>(37,459,837)</u>
<b>Total outflow from operating Activities (B)</b>		<u>(492,929,681)</u>	<u>(616,405,127)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>		(9,791,737)	15,602
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase/Construction of PPE	8	(17,369,850)	-
Purchase/Construction of Investment Property		-	-
Acquisition of investments		<u>-</u>	<u>-</u>
<b>Net Cash from Investing Activities</b>		(17,369,850)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Capital Grants Received		48,154,548	-
Proceeds from Borrowings		-	-
Repayment of Borrowings		-	-
<b>Net Cash Flow from Financing Activities</b>		<b>48,154,548</b>	-
<b>Net Cash flow from all Activities</b>		<b>20,992,961</b>	<b>15,602</b>
<b>Net Movement in Current Assets / Liabilities</b>			
Net Movement in Inventories			-
Net Movement in Receivables		(14,677,550)	14,277,242
Net Movement in Payables		<u>-</u>	<u>-</u>
		<u>(14,677,550)</u>	<u>(14,277,242)</u>
Net Cash Flow from Operating Activities		<b>6,315,411</b>	<b>(14,261,641)</b>
Cash & Its Equivalent as at 1/1/2016		<u>15,602</u>	<u>14,277,242</u>
<b>Cash &amp; Its Equivalent as at 31/12/2016</b>		<b><u>6,331,012</u></b>	<b><u>15,602</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2016</b>			
Cash Balances		1,913	-
Bank Balances		6,329,099	17,003
Overdraft		<u>-</u>	<u>(1,402)</u>
		<b><u>6,331,012</u></b>	<b><u>15,602</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	477,721,579	588,404,801
	<u><b>477,721,579</b></u>	<u><b>588,404,801</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	5,416,364	28,015,927
10% Share of State Internal Revenue	-	-
	<u><b>5,416,364</b></u>	<u><b>28,015,927</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	387,825,694	578,945,290
Allowances	5,350,500	-
	<u><b>393,176,194</b></u>	<u><b>578,945,290</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	12,706,253	3,826,500
Honourarium & sitting allowance	4,630,500	2,887,090
Welfare packages	3,585,820	1,172,924
Disturbance allowance		115,000
Immunization supervision allowance	1,000,000	-
Medical expenses-local	112,000	-
	<u><b>22,034,573</b></u>	<u><b>8,001,514</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	16,252,113	5,810,815
Local travel & transport: Training	3,719,241	10,523,729
International travel & transport	-	-
	<u><b>19,971,355</b></u>	<u><b>16,334,544</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Books		77,087
Purchase of agric products	450,000	
Catering materials	22,000	200,000
Office stationeries/computer consumab	139,000	137,600
Printing of security document	110,000	
Printing of non-security document	520,000	465,000
	<b><u>1,241,000</u></b>	<b><u>879,687</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	6,285,000	516,000
Refreshment & Meals	10,788,488	152,190
Financial Assistance	88,500	
Sundry expenses		788,106
Residential rent	2,988,235	789,400
Office rent	562,000	
Postage & courier services	60,000	19,600
Publicity & advertisement	74,000	17,000
Medical expenses		60,000
NATA & fuelling		847,000
Sporting activities	30,000	580,000
Hospitality & entertainment	4,511,200	
general expenses		
Electricity bills	200,000	
Grant to communities	8,356,000	
Bank charges	436,577	
Special days celebration	–	2,450,496
	<b><u>34,380,000</u></b>	<b><u>6,219,792</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Other maintenance services	9,997,903	40,000
Maintenance of office furniture		25,000
Maintenance of market/ public places	3,569,469	1,905,000
Maintenance of motor vehicles	3,721,388	1,513,600
Maintenance of of office building	2,150,350	361,200
Maintenance of street light	400,000	
Maintenance of IT/Office equipment	881,000	
Other transport equipment fuel cost	48,000	300,000
Maintenance of communication equipme	369,500	1,503,000
Motor vehicle fuel cost	932,950	156,500
	<b><u>22,070,559</u></b>	<b><u>5,804,300</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Agricultural consulting		20,000
Information technology consulting	56,000	
Surveying	–	200,000
	<b><u>56,000</u></b>	<b><u>220,000</u></b>
<b>Total Overheads</b>	<b><u>99,753,487</u></b>	<b><u>37,459,837</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		5,853
Zenith bank		11,150
Bank balance	6,329,099	
Cash	1,913	-
	<u>6,331,012</u>	<u>17,003</u>
Bank overdraft (Unity bank)	-	(1,402)
	<u><b>6,331,012</b></u>	<u><b>15,602</b></u>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<u><b>16,474,550</b></u>	<u><b>1,797,000</b></u>
<b>NOTE 7 INVESTMENTS</b>	<u><b>8,528,820</b></u>	<u><b>8,528,820</b></u>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Construction of drainage	3,255,126	
Renovation of out post	287,592	
Renovation of lock-up shop	675,324	
Minor road repairs	4,609,168	
Renovation of culvert	375,000	
Rehabilitation/repairs- hospital/health c	1,229,090	
Renovation of chairman's house	2,040,409	
Rehabilitation/repairs -water facilities	2,189,170	
Renovation of shops	677,518	
Rehabilitation / repairs- electricity	327,500	
Construction of classrooms	1,703,953	
	<u><b>17,369,850</b></u>	
<b>NOTE 9 DEPOSITS</b>	<u><b>1,597,671</b></u>	<u><b>1,597,671</b></u>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<u><b>48,154,548</b></u>	
<b>NOTE 11 RESERVES</b>		
Brought Forward	8,743,751	20,943,645
Prior year adjustment		(12,215,496)
Operating Balance for the Year	<u>(9,791,737)</u>	<u>15,602</u>
	<u><b>(1,047,987)</b></u>	<u><b>8,743,751</b></u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018  
APPENDICES**

**SCHEDULES OF INVESTMENT**

**APPENDIX 1**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	ASHAKA CEMENT	60,000
2	KADUNA TEXTILE	105,000
3	BAUCHI PRINTING COMPANY	100,000
4	MANTO PROCESSING COMPANY	10,000
5	ZARANDA HOTEL	109,920
6	INLAND BANK	1,500,000
7	AREWA CERAMIC	350,000
8	YANKARI FINANCING AGENCY	50,000
9	FEDERAL SAVING BANK	50,000
10	FIRST BANK PLC	28,000
11	GALAMBI CATTLE RANCH	150,000
12	URBAN DEV.BANK	500,000
13	JA'IZ INTERNATIONAL PLC	5,515,900
		<u><b>8,528,820</b></u>

**SCHEDULES OF DEPOSIT**

**APPENDIX 2**

<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
D1	Pay As You Earn (P.A.Y.E.)	332,038
D6	FIRS – WHT	1,000,000
D10	FIRS – 5% VAT on Contracts	265,633
		<u><b>1,597,671</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**SCHEDULES OF ADVANCES**

<b>APPENDIX 3</b>			
<b>S/N</b>	<b>DESCRIPTION</b>		<b>AMOUNT</b>
A/1	MOHAMMED LANDAN YARO	STANDING IMPREST	100,000
A/2	ELIZERBIRTH J. AREWA	STANDING IMPREST	3,000
A/3	GARBA ADAMU H	STANDING IMPREST	10,000
A/4	MOHAMMED BELLO M.	STANDING IMPREST	10,000
A/5	BALA MUSA YARO	STANDING IMPREST	5,000
A/6	ALH. ADAMU WAZIRI	STANDING IMPREST	30,000
A/7	AHMED JIBRIN	STANDING IMPREST	15,000
A/8	MOHAMMED MANDOMA	STANDING IMPREST	30,000
A/9	ABDULLAHI BALA Z	STANDING IMPREST	10,000
A/10	MOHAMMED A. ALI	STANDING IMPREST	10,000
A/11	SHEHU Y. MOHAMMED	STANDING IMPREST	10,000
A/12	SHEHU Y. MOHAMMED	STANDING IMPREST	10,000
A/13	AHMED D. ADAMU	STANDING IMPREST	10,000
A/14	AHMED S. MOHAMMED	STANDING IMPREST	10,000
A/15	MOHAMMED BELLO M.	STANDING IMPREST	10,000
A/16	SAMAILA A. GRABA	STANDING IMPREST	5,000
A/17	AHMED SHWHU UMAR	STANDING IMPREST	5,000
A/18	ABDULLI YAHAYA	STANDING IMPREST	10,000
A/19	HAMATU O. IBRAHIM	STANDING IMPREST	5,000
A/20	KABIRU ABUBAKAR D.	STANDING IMPREST	5,000
A/21	SULISU ABUBAKAR G.	STANDING IMPREST	5,000
A/22	ABUBAKAR AMALE	STANDING IMPREST	5,000
A/23	HUSSAINI A. UMAR	STANDING IMPREST	5,000
A/24	ISAH AHMED BETSO	STANDING IMPREST	5,000
A/26	SALEH MOHAMMED IMAIN	STANDING IMPREST	5,000
A/27	USMAN JAMA	STANDING IMPREST	5,000
A/28	MAIRO SALIMAN	STANDING IMPREST	5,000
A/29	ISYAKU Y. BELLO	STANDING IMPREST	5,000
A/30	MOHAMMED TALLE	STANDING IMPREST	5,000
A/31	ABDULLAHI BABAJI SAIDI	STANDING IMPREST	5,000
A/32	AHMED ABDULHAMID	STANDING IMPREST	20,000
A/33	SALISU SHEHU GRABA	STANDING IMPREST	20,000
A/34	ALIYU YA'U KACICIYA	STANDING IMPREST	20,000
A/35	ISAH MOHAMMED KUTAI	STANDING IMPREST	100,000
A/36	ALIYU SALISU SAIDU	STANDING IMPREST	20,000
A/37	HUSSAINI A. UMAR	STANDING IMPREST	5,000
A/38	ALI A. GAMBO	STANDING IMPREST	20,000
A/39	SAIDU SHEHU	STANDING IMPREST	20,000
A/40	ABDULLAHI ALIYU	STANDING IMPREST	20,000
			<b><u>598,000</u></b>

# **GIADE LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ALH UMARU ADAMU**

### **HEAD OF ADMINISTRATION**

**ALH IBRAHIM AHMED MOHAMMED**

### **TREASURER**

**ALH. ABANI MOHAMMED JIKA**

### **AUDITORS**

**Abdulkadeer Mahmoud & Co.  
(Chartered Accountants)**

### **BANKERS**

**FIDELITY BANK PLC.  
FIRST BANK NIG LTD.  
UNITY BANK PLC.**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF GIADE LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of Giade Local Government Council for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards (IPSAS) and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	6,682,530		877,861	
Prepayments	6	2,794,513		1,479,544	
Inventories		<u>-</u>		<u>-</u>	
Total Current Assets A			9,477,043		2,357,405
<b>Non-Current Assets</b>					
Investments	7	20,576,115		20,576,115	
Property, Plant & Equipment	8	35,694,324		-	
Investment Property		<u>-</u>		<u>-</u>	
Total Non Current Assets B			56,270,439		20,576,115
Total Assets C=A+B			65,747,482		22,933,520
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	4,721,136		449,560	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			4,721,136		449,560
<b>Non Current Liabilities</b>					
Long Term Borrowings		<u>-</u>		<u>-</u>	
Total Non Current Liabilities E			<u>-</u>		<u>-</u>
Total Liabilities F=D+E			4,721,136		449,560
Net Assets G=C-F			<u>61,026,347</u>		<u>22,483,960</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	32,870,862		-	
Reserves	11	<u>28,155,485</u>	<u>61,026,347</u>	<u>22,483,960</u>	<u>22,483,960</u>
Total Net Assets/Equity H=G			<u>61,026,347</u>		<u>22,483,960</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017		NOTES	2018		
ACTUAL			ACTUAL	BUDGET	VARIANCE
₦			₦	₦	₦
<b>REVENUE</b>					
501,640,879	Govt Share of FAAC	1	473,343,588	3,616,896,122	(3,143,552,534)
-	Aid & Grants		-	24,722,500	(24,722,500)
12,799,196	Other Revenue	2	4,427,868	19,880,416	(15,452,548)
<b>514,440,075</b>	<b>TOTAL REVENUE (a)</b>		<b>477,771,457</b>	<b>3,661,499,038</b>	<b>(3,183,727,581)</b>
<b>EXPENDITURE</b>					
486,265,446	Salaries	3	391,892,723	1,044,954,298	653,061,575
	Social Benefits			-	-
27,296,768	Overhead Cost	4	80,207,208	778,550,000	698,342,792
-	Grants & Contributions		-	-	-
<b>513,562,214</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>472,099,931</b>	<b>1,823,504,298</b>	<b>1,351,404,367</b>
Surplus/(Deficit) from operating					
877,861	Activities for the period C=(a-b)		5,671,525	1,837,994,740	1,832,323,215
-	Gain/Loss on Disposal	22	-	-	-
-	Gain/Loss on Foreign Exchange Tra	23	-	-	-
-	Share of Surplus/(Deficit) In Assoc.	24	-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		<b>-</b>	<b>-</b>	<b>-</b>
877,861	Surplus/(Deficit)from Ordinary Activities e=(c+d)		5,671,525	1,837,994,740	1,832,323,215
<b>877,861</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>5,671,525</b>	<b>1,837,994,740</b>	<b>1,832,323,215</b>



**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated Fund =N=</b>	<b>Revaluation Reserve =N=</b>	<b>TOTAL =N=</b>
Balance as at 31 December 2017	22,483,960	-	22,483,960
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>5,671,525</u>	<u>-</u>	<u>5,671,525</u>
	<u><b>28,155,485</b></u>	<u><b>-</b></u>	<u><b>28,155,485</b></u>
			-
Balance as at 31 December 2018	<u><b>28,155,485</b></u>	<u><b>-</b></u>	<u><b>28,155,485</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC		473,343,588		501,640,879	
Other Revenue		<u>4,427,868</u>		<u>12,799,196</u>	
<b>Total inflow from Operating Activities (A)</b>			<b>477,771,457</b>		<b>514,440,075</b>
<i>Outflows</i>					
Salaries & Wages		(391,892,723)		(486,265,446)	
Social Benefits		-		-	
Overhead Cost		<u>(80,207,208)</u>		<u>(27,296,768)</u>	
<b>Total outflow from operating Activities (B)</b>			<b>(472,099,931)</b>		<b>(513,562,214)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			<b>5,671,525</b>		<b>877,861</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase/Construction of PPE		(35,694,324)		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(35,694,324)</b>		<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		32,870,862			
Repayment of Borrowings		-			
<b>Net Cash Flow from Financing Activities</b>			<b>32,870,862</b>		<b>-</b>
<b>Net Cash flow from all Activities</b>			<b>2,848,063</b>		<b>877,861</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories					
Net Movement in Receivables			(1,314,969)		(336,647)
Net Movement in Payables			<u>4,271,576</u>		<u>-</u>
			<u>2,956,606</u>		<u>(336,647)</u>
Net Cash Flow from Operating Activities			<b>5,804,669</b>		<b>541,214</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>			<u>877,861</u>		<u>336,647</u>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>			<b><u>6,682,530</u></b>		<b><u>877,861</u></b>
<b>Cash &amp; its Equivalent as at 31/12/2018</b>					
Cash Balances			95,997		1,947
Bank Balances			6,586,533		875,914
Overdraft			<u>-</u>		<u>-</u>
			<b>6,682,530</b>		<b>877,861</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	473,343,588	501,640,879
	<b><u>473,343,588</u></b>	<b><u>501,640,879</u></b>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	4,427,868	12,799,196
10% Share of State Internal Revenue	-	-
Sale of shares	-	-
	<b><u>4,427,868</u></b>	<b><u>12,799,196</u></b>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	381,603,223	486,265,446
Allowances	10,289,500	-
	<b><u>391,892,723</u></b>	<b><u>486,265,446</u></b>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	16,060,000	5,707,000
Honourarium & sitting allowance	10,020,150	3,550,937
Immunization supervision allowance	-	-
Medical expenses-local	377,000	-
Burial expenses	-	-
Disturbance allowance	-	-
	<b><u>26,457,150</u></b>	<b><u>9,257,937</u></b>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	7,990,625	7,847,220
Local travel & transport: Training	920,610	700,000
	<b><u>8,911,235</u></b>	<b><u>8,547,220</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Relief materials	16,050,930	
Field & camping materials supplies	15,000	15,000
Drug & medical supplies	1,450,000	250,000
Office stationeries/computer consumables	112,000	213,700
Printing of security document		30,000
Printing of non-security document	54,000	10,950
	<b><u>17,681,930</u></b>	<b><u>519,650</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	4,000,000	
Refreshment & Meals	747,600	1,571,766
Financial Assistance	567,000	
Sporting activities	670,427	
Residential rent	3,191,010	1,500,000
Welfare packages	2,157,000	1,060,139
Skills acquisition	160,000	
Water rate	252,800	
Publicity & advertisement	1,210,300	
Electricity bills	350,000	
Grant to communities	3,193,630	
Bank charges	14,896	-
	<b><u>16,514,663</u></b>	<b><u>4,131,905</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Generator fuel cost	250,000	
Other maintenance	3,231,040	1,644,800
Maintenance of office equipment	-	657,012
Maintenance of motor vehicles	6,324,750	258,500
Maintenance of office building	86,440	1,837,000
Maintenance of market/public places	750,000	
Motor vehicle fuel cost	-	227,744
	<b><u>10,642,230</u></b>	<b><u>4,625,056</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Legal services		200,000
Surveying	-	15,000
	<b><u>-</u></b>	<b><u>215,000</u></b>
<b>Total Overhead</b>	<b><u>80,207,208</u></b>	<b><u>27,296,768</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		
First Bank	-	875,914
Bank balance	6,586,533	
Cash	95,997	1,947
	<u><b>6,682,530</b></u>	<u><b>877,861</b></u>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<u><b>2,794,513</b></u>	<u><b>1,479,544</b></u>
<b>NOTE 7 INVESTMENTS</b>	<u><b>20,576,115</b></u>	<u><b>20,576,115</b></u>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Fencing of cattle market	8,319,904	
Renovation of council house	2,500,000	
Construction/drilling of hand pump	3,075,000	
Renovation of market stall	3,042,320	
Construction of lockup shops	4,151,000	
Rehabilitation/repairs of agricultural	7,193,300	
Rehabilitation/repairs of water facilities	7,241,300	
Construction/provision of housing	121,500	
Purchase/Acquisition of land	50,000	
	<u><b>35,694,324</b></u>	
<b>NOTE 9 DEPOSITS</b>	<u><b>4,721,136</b></u>	<u><b>449,560</b></u>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<u><b>32,870,862</b></u>	
<b>NOTE 11 RESERVES</b>		
Brought Forward	22,483,960	21,606,099
Operating Balance for the Year	5,671,525	877,861
	<u><b>28,155,485</b></u>	<u><b>22,483,960</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**APPENDIX 1**

<b>SCHEDULES OF INVESTMENT</b>		
<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	FinBank Plc	667,400
3	First Inland Bank Plc	1,497,920
4	F.S.B. Int Bank Plc	329,000
6	Jaiz International Plc	4,338,900
7	Inter Cellular	9,999,998
9	Access Bank (Nig) Plc	800,000
12	Ashaka Cement plc	2,675,258
13	Urban Development Bank	235,000
17	Fidelity Bank Plc	32,639
		<u><b>20,576,115</b></u>

**APPENDIX 2**

**SCHEDULES OF ADVANCES**

<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
A/1	Sundry person Touring advance	(68,501)
A/2	Late Shehu M. Azare Personal advance	(6,667)
A/3	Bala Usman Kurba Personal advance	242,000
A/4	Aminu Bello Personal advance	170,000
A/5	Aminu Abubakar Personal advance	412,888
A/6	Nura Wakili Imprest advance	(5,000)
A/7	Ishyaku Mohammed Wahu Speacial advance	1,449,794
A/8	Kabiru Sule Speacial advance	600,000
		<u><b>2,794,514</b></u>

**APPENDIX 3**

<b>SCHEDULES OF DEPOSIT</b>		
<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
D1	Pay As You Earn (P.A.Y.E.)	
D2	CPD 5% Tax on Contract	523,669
D3	Darazo LGA Loan repayment	84,474
D4	Misau LGA Loan repayment	38,201
	Katagum LGA-Loan repayment	25,000
	Bauchi LGA Loan repayment	4,248
	Sundry staff-Social welfare scheme	600
	Sundry persons-Retention	3,375,831
D6	FIRS – WHT	420,000
D10	FIRS – 5% VAT on Contracts	246,917
D30	Sundry persons-gift	2,196
		<u><b>4,721,136</b></u>

# **ITAS–GADAU LOCAL GOVERNMENT COUNCIL**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

HON. AHMED ADAMU ITAS

### **HEAD OF ADMINISTRATION**

SHEHU USMAN ABUBAKAR

### **TREASURER**

SANI YUSUF KIRFI

### **AUDITORS**

ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)

### **BANKERS**

FIDELITY BANK PLC  
FCMB PLC

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF ITAS-GADAU LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of ITAS-GADAU LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7-10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11-12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.



## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards (IPSAS) and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	367,411		18,092	
Prepayments	6	100,000		100,000	
Inventories		<u>-</u>		<u>-</u>	
Total Current Assets A			467,411		118,092
<b>Non-Current Assets</b>					
Investments	7	7,532,166		7,532,166	
Property, Plant & Equipment	8	32,080,906		-	
Investment Property		<u>-</u>		<u>-</u>	
Total Non Current Assets B			<u>39,613,072</u>		<u>7,532,166</u>
Total Assets C=A+B			40,080,483		7,650,258
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	14,355,384		14,355,384	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			14,355,384		14,355,384
<b>Non Current Liabilities</b>					
Public Funds		-		-	
Long Term Borrowings		<u>-</u>		<u>-</u>	
Total Non Current Liabilities E			<u>-</u>		<u>-</u>
Total Liabilities F=D+E			14,355,384		14,355,384
Net Assets G=C-F			<u>25,725,099</u>		<u>(6,705,126)</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	38,791,730		-	
Reserves	11	<u>(13,066,631)</u>	<u>25,725,099</u>	<u>(6,705,127)</u>	<u>(6,705,127)</u>
Total Net Assets/Equity H=G			<u>25,725,099</u>		<u>(6,705,126)</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
N			N	N	N
<b>REVENUE</b>					
723,099,216	Govt Share of FAAC	1	646,363,072	3,816,548,365	(3,170,185,293)
-	Aid & Grants		-	363,920,604	(363,920,604)
10,427,133	Other Revenue	2	2,576,770	53,308,870	(50,732,100)
<b>733,526,349</b>	<b>TOTAL REVENUE (a)</b>		<b>648,939,842</b>	<b>4,233,777,839</b>	<b>(3,584,837,997)</b>
<b>EXPENDITURE</b>					
692,425,200	Salaries	3	566,545,735	1,409,842,813	843,297,078
	Social Benefits			-	-
41,083,058	Overhead Cost	4	88,755,611	755,734,261	666,978,650
-	Grants & Contributions		-	-	-
<b>733,508,258</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>655,301,346</b>	<b>2,165,577,074</b>	<b>1,510,275,728</b>
18,092	Surplus/(Deficit) from operating Activities for the period C=(a-b)		(6,361,504)	2,068,200,765	2,074,562,269
-	Gain/Loss on Disposal		-	-	-
-	Gain/Loss on Foreign Exchange Transaction		-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		-	-	-
18,092	Surplus/(Deficit)from Ordinary Activities e=(c+d)		(6,361,504)	2,068,200,765	2,074,562,269
18,092	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>(6,361,504)</b>	<b>2,068,200,765</b>	<b>2,068,200,765</b>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated Fund =N=</b>	<b>Revaluation Reserve =N=</b>	<b>TOTAL =N=</b>
Balance as at 31 December 2017	(6,705,127)	-	(6,705,127)
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	(6,361,504)	-	(6,361,504)
	<u>(13,066,631)</u>	<u>-</u>	<u>(13,066,631)</u>
			-
Balance as at 31 December 2018	<u>(13,066,631)</u>	<u>-</u>	<u>(13,066,631)</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018 N	2017 N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
<i>Inflows</i>			
Government Share of FAAC	1	646,363,072	723,099,216
Other Revenue	2	<u>2,576,770</u>	<u>10,427,133</u>
<b>Total inflow from Operating Activities (A)</b>		<b>648,939,842</b>	<b>733,526,349</b>
<i>Outflows</i>			
Salaries & Wages	3	(566,545,735)	(692,425,200)
Social Benefits		-	-
Overhead Cost	4	<u>(88,755,611)</u>	<u>(41,083,058)</u>
<b>Total outflow from operating Activities (B)</b>		<b>(655,301,346)</b>	<b>(733,508,258)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>		<b>(6,361,504)</b>	<b>18,092</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase/Construction of PPE	8	(32,080,906)	-
Purchase/Construction of Investment Property		-	-
Acquisition of investments		<u>-</u>	<u>-</u>
<b>Net Cash from Investing Activities</b>		<b>(32,080,906)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Capital Grants Received	11	38,791,730	-
Proceeds from Borrowings		-	-
Repayment of Borrowings		-	-
<b>Net Cash Flow from Financing Activities</b>		<b>38,791,730</b>	<b>-</b>
<b>Net Cash flow from all Activities</b>		<b>349,319</b>	<b>18,092</b>
<b>Net Movement in Current Assets / Liabilities</b>			
Net Movement in Inventories		-	(1,792,324)
Net Movement in Receivables		-	-
Net Movement in Payables		<u>-</u>	<u>(1,792,324)</u>
Net Cash Flow from Operating Activities		<b>349,319</b>	<b>(1,774,233)</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>		<b>18,092</b>	<b>1,792,324</b>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>		<b><u>367,411</u></b>	<b><u>18,092</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>			
Cash Balances		800	600
Bank Balances		<u>366,611</u>	<u>17,492</u>
		<b><u>367,411</u></b>	<b><u>18,092</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

		<b>2018</b>	<b>2017</b>
		<b>N</b>	<b>N</b>
<b>NOTE 1</b>	<b>STATUTORY ALLOCATION</b>		
	Council and staff salaries	646,363,072	723,099,216
		<u><b>646,363,072</b></u>	<u><b>723,099,216</b></u>
<b>NOTE 2</b>	<b>OTHER REVENUE</b>		
	Internally Generated Revenue	2,576,770	10,427,133
	10% Share of State Internal Revenue	–	–
	Sale of shares	–	–
		<u><b>2,576,770</b></u>	<u><b>10,427,133</b></u>
<b>NOTE 3</b>	<b>PERSONNEL COST</b>		
	Salaries & Wages	565,085,735	692,425,200
	Allowances	1,460,000	–
		<u><b>566,545,735</b></u>	<u><b>692,425,200</b></u>
<b>NOTE 4</b>	<b>OVERHEAD COST</b>		
	<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
	Security allowance	5,080,000	10,884,600
	Honourarium & sitting allowance	626,500	3,124,000
	Medical expenses–local	617,000	–
	Welfare packages	14,882,400	7,369,724
		<u><b>21,205,900</b></u>	<u><b>21,378,324</b></u>
	<i>TRAVEL &amp; TRANSPORT</i>		
	Local travel & transport: Others	14,219,549	5,335,150
	Local travel & transport: Training	–	2,401,000
		<u><b>14,219,549</b></u>	<u><b>7,736,150</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<i><b>MATERIALS AND SUPPLIES</b></i>		
Purchase of agro-chemicals & seedling	1,250,000	
Field & camping materials	675,000	
Drugs & medical supplies	5,630,000	
Office stationeries/computer consum	283,000	252,500
Printing of security document	70,000	27,000
	<b><u>7,908,000</u></b>	<b><u>279,500</u></b>
<i><b>MISCELLANEOUS EXPENSES</b></i>		
Security vote	7,575,000	
Refreshment & Meals	10,799,000	2,134,108
Financial Assistance	2,170,000	
Hospitality & entertainment	255,000	
Telephone	406,000	
Publicity & advertisement	100,000	
Postages & courier services	140,000	
Newspapers	160,000	
Communication expenses		305,100
Electricity bills	1,533,000	65,000
Orientation campaign	60,000	
Other transport equipment		471,200
Grant to communities	-	80,000
Security services	-	512,000
Special days celebration	1,005,000	-
	<b><u>24,203,000</u></b>	<b><u>3,567,408</u></b>
<i><b>MAINTENANCE SERVICES</b></i>		
Maintenance of generator	4,377,565	2,184,327
Generator fuel cost		587,700
Maintenance of office equipment		80,000
Maintenance of motor vehicles	4,675,495	436,800
Maintenance of markets/public places	326,000	
Minor road maintenance	4,957,258	
Other maintenance services	3,522,305	2,351,299
Maintenance of of office building	870,500	163,400
Motor vehicle fuel cost	1,481,914	1,507,000
	<b><u>20,211,037</u></b>	<b><u>7,310,526</u></b>
<i><b>CONSULTING &amp; PROFESSIONAL SERVICES</b></i>		
Legal services	400,000	100,000
Agricultural consulting		30,000
Information technology	-	30,000
	<b><u>400,000</u></b>	<b><u>160,000</u></b>
<b>BANK CHARGES</b>	<b><u>608,125</u></b>	<b><u>651,150</u></b>
<b>Total Overhead</b>	<b><u>88,755,611</u></b>	<b><u>41,083,058</u></b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		
First Bank	-	17,492
Bank balance	366,611	
Cash	800	600
	<u><b>367,411</b></u>	<u><b>18,092</b></u>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<u><b>100,000</b></u>	<u><b>100,000</b></u>
<b>NOTE 7 INVESTMENTS</b>	<u><b>7,532,166</b></u>	<u><b>7,532,166</b></u>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Construction/provision of hospital	820,000	
Rehabilitation/repair of residential bu	2,039,190	
Drilling & installation of hand pump	3,497,600	
Rehabilitation/repairs-housing	2,023,950	
Rehabilitation/repairs-electricity	1,301,500	
Construction of market stalls	4,153,665	
Purchase of office furniture	1,500,000	
Land compensation	3,804,941	
Purchase of residential furniture	390,000	
Purchase of power solar	750,000	
Rehabilitation of water facility	11,000,060	
Purchase of submissible pump	800,000	
	<u><b>32,080,906</b></u>	
<b>NOTE 9 DEPOSITS</b>	<u><b>14,355,384</b></u>	<u><b>14,355,384</b></u>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<u><b>38,791,730</b></u>	
<b>NOTE 11 RESERVES</b>		
Brought Forward	(6,705,127) -	94,827,963
		88,104,745
Operating Balance for the Year	<u>(6,361,504)</u>	<u>18,092</u>
	<u><b>(13,066,631)</b></u>	<u><b>(6,705,127)</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**APPENDIX 1**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	First Bank Plc	62,499
2	Ashaka Cement Plc	125,000
3	Urban Development Bank Ltd	500,000
4	FSB International Bank Ltd	28,125
5	Access Bank Plc	750,000
6	Jaiz International Bank Plc	4,337,400
7	Bauchi Publishing and Printing	200,000
8	FinBank Plc (Inland Bank Plc)	1,187,500
9	Yankari Savings and Loans Ltd	341,642
		<u><b>7,532,166</b></u>

**SCHEDULES OF ADVANCES**

**APPENDIX 2**

<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	Adamu Shehu ( Ado)	10,000
2	Adamu Aliyu Gadau	10,000
3	Hajara Salihu	10,000
4	Usman B. Aliyu	10,000
5	Mustapha Mohammed	10,000
6	Atafowa Clinic	10,000
7	Mashema Clinic	10,000
8	MOHAMMED MANDOMA	10,000
9	Gambo Ahmed	10,000
10	Umar Mohammed Faruq	10,000
		<u><b>100,000</b></u>

**SCHEDULES OF DEPOSIT**

**APPENDIX 3**

<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
D14	Retention	94,766
D3	NULGE loan	1,220,131
D30	N.H.F.	13,040,487
		<u><b>14,355,384</b></u>

# **JAMA'ARE LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ALH SAMA'ILA YUSUF JARMA**

### **HEAD OF ADMINISTRATION**

**AMINA BABA DAN LAWAN**

### **TREASURER**

**WADATA ADAMU GADAU**

### **AUDITORS**

**Abdulkadeer Mahmoud & Co.  
(Chartered Accountants)**

### **BANKERS**

**First Bank of Nig Ltd  
Fidelity Bank Plc.**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF JAMA'ARE LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of JAMA'ARE LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	443,206		82,385	
Prepayments	6	10,609,679		10,609,679	
Inventories		<u>-</u>		<u>-</u>	
Total Current Assets A			11,052,885		10,692,064
<b>Non-Current Assets</b>					
Investments	7	14,154,624		14,154,624	
Property, Plant & Equipment	8	<u>23,914,831</u>		<u>-</u>	
Total Non Current Assets B			<u>38,069,455</u>		<u>14,154,624</u>
Total Assets C=A+B			<b>49,122,340</b>		<b>24,846,688</b>
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities</b>					
Deposits	9	20,479,873		20,349,873	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			20,479,873		20,349,873
<b>Non Current Liabilities</b>					
Long Term Borrowings		-		-	
Total Non Current Liabilities E			<u>-</u>		<u>-</u>
Total Liabilities F=D+E			20,479,873		20,349,873
NET ASSETS/EQUITY G=C-F			<u><b>28,642,467</b></u>		<u><b>4,496,815</b></u>
Capital Grants	10	31,469,321		-	
Accumulated Surplus/(Deficit)	11	<u>(2,826,854)</u>	<u>28,642,467</u>	<u>4,496,815</u>	<u>4,496,815</u>
Total Net Assets/Equity H=G			<u><b>28,642,467</b></u>		<u><b>4,496,815</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017 ACTUAL N		NOTES	2018 ACTUAL N	BUDGET N	VARIANCE N
<b>REVENUE</b>					
342,405,123	Govt Share of FAAC	1	318,746,190	3,252,111,435	(2,933,365,245)
-	Interest Earned	2	-	550,000	(550,000)
-	Aid & Grants	2	-	23,540,000	(23,540,000)
14,982,037	Other Revenue	2	3,095,770	57,475,256	(54,379,486)
<b>357,387,160</b>	<b>TOTAL REVENUE (a)</b>		<b>321,841,959</b>	<b>3,333,676,691</b>	<b>(3,011,834,732)</b>
<b>EXPENDITURE</b>					
323,205,935	Personnel cost	3	257,374,124	426,216,875	168,842,751
	Social Benefits			-	-
34,098,840	Overhead Cost	4	71,791,505	1,189,171,552	1,117,380,047
-	Grants & Contributions		-	-	-
<b>357,304,775</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>329,165,629</b>	<b>1,615,388,427</b>	<b>1,286,222,798</b>
82,385	Surplus/(Deficit) from operating Activities for the period C=(a-b)		(7,323,669)	1,718,288,264	1,725,611,933
-	Gain/Loss on Disposal	22	-	-	-
-	Gain/Loss on Foreign Exchange Transaction	23	-	-	-
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture	24	-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		<b>-</b>	<b>-</b>	<b>-</b>
82,385	Surplus/(Deficit)from Ordinary Activities e=(c+d)		(7,323,669)	1,718,288,264	1,725,611,933
-	Minority Interest Share of Surplus/(Deficit) (f)	25	-	-	-
<b>82,385</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>(7,323,669)</b>	<b>1,718,288,264</b>	<b>1,725,611,933</b>



**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENT OF CHANGES IN EQUITY**

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	4,496,815	-	4,496,815
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>(7,323,669)</u>	<u>-</u>	<u>(7,323,669)</u>
	<u><u>(2,826,854)</u></u>	<u><u>-</u></u>	<u><u>(2,826,854)</u></u>
			-
Balance as at 31 December 2018	<u><u>(2,826,854)</u></u>	<u><u>-</u></u>	<u><u>(2,826,854)</u></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	N	2018	N	2017	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>					
Government Share of FAAC	318,746,190			342,405,123	
Government Share of VAT	-			-	
Interest Earned	-			-	
Aid & Grants	-			-	
Other Revenue	3,095,770			14,982,037	
<b>Total inflow from Operating Activities (A)</b>		321,841,959			357,387,160
<i>Outflows</i>					
Salaries & Wages	(257,374,124)			(323,205,935)	
Social Benefits	-			-	
Overhead Cost	(71,791,505)			(34,098,840)	
<b>Total outflow from operating Activities (B)</b>		(329,165,629)			(357,304,775)
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>		(7,323,669)			82,385
<b>CASH FLOW FROM INVESTING ACTIVIT</b>					
Proceeds from Sale of Investment	-			-	
Dividends Received	-			-	
Purchase/Construction of PPE	(23,914,831)			-	
Purchase/Construction of Investment Pro	-			-	
Acquisition of investments	-			-	
<b>Net Cash from Investing Activities</b>		(23,914,831)			-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received	31,469,321				
Proceeds from Borrowings	-				
Repayment of Borrowings	-				
<b>Net Cash Flow from Financing Activities</b>		31,469,321			-
<b>Net Cash flow from all Activities</b>		230,821			82,385
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories					(2,104,177)
Net Movement in Receivables		-			-
Net Movement in Payables		130,000			-
		130,000			(2,104,177)
Net Cash Flow from Operating Activities		360,821			(2,021,792)
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>		82,385			2,104,177
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>		<u>443,206</u>			<u>82,385</u>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances		1,086			-
Bank Balances		442,120			82,385
Overdraft		-			-
		<u>443,206</u>			<u>82,385</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	318,746,190	342,405,123
	<u><b>318,746,190</b></u>	<u><b>342,405,123</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	3,095,770	14,982,037
10% Share of State Internal Revenue	-	-
	<u><b>3,095,770</b></u>	<u><b>14,982,037</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	257,374,124	323,205,935
Allowances	-	-
	<u><b>257,374,124</b></u>	<u><b>323,205,935</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Honourarium & sitting allowance	671,000	1,943,500
Welfare packages	14,628,000	13,110,000
Disturbance allowance	-	30,000
Immunization supervision allowance	1,250,000	-
Medical expenses-local	1,347,000	99,000
	<u><b>17,896,000</b></u>	<u><b>15,182,500</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	8,419,611	3,030,700
Local travel & transport: Training	499,750	2,112,833
	<u><b>8,919,361</b></u>	<u><b>5,143,533</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Books	250,000	–
Relief materials	21,600,000	–
Purchase of agric products	2,764,371	–
Drugs & medical supplies	650,000	–
Uniforms & other clothing	–	25,000
Office stationeries/computer consumab	400,000	60,000
Printing of security document	–	146,750
Printing of non-security document	68,000	126,000
	<b><u>25,732,371</u></b>	<b><u>357,750</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	8,000,000	–
Refreshment & Meals	1,952,000	3,241,700
Financial Assistance	600,000	–
Sundry expenses	512,750	110,000
Residential rent	900,000	–
Skills programme	150,000	–
Meetings–OVC	100,000	–
Magazine & priodicals	200,000	–
Publicity & advertisement	536,000	–
Sporting activities	200,000	–
Hospitality & entertainment	970,000	–
Electricity bills	490,000	60,000
Bank charges	6,022	18,758
Special days celebration	–	55,000
	<b><u>14,616,772</u></b>	<b><u>3,485,458</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Other equipment & generator	133,000	7,820,000
Plant/generator fuel cost	480,000	–
Other maintenance services	231,000	202,200
Balance c/f	<b><u>844,000</u></b>	<b><u>8,022,200</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>MAINTENANCE SERVICES Cont.</i></b>		
Balance b/f	<b>844,000</b>	<b>8,022,200</b>
Maintenance of motor vehicles	1,840,000	140,000
Maintenance of of office building	99,000	897,848
Maintenance of street light	4,000	
Maintenance of IT/Office equipment	-	117,250
Maintenance of communication equipme	48,000	-
Motor vehicle fuel cost	1,614,000	632,300
	<b><u>4,449,000</u></b>	<b><u>9,809,598</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Agricultural consulting	130,000	20,000
Assessment fees		100,000
Surveying	48,000	-
	<b><u>178,000</u></b>	<b><u>120,000</u></b>
<b>Total Overheads</b>	<b><u>71,791,505</u></b>	<b><u>34,098,840</u></b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		4,384
First Bank Revenue	-	2,925
First Bank Main	-	75,076
Bank balance	442,120	
Cash	1,086	-
	<b><u>443,206</u></b>	<b><u>82,385</u></b>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<b><u>10,609,679</u></b>	<b><u>10,609,679</u></b>
<b>NOTE 7 INVESTMENTS</b>		
	<b><u>14,154,624</u></b>	<b><u>14,154,624</u></b>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Land compensation-TCN	4,719,881	-
Solar powered borehole & hand pump	11,824,450	-
Renovation of vet. Clinic/slaughter house	2,710,102	-
Supply of furniture-Council chambers	2,920,000	-
Electrical reactivation & connection	1,690,398	-
Purchase of laptop	50,000	-
	<b><u>23,914,831</u></b>	<b><u>-</u></b>
<b>NOTE 9 DEPOSITS</b>		
	<b><u>20,479,873</u></b>	<b><u>20,349,873</u></b>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<b><u>31,469,321</u></b>	<b><u>-</u></b>
<b>NOTE 11 RESERVES</b>		
Brought Forward	4,496,815	9,788,653
Prior year adjustment	-	(5,374,222)
Operating Balance for the Year	(7,323,669)	82,385
	<b><u>(2,826,854)</u></b>	<b><u>4,496,815</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**SCHEDULES OF INVESTMENT**

**APPENDIX 1**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Inland Bank Plc	5,787,032
2	Zaranda Hotels Ltd	76,300
3	Nigeria Investment Ltd	9,778
4	Ashaka Cement Plc	450,000
5	Bauchi Printing and Publishing Company	200,000
6	Kaduna Textile Ltd	245,000
7	Manto Processing Company	30,000
8	Arewa ceramic Ltd	400,000
9	FSB Int. bank Ltd	193,750
10	Yankari Insurance Ltd	50,000
11	Galambi Ranching Company Ltd	150,000
12	North East Government	9,378
13	Urban Development Bank Ltd	500,000
14	Yankari Savings and Loans Ltd	1,427,686
15	Jaiz International Plc	3,425,700
16	Access Bank Plc	1,200,000
		<b><u>14,154,624</u></b>

**SCHEDULES OF ADVANCES**

**APPENDIX 2**

<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
A/1	Sundry persons	<b><u>10,609,679</u></b>

**SCHEDULES OF DEPOSIT**

**APPENDIX 3**

<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
D/1	C.P.D	694,823
D/3	PAYE Deductions	(860,722)
D/4	NULGE Dues	1,897,409
D/5	WithHolding Tax (State)	665,082
D/6	MHWUN Dues	391,896
D/7	5% Value Added Tax	4,670,319
D/11	Jummai Auduwa	81,857
D/15	5% WithHolding Tax (FIRS)	2,929,221
D/16	Brixman Construction-Retention	389,930
D/17	Alh. Adamu-Retention	38,930
D/19	Ministry of Housing and Environment	20,000
D/20	Retention	875,415
D/21	National Housing Fund	8,255,295
D/22	10% Salary Deduction	12,122
D/23	NANNM Dues	168,280
D/25	OVC Contribution	250,016
		<b><u>20,479,873</u></b>

# **KATAGUM LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**MOHAMMED HASSAN**

### **HEAD OF ADMINISTRATION**

**MOHAMMED BELLO MAGAMA**

### **TREASURER**

**MOHAMMED ABDULLAHI**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIDELITY BANK PLC  
FCMB PLC**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF KATAGUM LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of KATAGUM LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.



## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Eq	5	1,897,161		64,213	
Prepayments	6	19,587,468		-	
Inventories		-		-	
Total Current Assets	A		21,484,629		64,213
<b>Non-Current Assets</b>					
Investments	7	24,061,452		24,061,452	
Property, Plant & Equipment	8	31,129,242		-	
Investment Property		-		-	
Total Non Current Assets	B		<u>55,190,694</u>		<u>24,061,452</u>
Total Assets C=A+B			76,675,323		24,125,665
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	15,528,214		12,866,036	
Payables		-		-	
Total Current Liabilities	D		15,528,214		12,866,036
<b>Non Current Liabilities</b>					
Public Funds		-		-	
Long Term Borrowings		-		-	
Total Non Current Liabilities	E		<u>-</u>		<u>-</u>
Total Liabilities F=D+E			15,528,214		12,866,036
Net Assets G=C-F			<u>61,147,109</u>		<u>11,259,629</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	48,050,468		-	
Reserves	11	13,096,641	61,147,109	11,259,629	11,259,629
Total Net Assets/Equity H=G			<u>61,147,109</u>		<u>11,259,629</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
N			N	N	N
<b>REVENUE</b>					
606,846,862	Govt Share of FAAC	1	639,292,910	6,703,438,344	(6,064,145,434)
-	Govt Share of VAT	1	-	-	-
-	Aid & Grants		-	23,210,000	(23,210,000)
40,198,418	Other Revenue	2	16,268,447	85,443,831	(69,175,384)
<b>647,045,281</b>	<b>TOTAL REVENUE (a)</b>		<b>655,561,357</b>	<b>6,812,092,175</b>	<b>(6,156,530,818)</b>
<b>EXPENDITURE</b>					
605,559,343	Salaries	3	416,469,698	1,152,237,073	735,767,375
	Social Benefits			-	-
41,421,725	Overhead Cost	4	237,254,646	2,702,714,819	2,465,460,173
-	Grants & Contributions		-	-	-
<b>646,981,068</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>653,724,344</b>	<b>3,854,951,892</b>	<b>3,201,227,548</b>
	Surplus/(Deficit) from operating Activities				
64,213	for the period C=(a-b)		1,837,012	2,957,140,283	2,955,303,271
-	Total Non Operating Revenue or (Expenses)(d)		-	-	-
64,213	Surplus/(Deficit)from Ordinary Activities e=(c+d)		1,837,012	2,957,140,283	2,955,303,271
<b>64,213</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>1,837,012</b>	<b>2,957,140,283</b>	<b>2,955,303,271</b>

**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

**STATEMENT OF CHANGES IN EQUITY**

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	11,259,629	-	11,259,629
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	1,837,012	-	1,837,012
	<u>13,096,641</u>	<u>-</u>	<u>13,096,641</u>
	-	-	-
Balance as at 31 December 2018	<u>13,096,641</u>	<u>-</u>	<u>13,096,641</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC		639,292,910		606,846,862	
Government Share of VAT		-		-	
Interest Earned		-		-	
Aid & Grants		-		-	
Other Revenue		<u>16,268,447</u>		<u>40,198,418</u>	
<b>Total inflow from Operating Activities (A)</b>			655,561,357		647,045,281
<i>Outflows</i>					
Salaries & Wages		(416,469,698)		(605,559,343)	
Social Benefits		-		-	
Overhead Cost		<u>(237,254,646)</u>		<u>(41,421,725)</u>	
<b>Total outflow from operating Activities (B)</b>			<u>(653,724,344)</u>		<u>(646,981,068)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			1,837,012		64,213
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from Sale of Investment		-		-	
Dividends Received		-		-	
Purchase/Construction of PPE		(31,129,242)		-	
Purchase/Construction of Investment Proper		-		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(31,129,242)</b>		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		48,050,468			
Proceeds from Borrowings		-			
Repayment of Borrowings		<u>-</u>	<u>48,050,468</u>		<u>-</u>
<b>Net Cash Flow from Financing Activities</b>			<b>48,050,468</b>		-
<b>Net Cash flow from all Activities</b>			<b>18,758,238</b>		<b>64,213</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories					
Net Movement in Receivables			(19,587,468)		(7,188,695)
Net Movement in Payables			<u>2,662,178</u>		<u>-</u>
			<u>(16,925,289)</u>		<u>(7,188,695)</u>
Net Cash Flow from Operating Activities			<b>1,832,948</b>		<b>(7,124,482)</b>
<b>Cash &amp; Its Equivalent as at 1/1/2016</b>			<u>64,213</u>		<u>7,188,695</u>
<b>Cash &amp; Its Equivalent as at 31/12/2016</b>			<u><b>1,897,161</b></u>		<u><b>64,213</b></u>
<b>Cash &amp; its Equivalent as at 31/12 2016</b>					
Cash Balances			113,384		1,072
Bank Balances			<u>1,783,778</u>		<u>63,141</u>
			<u><b>1,897,161</b></u>		<u><b>64,213</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	639,292,910	606,846,862
	<b><u>639,292,910</u></b>	<b><u>606,846,862</u></b>
<b>NOTE 9 OTHER REVENUE</b>		
Internally Generated Revenue	16,268,447	40,198,418
10% Share of State Internal Revenue	-	-
Sale of shares	-	-
	<b><u>16,268,447</u></b>	<b><u>40,198,418</u></b>
<b>NOTE 11 PERSONNEL COST</b>		
Salaries & Wages	400,134,698	586,428,843
Allowances	16,335,000	19,130,500
	<b><u>416,469,698</u></b>	<b><u>605,559,343</u></b>
<b>NOTE 13 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	7,145,000	302,500
Honourarium & sitting allowance	-	436,000
Hospitality & entertainment	10,832,000	8,775,080
Medical expenses-local	627,500	206,500
Welfare packages	14,489,250	1,826,975
Disturbance allowance	901,642	-
	<b><u>33,995,392</u></b>	<b><u>11,547,055</u></b>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	16,220,228	123,000
Local travel & transport: Training	2,238,000	2,842,775
International travel & transport	-	6,779,307
	<b><u>18,458,228</u></b>	<b><u>9,745,082</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>MATERIALS AND SUPPLIES</b>		
Relief materials	5,456,840	–
Teaching Aid/ instructional materials	2,670,000	4,257,397
Field materials supply	354,000	3,848,171
Drugs & medical supplies	1,577,500	251,500
Office stationeries/computer consumables	119,776	982,050
Printing of security document	–	450,000
Printing of non-security document	–	150,000
	<b><u>10,178,116</u></b>	<b><u>9,939,118</u></b>
<b>MISCELLANEOUS EXPENSES</b>		
Security vote	7,674,000	
Refreshment & Meals	21,571,450	
Financial Assistance	–	1,998,443
Sporting activities	–	170,000
General expenses	–	553,930
Residential rent	400,000	740,100
Bank charges	–	596,779
Publicity & advertisement	60,000	30,000
Postage & courier service	–	19,500
Water rate	6,900,500	
Cleaning & fumigation	–	656,350
Electricity bills	332,763	
Grant to communities	84,881,160	
Bank charges	382,818	
Special days celebration	–	179,800
	<b><u>122,202,691</u></b>	<b><u>4,944,902</u></b>
<b>MAINTENANCE SERVICES</b>		
Maintenance of generator	–	487,714
Maintenance of communication equipment	1,400,000	10,550
Other transport equipment fuel cost	70,000	
Other maintenance	21,704,596	185,500
Maintenance of office equipment	–	20,000
Minor road maintenance	12,605,000	115,878
Maintenance of office furniture	–	111,000
Maintenance of motor vehicles	600,300	4,144,927
Maintenance of office building	57,300	–
Maintenance of market/public place	4,107,424	
Motor vehicle fuel cost	5,945,600	–
	<b><u>46,490,220</u></b>	<b><u>5,075,569</u></b>
<b>CONSULTING &amp; PROFESSIONAL SERVICES</b>		
Information technology consulting		100,000
Legal services	680,000	
Agricultural services	2,100,000	
Consultancy fees	3,150,000	
Engineering services	–	70,000
	<b><u>5,930,000</u></b>	<b><u>170,000</u></b>
<b>Total Overhead</b>	<b><u>237,254,646</u></b>	<b><u>41,421,725</u></b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		26,683
FCMB		14,139
Unity Bank	-	22,320
Bank balance	1,783,778	
Cash	113,384	1,072
	<u><b>1,897,161</b></u>	<u><b>64,213</b></u>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<u><b>19,587,468</b></u>	<u>-</u>
<b>NOTE 7 INVESTMENTS</b>	<u><b>24,061,452</b></u>	<u><b>24,061,452</b></u>
<b>NOTE 8 CAPITAL EXPENDITURE</b>		
Construction of water facilities	26,140,290	
Purchase of canoe	371,000	
Construction of shop	684,307	
Supply of literite	2,000,000	
Construction of market stalls	1,171,371	
Rehabilitation/repairs of residential h	562,274	
Purchase of sport equipment	200,000	
	<u><b>31,129,242</b></u>	
<b>NOTE 9 DEPOSITS</b>	<u><b>15,528,214</b></u>	<u><b>12,866,036</b></u>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<u><b>48,050,468</b></u>	<u>-</u>
<b>NOTE 11 RESERVES</b>		
Brought Forward	11,259,629	(126,307,776)
Provision of infrastructure written off		137,503,192
Operating Balance for the Year	1,837,012	64,213
	<u><b>13,096,641</b></u>	<u><b>11,259,629</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018  
APPENDICES**

**APPENDIX 1  
SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Sterling Bank	1,263,157
2	Yankari Savings and Loans	50,000
3	Yankari Savings and Loans	267,391
4	Yankari Savings and Loans	24,250
5	Intercellular	2,857,142
6	Jaiz International Bank	5,857,142
7	Access Bank Plc	2,000,000
8	Sterling Bank Plc	2,400,000
9	Urban Devt. Bank	500,000
10	First Inland Bank Plc	607,500
11	Inland Bank Plc	100,000
12	Inland Bank Plc	100,000
13	Inland Bank Plc	92,000
14	Inland Bank Plc	540,000
15	Inland Bank Plc	460,000
16	Inland Bank Plc	455,625
17	Inland Bank Plc	2,949,047
18	Inland Bank Plc	60,000
19	Inland Bank Plc	400,000
20	Fidelity Bank Plc	488,858
21	Ashaka Cement Company	200,000
22	FSB International Plc	200,000
23	FSB International Bank	50,000
24	Access Bank Plc	2,000,000
25	Bauchi Hotel	139,340
		<b><u>24,061,452</u></b>

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018

**APPENDICES**

**APPENDIX 2**

**SCHEDULES OF ADVANCES**

<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	Bashiru Yusuf	3,785,000
2	Mohammed Garba Akali	1,090,467
3	Abdulkadir B. Ladan	3,000,000
4	Adamu Ibrahim	2,135,754
5	Mohammed Buhari	1,610,000
6	Danladi M. Ibrahim	1,254,000
7	Bala Azarema	395,000
8	Adamu Ibrahim Neyeyu	26,246
9	Adamu carpenta	345,000
10	Unexplained Fidelity Bank withdrawal	5,601,001
11	Sagir Haruna Madach	345,000
		<u><u>19,587,468</u></u>

**APPENDIX 3**

**SCHEDULES OF DEPOSIT**

<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	CPD 5% Tax on Contract	6,548,878
2	NULGE Union Dues	556,343
3	MHWUN Union Dues	643,755
4	FIRS – 5% VAT on Contracts	6,249,295
5	OVC	251,151
6	N.H.F.	1,278,792
		<u><u>15,528,214</u></u>

# **KIRFI LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ALH MANU JINJA**

### **HEAD OF ADMINISTRATION**

**ALH YAKUBU DANLADI**

### **TREASURER**

**ALH WADATA ADAMU**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**UNITY BANK PLC  
FIDELITY BANK PLC**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF KIRFI LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of KIRFI LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	9,322,503		850,567	
Receivables	6	<u>8,834,711</u>		<u>4,347,626</u>	
Total Current Assets A			18,157,213		5,198,193
<b>Non-Current Assets</b>					
Investments	7	7,908,655		7,908,655	
Property, Plant & Equipment	8	<u>43,038,590</u>		<u>12,331,297</u>	
Total Non Current Assets B			<u>50,947,245</u>		<u>20,239,952</u>
Total Assets C=A+B			69,104,458		25,438,145
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	31,723,020		38,126,412	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			31,723,020		38,126,412
<b>Non Current Liabilities</b>					
Public fund		(16,288,861)		(16,288,861)	
Long Term Borrowings		<u>-</u>		<u>-</u>	
Total Non Current Liabilities E			<u>(16,288,861)</u>		<u>(16,288,861)</u>
Total Liabilities F=D+E			<u>15,434,159</u>		<u>21,837,551</u>
Net Assets G=C-F			<u><u>53,670,300</u></u>		<u><u>3,600,594</u></u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	43,275,810		-	
Reserves	11	<u>10,394,490</u>		<u>3,600,594</u>	
			<u>53,670,300</u>		<u>3,600,594</u>
Total Net Assets/Equity H=G			<u><u>53,670,300</u></u>		<u><u>3,600,594</u></u>



**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
₦			₦	₦	₦
<b>REVENUE</b>					
452,944,302	Govt Share of FAAC	1	399,587,099	3,603,011,489	(3,203,424,390)
-	Aid & Grants		-	16,164,500	(16,164,500)
6,995,647	Other Revenue	2	4,047,512	12,326,148	(8,278,636)
<b>459,939,949</b>	<b>TOTAL REVENUE (a)</b>		<b>403,634,611</b>	<b>3,631,502,137</b>	<b>(3,227,867,526)</b>
<b>EXPENDITURE</b>					
420,028,420	Salaries	3	240,244,301	693,340,758	453,096,457
	Social Benefits			-	-
39,086,691	Overhead Cost	4	156,596,414	1,859,781,507	1,703,185,093
-	Grants & Contributions		-	-	-
<b>459,115,111</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>396,840,715</b>	<b>2,553,122,265</b>	<b>2,156,281,550</b>
824,838	Surplus/(Deficit) from operating Activities for the period C=(a-b)		6,793,896	1,078,379,872	1,071,585,976
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture		-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		-	-	-
824,838	Surplus/(Deficit)from Ordinary Activities e=(c+d)		6,793,896	1,078,379,872	1,071,585,976
-	Minority Interest Share of Surplus/(Deficit) (f)		-	-	-
<b>824,838</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>6,793,896</b>	<b>1,078,379,872</b>	<b>1,071,585,976</b>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated Fund =N=</b>	<b>Revaluation Reserve =N=</b>	<b>TOTAL =N=</b>
Balance as at 31 December 2017	3,600,594	-	3,600,594
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	6,793,896	-	6,793,896
	<u>10,394,490</u>	<u>-</u>	<u>10,394,490</u>
			-
Balance as at 31 December 2018	<u>10,394,490</u>	<u>-</u>	<u>10,394,490</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018	2017
		N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
<i>Inflows</i>			
Government Share of FAAC	399,587,099		452,944,302
Other Revenue	<u>4,047,512</u>		<u>6,995,647</u>
<b>Total inflow from Operating Activities (A)</b>		<b>403,634,611</b>	<b>459,939,949</b>
<i>Outflows</i>			
Salaries & Wages	(240,244,301)		(420,028,420)
Social Benefits	-		-
Overhead Cost	<u>(156,596,414)</u>		<u>(39,086,691)</u>
<b>Total outflow from operating Activities (B)</b>		<b>(396,840,715)</b>	<b>(459,115,111)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>		<b>6,793,896</b>	<b>824,838</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase/Construction of PPE	(30,707,293)		-
Acquisition of investments	<u>-</u>		<u>-</u>
<b>Net Cash from Investing Activities</b>		<b>(30,707,293)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Capital Grants Received	<u>43,275,810</u>		<u>-</u>
<b>Net Cash Flow from Financing Activities</b>		<b>43,275,810</b>	<b>-</b>
<b>Net Cash flow from all Activities</b>		<b>19,362,413</b>	<b>824,838</b>
<b>Net Movement in Current Assets / Liabilities</b>			
Net Movement in Inventories			
Net Movement in Receivables		(4,487,085)	
Net Movement in Payables		<u>(6,403,392)</u>	<u>(11,407,175)</u>
		<u>(10,890,477)</u>	<u>(11,407,175)</u>
Net Cash Flow from Operating Activities		<b>8,471,936</b>	<b>(10,582,337)</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>		<b>850,566</b>	<b>11,432,903</b>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>		<b><u>9,322,502</u></b>	<b><u>850,566</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>			
Cash Balances		(712,534)	6,057
Bank Balances		<u>10,035,036</u>	<u>844,510</u>
		<b><u>9,322,502</u></b>	<b><u>850,566</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	399,587,099	452,944,302
	<u><b>399,587,099</b></u>	<u><b>452,944,302</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	4,047,512	6,995,647
10% Share of State Internal Revenue	-	-
Sale of shares	-	-
	<u><b>4,047,512</b></u>	<u><b>6,995,647</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	226,493,301	407,783,075
Allowances	13,751,000	12,245,345
	<u><b>240,244,301</b></u>	<u><b>420,028,420</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	3,270,000	1,314,000
Honourarium & sitting allowance	90,000	19,000
Welfare package	300,000	
Immunization supervision allowance	1,910,000	
Medical expenses-local	-	250,000
Welfare package	-	102,000
Burial expenses	-	-
Disturbance allowance	648,855	-
	<u><b>6,218,855</b></u>	<u><b>1,685,000</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>TRAVEL &amp; TRANSPORT</i></b>		
Local travel & transport: Others	12,914,796	24,206,576
Local travel & transport: Training	700,000	1,694,000
International travel & transport	–	–
	<b><u>13,614,796</u></b>	<b><u>25,900,576</u></b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Books		400,000
Skills acquisition materials	904,350	
Learning Aid	470,000	
Purchase of Agro-chemical & seedling	5,100,000	–
Office stationeries/computer consum	1,031,000	2,133,187
Drug & medical supplies	15,401,910	1,168,434
Printing of non-security document	1,372,000	–
	<b><u>24,279,260</u></b>	<b><u>3,701,621</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	64,250,000	
Refreshment & Meals	14,308,366	435,000
Financial Assistance	842,153	
Hospitality & entertainment	3,670,000	47,567
Sporting activities	850,000	
Enlightment	850,000	
Workshop	2,340,000	
Tree planting	300,000	
Postages & courier services	115,000	
Telephone & internet charges		31,500
Water pollution control		416,000
Water rate		832,400
Rent	3,046,000	915,000
Security services		2,458,670
Electricity bills	500,000	
Grant to communities	10,400,000	–
Bank charges	25,584	–
	<b><u>101,497,103</u></b>	<b><u>5,136,137</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator	30,000	
Maintenance of office equipment		60,000
Other maintenance	3,509,000	120,000
Other transport equipment fuel cost		25,000
Maintenance of motor vehicles	2,150,300	1,390,000
Maintenance of drainage	2,042,000	
Maintenance of of office building	1,891,000	
Plant/generator fuel cost	170,000	
Motor vehicle fuel cost	594,100	119,500
	<b><u>10,386,400</u></b>	<b><u>1,714,500</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	2018 N	2017 N
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Legal services		20,475
Financial consulting		48,381
Agricultural consulting		50,000
Information Technology consulting		830,000
Surveying	600,000	-
	<u>600,000</u>	<u>948,857</u>
 Total Overhead	 <u>156,596,414</u>	 <u>39,086,691</u>
 <b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		1,871
Unity Bank		40,768
Micro finance bank		801,871
Cash	(712,534)	
Bank balance	10,035,036	
Alkalari Micro finance bank	-	6,057
	<u>9,322,503</u>	<u>850,567</u>
 <b>NOTE 6 PREPAYMENTS</b>		
Advances	<u>8,834,711</u>	<u>4,347,626</u>
 <b>NOTE 7 INVESTMENTS</b>	 <u>7,908,655</u>	 <u>7,908,655</u>
 <b>NOTE 8 CAPITAL EXPENDITURE</b>		
Capital infrastructure	12,331,297	12,331,297
Renovation of mosque	4,345,312	
Construction of PHC	2,541,668	
Re-activation of S/pump	1,269,900	
Construction of D/Heads office	650,000	
Land compensation	2,301,440	
Renovation of toilet	250,000	
Lab furniture	500,000	
Construction/provision of water-way	140,000	
Rehabilitation/repairs -Roads	2,385,000	
Construction of stalls	6,066,430	
Construction of dispensary	6,034,100	
Purchase of laptop	105,554	
Renovation of market	1,040,000	
Construction/provision of housing	2,071,090	
Rehabilitation/repairs -electricity	900,000	
Purchase of motor cycles	106,800	
	<u>43,038,590</u>	<u>12,331,297</u>
 <b>NOTE 9 DEPOSITS</b>	 <u>31,723,020</u>	 <u>38,126,412</u>
 <b>NOTE 10 PUBLIC FUND</b>	 <u>(16,288,861)</u>	 <u>(16,288,861)</u>
 <b>NOTE 11 CAPITAL GRANT</b>		
Paris club refund	<u>43,275,810</u>	<u>-</u>
 <b>NOTE 12 RESERVES</b>		
Brought Forward	3,600,594	2,775,755
Operating Balance for the Year	6,793,896	824,838
	<u>10,394,490</u>	<u>3,600,594</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018

## APPENDICES

### SCHEDULES OF INVESTMENT

APPENDIX 1		
S/N	NAME OF COMPANY	AMOUNT (N)
1	Access Bank Plc	1,317,714
2	FinBank Plc	1,500,000
3	Yankari Savings and Loans	1,269,741
4	Jaiz Plc	3,821,200
		<u>7,908,655</u>

### SCHEDULES OF ADVANCES

APPENDIX 2		
S/N	DESCRIPTION	AMOUNT
1	Usman Idris Shall	50,000
2	Garba M Bara	50,000
3	Adamu Baba Garba	86,500
6	Adamu B. Garba	464,731
8	Adamu A. Babayo	- 88,581
9	Adamu M. Cheledi	116,240
10	Alh. Usman Wanka	10,000
13	Lawal Lado	5,000
14	Abdullahi A. Barde	35,000
15	Ahmed Adamu	5,000
16	Alh. Ibrahim Galadima	100,000
17	Adbullahi D. Barde	70,000
18	Adamu Wudil	40,000
19	Mohammed B. Bara	50,000
20	Ibrahim K. Abubakar	50,000
21	Dalhatu Hussaini	50,000
22	Maikudi Abubakar	50,000
23	Musa Yahaya	50,000
24	Sirajo Sarki	50,000
25	Ahmed Musa	50,000
26	Salihu Inuwa	50,000
27	Abubakar Y. Tafida	50,000
28	Ibrahim M. Aliyu	50,000
29	Baba Umar Tubule	50,000
30	Adamu Kaddih	50,000
32	Abdullahi Inuwa	325,000
33	Lawal Lado	275,000
34	Mallam Ado Sani	10,000
35	Alh. Adamu M. Cheledi	200,000
36	Alh. Adamu Aliyu	150,000
37	Saminu M. Gidado	50,000
38	Aminu Mohammed Gidadi	50,000
39	Mohammed Hussaini	10,000
40	Umaru Baba	265,736
41	Aishatu Adamu	393,000
42	Sundry Pension	5,562,084
	TOTAL	<u>8,834,710</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018

**APPENDICES**

**SCHEDULES OF DEPOSIT**

<b>APPENDIX 3</b>		
<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	Local Gov't pension Board	63,694
2	Bauchi state Government 5%	(1,555,912)
3	Federal Inland Revenue 5%	7,206,163
4	Bauchi state Government (PAYE)	438,158
5	Bauchi state Government (WHT)	242,600
6	NULGE kirfi Branch	4,303,462
7	Medical and Health-Check off dues	4,404,952
8	F.M.B.N-NHF deduction	11,107,416
9	F.M.B.N.N.M	52,353
10	Kirfi Local Government-Loan to Alh. Danlad	720,180
11	Moh'd S. Dembori 10% retention	117,940
12	Ubayo Lomi-10% retention	46,800
13	Alh. Sale Umar 10% retention	46,700
14	Alh Sule S. Yaki 10% retention	117,940
15	Staff Co-operative	19,759
16	Alh. Bako Abdu	49,800
17	Alh. Sabo Kafin Iya	3,924
18	Alh. Ibrahim Wanka	48,400
19	Adamu Hamidu	24,365
20	Chindo Sharfuri	46,000
21	Alh. Ibrahim Kafinta	132,924
22	Alh. Sale Tubule	251,000
23	Alh. Mustapha Bara	32,105
24	Abdu Ajiya	74,514
25	Alh. Manzo Basa	45,050
26	Mohammed Dankasa	10,000
27	M. Hashimu Dewu	186,913
28	Nasiru I. Wanka	48,800
29	Ibrahim Dewu	38,913
30	Alh. Ibrahim Wanka	38,126
31	Abdullahi M. Lomi	15,000
32	Alh. Garba Kafinta	45,275
33	Alh. Gambo Wanka	31,400
34	Alh. Majidadi Dewu	27,926
	<b>Balance c/d</b>	<b>28,482,640</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018  
APPENDICES**

<b>APPENDIX 3</b>		
<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
	<b>Balance b/d</b>	<b>28,482,639.84</b>
35	Sahara Photos	6,750
36	Alh. Danladi Bara	32,969
37	Alh. Idi Musa	124,711
38	Alh. Ibrahim Yusuf	227,950
39	Nasiru M. Wanka	45,000
40	Alh. Abdullahi Danladi	227,942
41	Alh. Danladi Bara	479,393
42	Alh. Danladi Bara	585,625
43	Alh. Sani Umar	227,942
44	Deputy for Local Gov't	128,000
45	Works and Housing Kirfi	112,500
46	Suleiman Aminu	125,000
47	Baba Chinnaka	125,000
48	Musa Lomi	181,487
49	Musa Umar	225,000
50	NUT Kirfi Branch	25,000
51	NUT Kirfi Branch	5,000
52	Ahlan Wasahalan Nigeria	70,000
53	Ahlan Wasahalan Nigeria	70,000
54	Alkaleri Local Gov't	15,111
55	Ahlan wasaalan N. S.	200,000
	<b>TOTAL</b>	<b><u>31,723,020</u></b>

# MISAU LOCAL GOVERNMENT COUNCIL

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CORPORATE INFORMATION

### CHAIRMAN

ALH. MOHAMMED LELE SULEIMAN

### HEAD OF ADMINISTRATION

ALH ABUBAKAR SADIQ MOHAMMED

### TREASURER

ALH. MATI HASSAN

### AUDITORS

Abdulkadeer Mahmoud & Co.  
(Chartered Accountants)

### BANKERS

FIDELITY BANK PLC.  
FIRST BANK NIG LTD.

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF MISAU LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of Misau Local Government Council for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	4,025,420		146,439	
Receivables	6	5,091,785		3,903,916	
Total Current Assets A			9,117,205		4,050,355
<b>Non-Current Assets</b>					
Investments	7	10,260,201		10,260,201	
Property, Plant & Equipment	8	30,866,544		-	
Total Non Current Assets B			41,126,745		10,260,201
Total Assets C=A+B			<u>50,243,950</u>		<u>14,310,556</u>
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities</b>					
Deposits	9	8,833,828		7,745,263	
Total Current Liabilities D			8,833,828		7,745,263
<b>Non Current Liabilities</b>					
Long Term Borrowings		-		-	
Total Non Current Liabilities E			-		-
Total Liabilities F=D+E			8,833,828		7,745,263
Net Assets G=C-F			<u>41,410,122</u>		<u>6,565,293</u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	41,107,430			
Reserves	11	<u>302,692</u>		<u>6,565,293</u>	
			41,410,122		6,565,293
Total Net Assets/Equity H=G			<u>41,410,122</u>		<u>6,565,293</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017		NOTES	ACTUAL 2018	BUDGET	VARIANCE
N			N	N	N
<b>REVENUE</b>					
596,653,707	Govt Share of FAAC	1	483,616,900	4,739,512,471	(4,255,895,571)
-	Aid & Grants		-		-
-	Debt Forgiveness		-	-	-
7,443,040	Other Revenue	2	4,398,733	8,173,911	(3,775,178)
<b>604,096,747</b>	<b>TOTAL REVENUE (a)</b>		<b>488,015,633</b>	<b>4,747,686,382</b>	<b>(4,259,670,749)</b>
<b>EXPENDITURE</b>					
561,150,394	Salaries	3	344,936,803	926,332,626	581,395,823
42,799,914	Overhead Cost	4	149,341,431	1,748,741,000	1,599,399,569
<b>603,950,308</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>494,278,234</b>	<b>2,675,073,626</b>	<b>2,180,795,392</b>
Surplus/(Deficit) from					
146,439	operating Activities for the		(6,262,601)	2,072,612,756	2,078,875,357
Surplus/(Deficit)from Ordinary					
146,439	Activities e=(c+d)		(6,262,601)	2,072,612,756	2,078,875,357
-	Minority Interest Share of		-	-	-
-	Surplus/(Deficit) (f)		-	-	-
<b>146,439</b>	<b>Net Surplus/(Deficit) for</b>		<b>(6,262,601)</b>	<b>2,072,612,756</b>	<b>2,078,875,357</b>
	<b>the period g=(e-f)</b>				

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

STATEMENT OF CHANGES IN EQUITY

	Accumulated	Revaluation	TOTAL
	Fund	Reserve	
	=N=	=N=	=N=
Balance as at 31 December 2017	6,565,293	-	6,565,293
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>(6,262,601)</u>	<u>-</u>	<u>(6,262,601)</u>
	<b><u>302,692</u></b>	<b><u>-</u></b>	<b><u>302,692</u></b>
			-
Balance as at 31 December 2018	<b><u>302,692</u></b>	<b><u>-</u></b>	<b><u>302,692</u></b>



**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC	1	483,616,900		596,653,707	
Government Share of VAT		-		-	
Tax Revenue		-		-	
Other Revenue	2	4,398,733		7,443,040	
Transfer from other Govt Entities		-		-	
<b>Total inflow from Operating Activities (A)</b>		<b>488,015,633</b>		<b>604,096,747</b>	
<i>Outflows</i>					
Salaries & Wages	3	(344,936,803)		(561,150,394)	
Social Benefits		-		-	
Overhead Cost	4	(149,341,431)		(42,799,914)	
Finance Cost		-		-	
<b>Total outflow from operating Activities (B)</b>		<b>(494,278,234)</b>		<b>(603,950,308)</b>	
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			<b>(6,262,601)</b>		<b>146,439</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Dividends Received		-		-	
Purchase/Construction of PPE	8	(30,866,544)		-	
Acquisition of investments		-		-	
<b>Net Cash from Investing Activities</b>			<b>(30,866,544)</b>		<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received	10	41,107,430			
Proceeds from Borrowings		-			
Repayment of Borrowings					
<b>Net Cash Flow from Financing Activities</b>			<b>41,107,430</b>		<b>-</b>
<b>Net Cash flow from all Activities</b>			<b>3,978,285</b>		<b>146,439</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Receivables			(1,187,869)		(2,401,201)
Net Movement in Payables			1,088,565		-
			-		
<b>Cash &amp; Its Equivalent as at 1st January</b>			<b>146,439</b>		<b>2,401,201</b>
<b>Cash &amp; Its Equivalent as at 31st December</b>			<b><u>4,025,420</u></b>		<b><u>146,439</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			-		-
Bank Balances			4,025,420		146,439
			<b><u>4,025,420</u></b>		<b><u>146,439</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>1 STATUTORY ALLOCATION</b>		
Council and staff salaries	483,616,900	581,502,640
Other grants	<u>-</u>	<u>15,151,067</u>
	<b><u>483,616,900</u></b>	<b><u>596,653,707</u></b>
<b>2 OTHER REVENUE</b>		
Internally Generated Revenue	3,678,003	7,443,040
Miscellaneous	-	-
10% Share of State Internal Revenue	720,730	-
Sale of shares	<u>-</u>	<u>-</u>
	<b><u>4,398,733</u></b>	<b><u>7,443,040</u></b>
<b>3 PERSONNEL COST</b>		
Salaries & Wages	344,936,803	561,150,394
Allowances	<u>-</u>	<u>-</u>
	<b><u>344,936,803</u></b>	<b><u>561,150,394</u></b>
<b>4 OVERHEAD COST</b>		
<b>OVERHEAD:</b>		
<b>ALLOWANCES AND SOCIAL CONTRIBUTION</b>		
Security allowance	-	1,575,000
Sallah Gift Allowance	1,270,000	
NYSC Allowance	-	
Honourarium & sitting allowance	2,790,000	1,800,500
Medical Expenses –Local	-	305,000
Pension	-	
Welfare packages	9,027,000	1,778,000
Disturbance allowance	<u>1,192,231</u>	<u>-</u>
	<b><u>14,279,231</u></b>	<b><u>5,458,500</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>TRAVEL &amp; TRANSPORT</i></b>		
Local travel & transport: Others	19,857,381	9,825,425
Local travel & transport: Training	2,272,000	1,277,800
International travel & transport: Training		–
International travel & transport	–	–
	<b><u>22,129,381</u></b>	<b><u>11,103,225</u></b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Books		490,000
Office stationeries/computer con	2,414,400	971,000
Printing of non–security documen	600,000	1,274,050
Field materials services	288,115	
Drugs & medical supplies	1,900,000	225,500
	<b><u>5,202,515</u></b>	<b><u>2,960,550</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	17,796,756	–
Refreshment & Meals	940,000	864,382
Financial Assistance	7,251,529	
Electricity bills	980,000	135,000
Bank charges	14,291	–
Uniform & Protective Clothing	750,000	–
Hospitality & entertainment	14,480,904	2,549,450
Internet charges	–	56,500
Office rent	2,679,000	–
Residential rent	–	1,021,000
Grant to community	6,510,000	
Water rate	–	335,000
Vehicle hire	2,000,000	
Medical expenses	545,000	–
NYSC Allowance	9,450,000	
Local training	638,000	–
Other Dues	2,880,190	–
Quranic Recitation	–	795,000
	<b><u>66,915,670</u></b>	<b><u>5,756,332</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>MAINTENANCE SERVICES</b>		
Maintenance of generator	683,000	–
Other maintenance	3,462,500	6,055,000
Maintenance of office furniture	138,945	–
Other transport equipment fuel cost	–	675,000
Renovation of market	980,000	3,382,527
Construction of Water facilities		1,024,800
Purchase of Motorcycle	4,038,000	
Land Compensation	2,345,000	
Maintenance of Residential Building	5,920,581	–
Maintenance of minor Roads	–	1,111,000
Maintenance of motor vehicles	3,061,100	431,000
Maintenance of office equipment	250,000	1,678,900
Maintenance of of office building	16,922,508	1,703,100
Motor vehicle fuel cost	2,188,000	560,430
Plant fuel cost	205,000	–
	<b><u>40,194,634</u></b>	<b><u>16,621,757</u></b>
<b>CONSULTING &amp; PROFESSIONAL SERVICES</b>		
Legal services	300,000	–
Surveying	120,000	–
Information technology consulting	–	750,050
Financial Consulting	–	149,500
Engineering service	200,000	–
	<b><u>620,000</u></b>	<b><u>899,550</u></b>
<b>Total Overhead</b>	<b><u>149,341,431</u></b>	<b><u>42,799,914</u></b>
<b>5 CASH &amp; CASH EQUIVALENT</b>		
First Bank	–	131,819
Fidelity	–	14,620
Bank Balance	4,025,420	
Cash	–	–
	<b><u>4,025,420</u></b>	<b><u>146,439</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>6 PREPAYMENTS/RECEIVABLES</b>	<b><u>5,091,785</u></b>	<b><u>3,903,916</u></b>
Advances		
<b>7 INVESTMENTS</b>	<b><u>10,260,201</u></b>	<b><u>10,260,201</u></b>
<b>8 CAPITAL EXPENDITURE</b>		
Construction of building	14,737,744	-
Construction of Water facilities	1,167,800	-
Construction of Drainage	3,697,000	-
Rehabilitation of Sporting facility	3,000,000	-
Purchase of Generator	7,670,000	-
Purchase of office Furniture	120,000	-
Rehabilitation of hand pump	<u>474,000</u>	<u>-</u>
	<b><u>30,866,544</u></b>	<b><u>-</u></b>
<b>9 DEPOSITS</b>	<b><u>8,833,828</u></b>	<b><u>7,745,263</u></b>
<b>10 CAPITAL GRANT</b>		
Paris Club refund	<u>41,107,430</u>	<u>-</u>
<b>11 RESERVES</b>		
Brought Forward	6,565,293	6,418,854
Operating Balance for the Year	<u>(6,262,601)</u>	<u>146,439</u>
	<b><u>302,692</u></b>	<b><u>6,565,293</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**APPENDIX 1**

**SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>COMPANY</b>	<b>N</b>
1	Arewa Ceramics Ltd.	500,000
2	Urban Development Bank	500,000
3	Yankari Savings & Loan	1,343,817
4	Ashaka Cement Plc	99,375
5	Jaiz International Plc.	4,402,400
6	Access Bank Plc.	1,068,571
7	Bauchi Printing and Publishing Company	200,000
8	Zaranda Hotel Bauchi	62,000
9	Kaduna Textiles	245,000
10	Daar Communication Plc.	400,000
11	Misau Basic Ternarry	560,000
12	Yankari Spring water	141,617
13	Bauchi State Investment and Prop. Dev. Co.	93,250
14	Manto Processing Company Ltd.	57,609
15	Galambi Ranching Co. Ltd.	79,500
16	FBN Plc.	164,062
17	UBA Plc.	231,750
18	UBN Plc.	100,000
19	Zenith Bank	11,250
		<u><b>10,260,201</b></u>

**APPENDIX 2**

<b>S/N</b>	<b>SCHEDULE OF ADVANCES PARTICULARS</b>	<b>AMOUNT</b>
1	Sulaiman Waziri	135,585.00
2	Withholdind Tax	111,000
3	NULGE Monthly Contribution	293,000
4	NANNM Monthly Contribution	120,000
5	Sundry Contractors	3,432,200
6	MHWU Monthly Contibutions	1,000,000
	<b>Total</b>	<u><b>5,091,785</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**APPENDIX3**

**SCHEDULES OF DEPOSIT**

<b>S/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	PAYE Deductions	478,355
2	Contract deductions	(4,333,589)
3	Development Levy	128,920
4	Withholdind Tax	537,011
5	NULGE Monthly Contribution	920,926
6	NANNM Monthly Contribution	76,935
7	Sundry Contractors	(476,728)
8	MHWU Monthly Contibutions	2,250,214
9	Federal Inland Revenue Service	2,367,864
10	Welfare Scheme	1,375,378
11	Union Bank farming Loan	1,127,464
12	Contibution to ANPP Secretariate	52,178
13	First Bank MHWUWUN	18,749
14	National Housing Fund	3,221,586
15	B.S. Multi-Project	212,885
16	Sulhat Standard	675,680
17	MAVAN I Global Ltd	200,000
	<b>Total</b>	<b><u>8,833,828</u></b>

# **NINGI LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ALH SULAIMAN IDRIS WADA**

### **HEAD OF ADMINISTRATION**

**ALH LADAN YARIMA**

### **TREASURER**

**ALH AHMED MOHAMMED DAMBAM**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIRST BANK PLC  
FIDELITY BANK PLC  
UBA PLC**



## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF NINGI LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of NINGI LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	17,026,731		989,165	
Prepayments	6	23,513,932		11,524,491	
Inventories		<u>-</u>		<u>-</u>	
Total Current Assets A			40,540,663		12,513,656
<b>Non-Current Assets</b>					
Investments	7	3,630,641		3,630,641	
Property, Plant & Equipment	8	<u>55,363,436</u>		<u>-</u>	
Total Non Current Assets B			<u>58,994,077</u>		<u>3,630,641</u>
Total Assets C=A+B			<u><u>99,534,740</u></u>		<u><u>16,144,297</u></u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	10,252,482		7,585,239	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			10,252,482		7,585,239
<b>Non Current Liabilities</b>					
Long Term Borrowings		-		-	
Total Non Current Liabilities E			<u>-</u>		<u>-</u>
Total Liabilities F=D+E			10,252,482		7,585,239
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	60,333,058		-	
Accumulated Surplus/(Deficit)	11	<u>28,949,200</u>	<u>89,282,258</u>	<u>8,559,058</u>	<u>8,559,058</u>
Total Net Assets/Equity H=G			<u><u>99,534,740</u></u>		<u><u>16,144,297</u></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
N			N	N	N
REVENUE					
839,284,195	Govt Share of FAAC	1	687,449,443	4,784,449,615	(4,097,000,172)
23,387,522	Other Revenue	2	2,737,034	20,571,326	(17,834,292)
862,671,717	TOTAL REVENUE (a)		690,186,477	4,805,020,941	(4,114,834,464)
EXPENDITURE					
820,102,094	Personnel cost	3	460,483,289	911,702,680	451,219,391
	Social Benefits			-	-
41,580,458	Overhead Cost	4	209,313,046	1,552,293,704	1,342,980,658
-	Grants & Contributions		-	-	-
861,682,552	TOTAL EXPENDITURE (b)		669,796,335	2,463,996,384	1,794,200,049
	Surplus/(Deficit) from operating Activities for the period C=(a-b)		20,390,142	2,341,024,557	2,320,634,415
-	Gain/Loss on Disposal	22	-	-	-
-	Gain/Loss on Foreign Exchange Transaction	23	-	-	-
-	Share of Surplus/(Deficit) In Assoc. & Joint Veni	24	-	-	-
-	Total Non Operating Revenue or (Expenses)(d)		-	-	-
989,165	Surplus/(Deficit)from Ordinary Activities e=(c+d)		20,390,142	2,341,024,557	2,320,634,415
-	Minority Interest Share of Surplus/(Deficit) (f)	25	-	-	-
989,165	Net Surplus/(Deficit) for the period g=(e-f)		20,390,142	2,341,024,557	2,320,634,415

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENT OF CHANGES IN EQUITY**

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	8,559,058	-	8,559,058
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	20,390,142	-	20,390,142
	<u>28,949,200</u>	<u>-</u>	<u>28,949,200</u>
			-
Balance as at 31 December 2018	<u>28,949,200</u>	<u>-</u>	<u>28,949,200</u>

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF CASH FLOW

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC		687,449,443		839,284,195	
Government Share of VAT		-		-	
Interest Earned		-		-	
Aid & Grants		-		-	
Other Revenue		<u>2,737,034</u>		<u>23,387,522</u>	
<b>Total inflow from Operating Activities (A)</b>			690,186,477		862,671,717
<i>Outflows</i>					
Salaries & Wages		(460,483,289)		(820,102,094)	
Social Benefits		-		-	
Overhead Cost		<u>(209,313,046)</u>		<u>(41,580,458)</u>	
<b>Total outflow from operating Activities (B)</b>			<u>(669,796,335)</u>		<u>(861,682,552)</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			20,390,142		989,165
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from Sale of Investment		-		-	
Dividends Received		-		-	
Purchase/Construction of PPE		(55,363,436)		-	
Purchase/Construction of Investment Proper		-		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(55,363,436)</b>		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		60,333,058			
Proceeds from Borrowings		-			
Repayment of Borrowings		<u>-</u>			
<b>Net Cash Flow from Financing Activities</b>			<u><b>60,333,058</b></u>		<u>-</u>
<b>Net Cash flow from all Activities</b>			<b>25,359,764</b>		<b>989,165</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories					
Net Movement in Receivables			(11,989,441)		(11,524,491)
Net Movement in Payables			<u>2,667,243</u>		<u>(2,940,237)</u>
			<u>(9,322,197)</u>		<u>(14,464,728)</u>
Net Cash Flow from Operating Activities			<b>16,037,566</b>		<b>(13,475,563)</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>			<u>989,165</u>		<u>14,464,728</u>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>			<u><b>17,026,731</b></u>		<u><b>989,165</b></u>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			61,694		-
Bank Balances			16,965,037		989,165
Overdraft			<u>-</u>		<u>-</u>
			<u><b>17,026,731</b></u>		<u><b>989,165</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	687,449,443	839,284,195
Other grants	-	-
	<u><b>687,449,443</b></u>	<u><b>839,284,195</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	2,737,034	23,387,522
10% Share of State Internal Revenue	-	-
	<u><b>2,737,034</b></u>	<u><b>23,387,522</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	447,187,289	820,102,094
Allowances	13,296,000	-
	<u><b>460,483,289</b></u>	<u><b>820,102,094</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	5,972,980	6,558,500
Honourarium & sitting allowance	4,148,536	657,250
Welfare packages	6,021,000	2,970,000
Immunization supervision allowance	1,750,000	2,870,000
Burial expenses		51,900
Hospitality & entertainment		6,875,500
Grants to communities/NGO	3,173,764	-
	<u><b>21,066,280</b></u>	<u><b>19,983,150</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	11,090,470	8,210,600
Local travel & transport: Training	-	85,200
	<u><b>11,090,470</b></u>	<u><b>8,295,800</b></u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Relief materials	56,530,000	-
Agric. chemicals & inputs	20,730,000	-
Drugs & medical supplies	18,410,000	-
TEACHING AIDS / INSTRUCTION MATERIALS	1,100,000	-
Office stationeries/computer consumables	1,893,850	550,000
Printing of security document	-	475,500
Printing of non-security document	2,254,000	754,000
	<b><u>100,917,850</u></b>	<b><u>1,779,500</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	12,140,000	-
Refreshment & Meals	5,254,200	5,870,700
Security services	12,397,200	-
Uniforms & other clothing	-	487,500
Financial Assistance	3,387,000	385,000
Magazines & Periodicals	3,510,000	-
Residential rent	6,569,000	-
Office/residential rent	8,484,750	-
Telephone	1,493,000	-
Publicity & advertisement	730,000	-
Local training	-	150,000
Sporting activities	1,630,000	-
Electricity bills	500,000	-
Cleaning & fumigation	50,000	-
Medical expenses	81,000	580,000
Special days celebration	7,980,000	-
	<b><u>64,206,150</u></b>	<b><u>7,473,200</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Minor Road Maintenance	2,899,700	-
Maintenance of office furniture	1,095,000	-
Balance c/f	3,994,700	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	2018 N	2017 N
<b><i>MAINTENANCE SERVICES Cont.</i></b>		
Balance b/f	3,994,700	-
Maintenance of motor vehicles	1,220,000	698,500
Maintenance of of office building	875,000	248,500
Maintenance of plant/generator	-	182,500
Maintenance of market	1,545,307	569,800
Other maintenance	3,543,900	557,300
Plant & generator fuel cost	-	177,100
Motor vehicle fuel cost	727,000	395,000
	<u>11,905,907</u>	<u>2,828,700</u>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Agricultural consulting		-
Information technology consulting	45,000	412,500
Financial consulting	-	733,700
	<u>45,000</u>	<u>1,146,200</u>
Bank charges	<u>81,389</u>	<u>73,908</u>
<b>Total Overheads</b>	<u>209,313,046</u>	<u>41,580,458</u>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
UBA Plc		33,006
First bank Plc		956,159
Bank balance	16,965,037	-
Cash	61,694	-
	<u>17,026,731</u>	<u>989,165</u>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<u>23,513,932</u>	<u>11,524,491</u>
<b>NOTE 7 INVESTMENTS</b>	<u>3,630,641</u>	<u>3,630,641</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018****NOTE 8 CAPITAL EXPENDITURE**

Land compensation	1,900,000	-
Construction of drainage	980,600	-
Rehabilitation of feeder road	510,000	-
Rehabilitation / Repairs – Electricity	8,916,480	-
Construction / Provision of Cemeteries	8,286,808	-
Construction / Provision of Public Schools	3,757,759	-
Construction of Markets/Parks	10,888,513	-
Rehabilitation / Repairs – Public Schools	4,135,229	-
Centres	2,250,000	-
Rehabilitation / Repairs – Water facilities	4,680,100	-
Construction/ Provision of Hospital / Health	3,844,250	-
Construction / Provision of Infrastructure	849,250	-
Construction / Provision of Water Facilities	749,250	-
Construction / Provision of Residential		
Buildings	445,282	-
Rehabilitation / Repairs – Water-Way	3,169,915	-
	<u>55,363,436</u>	<u>-</u>

<b>NOTE 9 DEPOSITS</b>	<u>10,252,482</u>	<u>7,585,239</u>
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**NOTE 10 CAPITAL GRANT**

Paris club refund	<u>60,333,058</u>	<u>-</u>
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**NOTE 11 RESERVES**

Brought Forward	8,559,058	7,569,893
Operating Balance for the Year	<u>20,390,142</u>	<u>989,165</u>
	<u>28,949,200</u>	<u>8,559,058</u>

## NOTES TO THE FINANCIAL STATEMENTS

### APPENDICES

#### SCHEDULES OF INVESTMENT

##### APPENDIX 1

S/N	NAME OF COMPANY	AMOUNT (N)
1	Ashaka Cement Co. Plc	187,500
2	Inland Bank Nigeria Plc	1,687,500
3	Bauchi Publishing & Printing Ltd	200,000
4	Urban Development Board	500,000
5	Kaduna Textile Mills Ltd	245,000
6	Yankari Savings & Loans	150,000
7	Arewa Ceramics Misau	350,000
8	Zaranda Hotel Bauchi	103,500
9	F.S.B. Int Bank Plc	107,141
10	Galambi Randing Co. Ltd	100,000
	<b>TOTAL</b>	<b><u>3,630,641</u></b>

#### SCHEDULE OF ADVANCES

##### APPENDIX 2

S/N	NAMES	AMOUNT N
1	Khadija Musa	1,503,508
2	Lawal Garba	322,200
3	Danladi Umar	313,500
4	Musa Adamu Lawan	50,000
5	Abubakar Aliyu	423,635
6	Bala Adamu Gwada	15,384,299
7	Mato Dan Azumi	50,000
8	Salisu Shuaibu	140,000
15	Sundry Persons	5,326,791
		<b><u>23,513,932</u></b>

#### SCHEDULES OF DEPOSIT

##### APPENDIX 3

D/N	PARTICULARS	AMOUNT
D/1	Pay as You Earn ( PAYE)	1,199,989
D/2	NULGE Union Dues	126,839
D/4	MHWUN Union Dues	163,632
D/5	5% Tax on Contract	2,552,460
D/8	15% Tax on R/House	580,035
D/17	NAMNM Union Dues	31,414
D/138	FIRS	2,779,235
D/251	Hajj. Operation	46,977
D/266	The Chairman NULGE Agric. Loan	67,311
D269	Abba Ibrahim Motor cycle	24,865
D/270	Ibrahim Danladi Motor cycle	7,482
D/272	Yakubu Musa	5,000
		<b><u>7,585,239</u></b>

# **SHIRA LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**AHMED ABDULHAMID BELI**

### **HEAD OF ADMINISTRATION**

**SULE SITTI**

### **TREASURER**

**ADAMU TREASURER**

### **AUDITORS**

**Abdulkadeer Mahmoud & Co.  
(Chartered Accountants)**

### **BANKERS**

**FCMB PLC  
FIRST BANK LTD  
FUDELITY BANK PLC**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF SHIRA LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of SHIRA LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies



# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	6	914,316		1,205,060	
Receivables		-		-	
Prepayments	7	1,221,265		-	
Inventories		-		1,245,218	
<b>Total Current Assets A</b>			2,135,581		2,450,278
<b>Non-Current Assets</b>					
Long Term Loans		-		-	
Investments	8	20,538,355		20,538,355	
Provision of Infrastructure	5	27,840,725		-	
Investment Property		-		-	
Intangible Assets		-		-	
<b>Total Non Current Assets B</b>			48,379,080		20,538,355
<b>Total Assets C=A+B</b>			<b><u>50,514,660</u></b>		<b><u>22,988,633</u></b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	5,385,375		4,416,282	
Short Term Loan & DebtS		-		-	
Payables		-		-	
<b>Total Current Liabilities D</b>			5,385,375		4,416,282
<b>Non Current Liabilities</b>					
Public Funds		-		-	
Long Term Provisions		-		-	
Long Term Borrowings		-		-	
<b>Total Non Current Liabilities E</b>			-		-
<b>Total Liabilities F=D+E</b>			5,385,375		4,416,282
<b>Net Assets G=C-F</b>			<b><u>45,129,285</u></b>		<b><u>18,572,351</u></b>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	10	40,585,202		-	
Reserves		-			
Accumulated Surplus/(Deficit)	11	<u>4,544,083</u>		<u>18,572,351</u>	
			45,129,285		18,572,351
<b>Total Net Assets/Equity H=G</b>			<b><u>45,129,285</u></b>		<b><u>18,572,351</u></b>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017 ACTUAL N		NOTES	ACTUAL 2018 N	BUDGET N	VARIANCE N
<b>REVENUE</b>					
576,455,693	Govt Share of FAAC	1	411,885,157	2,669,704,609	(2,257,819,452)
8,535,647	Other Revenue	2	2,605,854	38,847,000	(36,241,146)
-	Transfer from other Govt Entities		-	-	-
<b>584,991,340</b>	<b>TOTAL REVENUE (a)</b>		<b>414,491,011</b>	<b>2,708,551,609</b>	<b>(2,294,060,598)</b>
<b>EXPENDITURE</b>					
546,230,795	Salaries	3	356,285,310	689,785,419	333,500,110
	Social Benefits			-	-
38,237,204	Overhead Cost	4	72,233,970	592,459,010	520,225,040
-	Bad debt Charges		-	-	-
-	Public Debt charges		-	-	-
-	Transfer to Other Govt Entities		-	-	-
<b>584,467,999</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>428,519,279</b>	<b>1,282,244,429</b>	<b>853,725,150</b>
	Surplus/(Deficit) from operating				
523,341	Activities for the period C=(a-b)		(14,028,268)	1,426,307,180	1,440,335,448
-	Gain/Loss on Disposal		-	-	-
-	Gain/Loss on Foreign Exchange Transaction		-	-	-
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture		-	-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		<b>-</b>	<b>-</b>	<b>-</b>
523,341	Surplus/(Deficit)from Ordinary Activities e=(c+d)		(14,028,268)	1,426,307,180	1,440,335,448
-	Minority Interest Share of Surplus/(Deficit) (f)		-	-	-
<b>523,341</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>(14,028,268)</b>	<b>1,426,307,180</b>	<b>1,440,335,448</b>

**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

**STATEMENT OF CHANGES IN EQUITY**

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	18,572,351	-	18,572,351
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	(14,028,268)	-	(14,028,268)
	<u>4,544,083</u>	<u>-</u>	<u>4,544,083</u>
			-
Balance as at 31 December 2018	<u>4,544,083</u>	<u>-</u>	<u>4,544,083</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC		411,885,157		576,455,693	
Other Revenue		2,605,854		8,535,647	
Transfer from other Govt Entities		-		-	
<b>Total inflow from Operating Activities (A)</b>		<b>414,491,011</b>		<b>584,991,340</b>	
<i>Outflows</i>					
Salaries & Wages		(356,285,310)		(546,230,795)	
Social Benefits		-		-	
Overhead Cost		(72,233,970)		(38,237,204)	
Finance Cost		-		-	
<b>Total outflow from operating Activities (B)</b>		<b>(428,519,279)</b>		<b>(584,467,999)</b>	
<b>Net Cash Inflow/(Outflow)</b>					
<b>from Operating Activities C=(A+B)</b>			(14,028,268)		523,341
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase/Construction of PPE		-		-	
Purchase/Construction of Investment Property		(27,840,725)		-	
Acquistion of investments		-		-	
<b>Net Cash from Investing Activities</b>			<b>(27,840,725)</b>		<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grant					
<b>Net Cash Flow from Financing Activities</b>			<b>40,585,202</b>		
<b>Net Cash flow from all Activities</b>			<b>(1,283,790)</b>		<b>523,341</b>
<b>Net Movement in Current Assets / Liabilities</b>			-		
Net Movement in Receivables			23,953		1,699,565
Net Movement in Payables			969,093		(5,621,092)
			<u>993,046</u>		<u>(3,921,527)</u>
<b>Cash &amp; Its Equivalent as at 1st January</b>			<u>1,205,060</u>		<u>4,603,246</u>
<b>Cash &amp; Its Equivalent as at 31st December</b>			<u><b>914,316</b></u>		<u><b>1,205,060</b></u>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			-		-
Bank Balances			<u>914,316</u>		<u>1,205,060</u>
			<u><b>914,316</b></u>		<u><b>1,205,060</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	<u>411,885,157</u>	<u>576,455,693</u>
	<b><u>411,885,157</u></b>	<b><u>576,455,693</u></b>
 <b>NOTE 2 OTHER REVENUE</b>		
Fines, Fees and Licenses	2,195,854	6,285,934
Earnings and Sales	410,000	502,809
Miscellaneous	<u>-</u>	<u>1,746,904</u>
	<b><u>2,605,854</u></b>	<b><u>8,535,647</u></b>
 <b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	356,285,310	546,230,795
Allowances	<u>-</u>	<u>38,237,204</u>
	<b><u>356,285,310</u></b>	<b><u>584,467,999</u></b>
 <b>NOTE 4 OVERHEAD COST</b>		
 <b>ALLOWANCES AND SOCIAL CONTRIBUTION</b>		
Security allowance	-	2,117,950.00
Sallah Gift Allowance	3,900,000	-
Honourarium & sitting allowance	-	448,000.00
Vehicle Hire	892,000	-
Other Dues	100,000	378,000.00
Welfare packages	1,437,000	1,019,450.00
Disturbance allowance	<u>2,236,706</u>	<u>-</u>
	<b><u>8,565,706</u></b>	<b><u>3,963,400</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<i><b>TRAVEL &amp; TRANSPORT</b></i>		
Local travel & transport: Others	10,626,546	3,625,435
Local travel & transport: Training	–	362,300
	<u><b>10,626,546</b></u>	<u><b>3,987,735</b></u>
<i><b>MATERIALS AND SUPPLIES</b></i>		
Magazines & periodicals	50,000	–
Books	–	100,000
Office stationeries/computer consumables	70,254	150,000
Printing of security document	–	–
Printing of non–security document	40,000	92,900
Field materials services	33,000	–
Drugs & medical supplies	362,971	50,000
	<u><b>556,225</b></u>	<u><b>392,900</b></u>
<i><b>MISCELLANEOUS EXPENSES</b></i>		
Security vote	8,539,000	–
Refreshment & Meals	1,551,638	3,830,200
Financial Assistance	6,202,400	–
Electricity bills	370,000	90,000
Telephone charges	15,000	31,500
Bank charges	232,086	–
Water Pollution Control	–	416,000
Hospitality & entertainment	1,991,000	207,167
Immunization Support	1,350,000	–
Sitting allowance	1,721,953	–
Office rent	–	915,000
Residential rent	290,000	–
Sporting Activities	200,000	–
Water rate	–	982,650
Publicity & advertisement	148,000	–
Medical expenses	177,900	–
Newspapers	153,000	–
Local training	100,000	–
Security Services	–	2,458,670
Entertainment	7,366,260	–
	<u><b>30,408,237</b></u>	<u><b>8,931,187</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>MAINTENANCE SERVICES</i></b>		
Construction of Water facilities	–	294,080
Maintenance of Markets/Public Places	2,853,370	–
Maintenance of generator	21,900	–
Other maintenance	1,510,940	2,124,800
Other transport equipment fuel cost	–	934,202
Maintenance of Communication Equipt	10,000	–
Construction/Provision of Electricity	4,564,991	823,966
Road Maintenance		475,000
Maintenance of motor vehicles	2,848,000	281,800
Maintenance of office equipment	–	877,107
Maintenance of of office building	1,848,577	13,775,396
Maintenance of Residential Building	2,959,265	–
Motor vehicle fuel cost	3,171,000	80,000
Plant fuel cost	297,509	–
	<b><u>20,085,552</u></b>	<b><u>19,666,351</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Legal services	1,861,720	
Financial Consulting	–	68,381
Information technology consulting	–	830,000
Medical consulting	–	397,250
Engineering service	129,982	–
	<b><u>1,991,702</u></b>	<b><u>1,295,631</u></b>
<b>Total Overhead</b>	<b><u>72,233,970</u></b>	<b><u>38,237,204</u></b>
<b>NOTE 5 PROVISION OF INFRASTRUCTURES</b>		
Renovation of building	3,452,120	–
Rehabilitation of hand pump	24,388,605	–
	<b><u>27,840,725</u></b>	<b><u>–</u></b>
<b>NOTE 6 CASH &amp; CASH EQUIVALENT</b>		
Bank balance	914,316	1,205,060
Cash	–	–
	<b><u>914,316</u></b>	<b><u>1,205,060</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>NOTE 7 PREPAYMENTS</b>		
Advances	<u>1,221,265</u>	<u>1,245,218</u>
<b>NOTE 8 INVESTMENTS</b>	<u>20,538,355</u>	<u>20,538,355</u>
<b>NOTE 9 DEPOSITS</b>	<u>5,385,375</u>	<u>4,416,282</u>
<b>NOTE 10 CAPITAL GRANT</b>		
Paris club refund	<u>40,585,202</u>	<u>-</u>
<b>NOTE 11 RESERVES</b>		
Brought Forward	18,572,351	18,028,679
Prior Year Adjustment	-	20,331
Operating Balance for the Year	<u>(14,028,268)</u>	<u>523,341</u>
	<u><b>4,544,083</b></u>	<u><b>18,572,351</b></u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Sterlin Bank Of Nigeria	526,315
2	Urban Developement Bank	500,000
3	Zaranda Hotel	112,000
4	Access Bank Nig. Plc.	2,057,142
5	Bauchi Publishing & Printing Company	200,000
6	MAL Bank Plc.	5,000,000
7	Jaiz International Plc.	3,265,300
8	Intercellular Nigeria Plc.	1,190,476
9	Inland Bank of Nigeria	3,645,425
10	Kaduna Textile Limited	210,000
11	Arewa Ceremic Misau	350,000
12	Galabi Cattle Ranch	150,000
13	Yankari Savings & Loans	1,477,686
14	Ashaka Cement Company	250,000
	<b>Total</b>	<b>18,934,344</b>

**APPENDIX 2**

**SCHEDULES OF ADVANCES**

<b>S/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	Balance From 2017	458,265.00
2	Idris Lawan Mohammed	763,000.00
	<b>Total</b>	<b>1,221,265.00</b>

**APPENDIX 3**

**SCHEDULES OF DEPOSIT**

<b>S/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	PAYE Deductions D/1	482,156
2	NULGE Dues D/2	2,071,400
3	10% Retention on Contract D/7	1,820,143
4	Housing Loan D/8	1,967
5	FIRS WHT D/11	13,050
6	Agric Loan Recovery D/16	11,896
7	Mosque Construction D/34	15,670
8	Contract Deduction D/7	15,600
9	Contract Deduction D/7	953,493
	<b>Total</b>	<b>5,385,375</b>

# **TAFAWA BALEWA LOCAL GOVERNMENT COUNCIL**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

**CHAIRMAN**  
ABDULLAHI SHUAIBU

**HEAD OF ADMINISTRATION**  
GARBA YAHAYA

**TREASURER**  
ADAMU NUHU

**AUDITORS**  
ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)

**BANKERS**  
FIDELITY BANK PLC  
FIRST BANK LTD

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF TAFAWA BALEWA LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of TAFAWA BALEWA LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **SIGNIFICANT ACCOUNTING POLICIES**

### **1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

### **2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

### **3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

### **4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

### **5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

### **6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

### **7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

### **8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

### **9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	1,021,153		32,358	
Prepayments	6	<u>5,410,000</u>		<u>5,410,000</u>	
Total Current Assets A			6,431,153		5,442,358
<b>Non-Current Assets</b>					
Investments	7	21,504,014		21,504,014	
Property, Plant & Equipment	8	<u>108,134,768</u>		<u>-</u>	
Total Non Current Assets B			129,638,782		21,504,014
Total Assets C=A+B			<u><u>136,069,934</u></u>		<u><u>26,946,372</u></u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	8	10,357,452		5,869,038	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			10,357,452		5,869,038
<b>Non Current Liabilities</b>					
Long Term Borrowings		<u>-</u>		<u>-</u>	
Total Non Current Liabilities E			-		-
Total Liabilities F=D+E			10,357,452		5,869,038
Net Assets G=C-F			<u><u>125,712,482</u></u>		<u><u>21,077,334</u></u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants	9	41,794,139		-	
Accumulated Surplus/(Deficit)	10	<u>83,918,343</u>	<u>125,712,482</u>	<u>21,077,334</u>	<u>21,077,334</u>
Total Net Assets/Equity H=G			<u><u>125,712,482</u></u>		<u><u>21,077,334</u></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017		NOTES	2018		
ACTUAL			ACTUAL	BUDGET	VARIANCE
N			N	N	N
<b>REVENUE</b>					
706,691,187	Govt Share of FAAC	1	781,107,691	4,558,336,957	(3,777,229,266)
-	Aid & Grants		-	22,550,000	(22,550,000)
23,092,666	Other Revenue	2	4,538,587	38,533,000	(33,994,413)
<b>729,783,853</b>	<b>TOTAL REVENUE (a)</b>		<b>785,646,278</b>	<b>4,619,419,957</b>	<b>(3,833,773,679)</b>
<b>EXPENDITURE</b>					
667,795,316	Salaries	3	434,600,676	1,122,941,437	688,340,761
	Social Benefits			-	-
61,956,179	Overhead Cost	4	288,204,592	1,350,498,820	1,062,294,228
-	Grants & Contributions		-	-	-
<b>729,751,495</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>722,805,268</b>	<b>2,473,440,257</b>	<b>1,750,634,989</b>
32,358	Surplus/(Deficit) from operating Activities for the period C=(a-b)		62,841,009	2,145,979,700	2,083,138,691
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture		-	-	-
-	Total Non Operating Revenue or (Expenses)(d)		-	-	-
32,358	Surplus/(Deficit)from Ordinary Activities e=(c+d)		62,841,009	2,145,979,700	2,083,138,691
-	Minority Interest Share of Surplus/(Deficit) (f)		-	-	-
<b>32,358</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>62,841,009</b>	<b>2,145,979,700</b>	<b>2,083,138,691</b>

**FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	21,077,334	-	21,077,334
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	62,841,009	-	62,841,009
	<u>83,918,343</u>	<u>-</u>	<u>83,918,343</u>
			-
Balance as at 31 December 2018	<u>83,918,343</u>	<u>-</u>	<u>83,918,343</u>



**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC		781,107,691		706,691,187	
Other Revenue		<u>4,538,587</u>		<u>23,092,666</u>	
<b>Total inflow from Operating Activities (A)</b>			<b>785,646,278</b>		<b>729,783,853</b>
<i>Outflows</i>					
Salaries & Wages		(434,600,676)		(667,795,316)	
Social Benefits		-		-	
Overhead Cost		<u>(288,204,592)</u>		<u>(61,956,179)</u>	
<b>Total outflow from operating Activities (B)</b>			<b>(722,805,268)</b>		<b>(729,751,495)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			62,841,009		32,358
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase/Construction of PPE		(108,134,768)		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(108,134,768)</b>		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		41,794,139			
Repayment of Borrowings		-			
<b>Net Cash Flow from Financing Activities</b>			<b>41,794,139</b>		-
<b>Net Cash flow from all Activities</b>			<b>(3,499,619)</b>		<b>32,358</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Inventories					
Net Movement in Prepayments			-		43,670,970
Net Movement in Payables			<u>4,488,414</u>		<u>(61,126,267)</u>
			<u>4,488,414</u>		<u>(17,455,297)</u>
<b>Net Cash Flow from Operating Activities</b>			<b>988,795</b>		<b>(17,455,297)</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>			<u>32,358</u>		<u>17,487,655</u>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>			<b><u>1,021,153</u></b>		<b><u>32,358</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			6,940		-
Bank Balances			<u>1,014,213</u>		<u>32,358</u>
			<b>1,021,153</b>		<b>32,358</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	781,107,691	706,691,187
	<u><b>781,107,691</b></u>	<u><b>706,691,187</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	4,538,587	10,207,777
10% Share of State Internal Revenue	-	12,884,889
Sale of shares	-	-
	<u><b>4,538,587</b></u>	<u><b>23,092,666</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	417,972,376	667,434,316
Allowances	16,628,300	361,000
	<u><b>434,600,676</b></u>	<u><b>667,795,316</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	-	-
Honourarium & sitting allowance	13,019,795	8,849,800
Polio allowance	250,000	-
Hospitality & entertainment	-	1,865,350
Welfare packages	56,994,698	-
Security expenses	1,750,000	24,823,459
Medical expenses-local	-	309,500
	<u><b>72,014,493</b></u>	<u><b>35,848,109</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	10,925,018	3,349,798
Local travel & transport: Training	7,325,891	215,000
International travel & transport	-	855,000
	<u><b>18,250,909</b></u>	<u><b>4,419,798</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Relief materials	33,720,000	
Purchase of fertilizer	575,000	
Teaching Aids/instructional materials	976,000	
Magazines & periodicals	–	
Drugs & medical supplies	10,558,000	4,097,000
Office stationeries/computer consum	5,487,000	2,715,500
Printing of non–security document	50,000	
Printing of security document	117,000	278,980
	<b><u>51,483,000</u></b>	<b><u>7,091,480</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security vote	75,128,816	
Refreshment & Meals	19,919,500	1,301,000
Financial Assistance	1,686,000	
Sporting activities	385,000	375,800
Publicity & advertisement	1,600,000	90,500
Hospitality & entertainment	850,000	
Cleaning & fumigation	4,280,000	
Rent	1,150,000	
Electricity bills	–	80,420
Satellite broadcasting access charge	259,000	
Local training	1,170,000	75,000
Grant to communities	18,460,000	
Bank charges	13,874	
Special days celebration	5,606,000	370,000
	<b><u>130,508,190</u></b>	<b><u>2,292,720</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator	3,253,000	284,200
Maintenance of transport equipment		2,529,715
Maintenance of office equipment		879,800
Generator fuel cost		112,000
Other maintenance services	7,073,000	4,358,100
Maintenance of market/public place	400,000	
Maintenance of street light	320,000	
Maintenance of communication equipment		148,100
Maintenance of office furniture	891,000	
Maintenance of motor vehicles	1,320,000	556,600
Maintenance of of office building	961,000	1,365,300
Other transport equipment fuel cost	1,050,000	
Motor vehicle fuel cost	–	405,000
	<b><u>15,268,000</u></b>	<b><u>10,638,815</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Legal services		235,000
Agricultural consulting	140,000	
Engineering services	440,000	
ICT consulting	100,000	488,000
Financial consulting	–	260,744
	<b><u>680,000</u></b>	<b><u>983,744</u></b>
<b><i>FINANCIAL CHARGES</i></b>		
Bank charges		<b><u>681,513</u></b>
 Total Overhead	<b><u>288,204,592</u></b>	<b><u>61,956,179</u></b>
 <b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		20,936
First Bank		11,422
Bank balance	1,014,213	
Cash	6,940	–
	<b><u>1,021,153</u></b>	<b><u>32,358</u></b>
 <b>NOTE 6 PREPAYMENTS</b>		
Advances	<b><u>5,410,000</u></b>	<b><u>5,410,000</u></b>
 <b>NOTE 7 INVESTMENTS</b>	<b><u>21,504,014</u></b>	<b><u>21,504,014</u></b>
 <b>NOTE 8 CAPITAL EXPENDITURE</b>		
Landscapping Bula district palace	11,696,801	
Electrification	16,127,000	
Construction of Bula District palace	9,166,117	
Construction/provision of housing	7,017,735	
Drilling of hand pump	28,632,369	
Construction of health clinic	12,419,745	
Office equipment	680,000	
purchase/acquisition of land	22,395,000	
	<b><u>108,134,768</u></b>	
 <b>NOTE 9 DEPOSITS</b>	<b><u>10,357,452</u></b>	<b><u>5,869,038</u></b>
 <b>NOTE 11 CAPITAL GRANTS</b>		
Paris club refund	<b><u>41,794,139</u></b>	<b><u>–</u></b>
 <b>NOTE 10 RESERVES</b>		
Brought Forward	21,077,334	82,171,445
Surplus/(deficit) on revaluation		(61,126,469)
 Operating Balance for the Year	<b><u>62,841,009</u></b>	<b><u>32,358</u></b>
	<b><u>83,918,343</u></b>	<b><u>21,077,334</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**SCHEDULES OF INVESTMENT**

**APPENDIX 1**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	African Petroleum	305,100
2	Ashaka Cement Plc	100,000
3	Bauchi State Hotels Ltd	118,520
4	UDB Nigeria Limited	500,000
5	FCMB	1,735,781
6	WAPCO Nigeria Plc	96,250
7	Afribank (Main Street)	11,908,333
8	National Oil Plc	500,000
9	Yankari Savings and Loans	1,136,045
10	Jaiz International Bank	4,900,285
11	Fidelity Bank Plc	203,700
		<u><b>21,504,014</b></u>

**SCHEDULES OF DEPOSIT**

**APPENDIX 2**

<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	Pay As You Earn (P.A.Y.E.)	496,303
2	OVC	415,192
3	NULGE Union Dues	3,170,261
4	MHWUN Union Dues	749,289
5	FIRS – 5% VAT on Contracts	4,488,415
6	N.H.F.	1,037,992
		<u><b>10,357,452</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**APPENDIX 3**

<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	ILYASU ALIYU GITAL	300,000
2	BULUS GOMA	200,000
3	MOHD DILLE LADAN	150,000
4	UMAR ADAMU	100,000
5	YAKUBU AHMAD	50,000
6	MUSA USMAN FIRFI	150,000
7	HARUNA KHALIDU	50,000
8	IDRIS DAN ASABE	50,000
9	MUSA A LADAN	50,000
10	YAU KACICYA	50,000
11	ABDULLAHI ADAMU	50,000
12	MOHAMMAD ALIYU	50,000
13	SHEHU USMAN ABUBAKAR	25,000
14	SHEHU S. MAIGARI	25,000
15	KABIRU IDIRS BELLO	30,000
16	ZUBAIRU ISAH	10,000
17	MOHD IBRAHIM GITAL	10,000
18	HASSAN SHEHU BUNUN	10,000
19	AHMED A JAJI	10,000
20	MOHD FAILK	10,000
21	CELINA M WORMI	10,000
22	GARBA YAU	10,000
23	MARYAM UMAR	10,000
24	HABIBA ABDU	10,000
25	HABIBA DANBABA	10,000
26	MAMAKI ISHAYA	10,000
27	KASIMU K. BABAJI	10,000
28	YAKUBU IDI KORAU	10,000
29	(CURRATIVE)	10,000
30	ABUBAKAR SAADU	10,000
31	SAAD IBN IBRAHIM	10,000
32	PENSION OFFICER	10,000
33	AMINU MOHD	10,000
34	(M&E)	10,000
35	(MCH COORDINATOR)	10,000
	Balance c/d	<b>1,530,000</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018  
APPENDICES**

<b>APPENDIX 2</b>		
<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT N</b>
	Balance b/d	1,530,000
36	KAMALU UMAR	10,000
37	UMAR IBRAHIM KARDAM	10,000
38	MOHD B. ILIYASU	10,000
39	ALIYU ABUBAKAR BAWA	10,000
40	SALISU MOHD	10,000
41	(BLUE V/HEAD)	20,000
42	ABDULLAHI HASSAN	30,000
43	ISAH DAUDA	30,000
44	MUSA G. KALID	20,000
45	ADAMU ABDULLAHI	30,000
46	ABDULLAHI YAKUBU	30,000
47	ALIYU ABUBAKAR BAWA	30,000
48	DAUDA SALER	30,000
49	(SUP. COM. WORKS)	50,000
50	(SUP. COUR. ESD)	50,000
51	(SUP. COUR. AGRIC)	50,000
52	(SUP. COUR. PLANNING)	50,000
53	FATIHU ADO MUSA	10,000
54	YUNUSA ISAH	10,000
55	HUSSEIN MOHD	10,000
56	SAFIYANU MAGAJI	10,000
57	DANLAMI S. PAWA	10,000
58	SAIDU SAMBO	10,000
59	BABANGIDA B KANJI	10,000
60	(LEGAL ADVICES)	10,000
61	SHUAIBU S. KOLI	10,000
62	UMAR DEMBO	20,000
63	(AREA DEV. OFFICER BOTO)	20,000
64	ABDULHAMID MOHD	20,000
65	JAMES LARSON	20,000
	Balance c/d	<b>2,170,000</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018  
APPENDICES**

<b>APPENDIX 2</b>		
<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
		<b>N</b>
	Balance b/d	2,170,000
66	ABDULRASHEED MUAZU	30,000
67	(AGRIC OFFICER)	10,000
68	HON. GAMBO SALLAU	200,000
69	HON. ABDULLAHI TELA	200,000
70	HON. ADO MATO	200,000
71	HON. HAMMA SHUAIBU	200,000
72	HON. ALIYU IBRAHIM	200,000
73	HON. HABIBU IBRAHIM	200,000
74	HON. MOHD MUSA	200,000
75	HON. ISTIFANUS MUSA J	200,000
76	HON. ABUBAKAR SAIDU	200,000
77	HON. ISHAKU KADIRI	200,000
78	HON. SIMON Y. KUK	200,000
79	HON. SAMAILA WAKILI	200,000
80	HON. KABIRU SALE B.	200,000
81	HON. MOHD A. BALA	200,000
82	HON. BABANGIDA ZANGO	200,000
83	HON. DANLAMI DOSO	200,000
		<u>200,000</u>
		<b><u>5,410,000</u></b>



# **TORO LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ALH DANLAMI GARBA ABUBAKAR**

### **HEAD OF ADMINISTRATION**

**ALH NASIRU USMAN**

### **TREASURER**

**ALH MOHAMMED YUNUSA**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIRST BANK LTD  
FIDELITY BANK PLC**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF TORO LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of TORO LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	(5,438,316)		176,204	
Prepayments	6	<u>60,567,950</u>		<u>18,240,895</u>	
Total Current Assets	A		55,129,634		18,417,099
<b>Non-Current Assets</b>					
Investments	7	32,005,182		32,005,182	
Property, Plant & Equipment					
Infrastructure	8	<u>79,429,348</u>		<u>-</u>	
Total Non Current Assets	B		<u>111,434,530</u>		<u>32,005,182</u>
Total Assets C=A+B			166,564,163		50,422,281
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits		-		-	
Payables		<u>-</u>		<u>-</u>	
Total Current Liabilities D			-		-
<b>Non Current Liabilities</b>					
Public Funds	9	8,790,819		8,790,819	
Total Non Current Liabilities E			<u>8,790,819</u>		<u>8,790,819</u>
Total Liabilities F=D+E			<u>8,790,819</u>		<u>8,790,819</u>
Net Assets G=C-F			<u>157,773,344</u>		<u>41,631,462</u>
<b>NET ASSETS/EQUITY</b>					
Capital grant	10	59,695,102		-	
Reserves	11	<u>98,078,243</u>	<u>157,773,344</u>	<u>41,631,462</u>	<u>41,631,462</u>
Total Net Assets/Equity H=G			<u>157,773,344</u>		<u>41,631,462</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018		
ACTUAL		NOTES	ACTUAL	BUDGET	VARIANCE
N			N	N	N
<b>REVENUE</b>					
935,918,370	Govt Share of FAAC	1	836,855,300	5,757,215,000	(4,920,359,700)
-	Aid & Grants		-	29,425,000	(29,425,000)
	Capital receipts		-	16,500,000	(16,500,000)
4,729,871	Other Revenue	2	16,352,908	50,936,985	(34,584,077)
<b>940,648,242</b>	<b>TOTAL REVENUE (a)</b>		<b>853,208,208</b>	<b>5,854,076,985</b>	<b>(5,000,868,777)</b>
<b>EXPENDITURE</b>					
877,568,253	Salaries	3	499,557,701	1,496,876,992	997,319,291
62,943,232	Overhead Cost	4	297,203,726	1,426,280,988	1,129,077,262
<b>940,511,485</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>796,761,427</b>	<b>2,923,157,980</b>	<b>2,126,396,553</b>
Surplus/(Deficit) from operating					
136,757	Activities for the period C=(a-b)		56,446,781	2,930,919,005	2,874,472,224
136,757	Surplus/(Deficit)from Ordinary		56,446,781	2,930,919,005	2,930,919,005
	Activities e=(c+d)				
Net Surplus/(Deficit) for					
136,757	the period g=(e-f)		56,446,781	2,930,919,005	2,930,919,005

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

**STATEMENT OF CHANGES IN EQUITY**

	<b>Accumulated Fund =N=</b>	<b>Revaluation Reserve =N=</b>	<b>TOTAL =N=</b>
Balance as at 31 December 2017	41,631,462	-	41,631,462
Surplus /(Deficit) on revaluation	-	-	-
Surplus /(Deficit)	<u>56,446,781</u>	<u>-</u>	<u>56,446,781</u>
	<u><b>98,078,243</b></u>	<u><b>-</b></u>	<u><b>98,078,243</b></u>
			-
Balance as at 31 December 2018	<u><b>98,078,243</b></u>	<u><b>-</b></u>	<u><b>98,078,243</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018 N	2017 N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
<i>Inflows</i>			
Government Share of FAAC	1	836,855,300	935,918,370
Other Revenue	2	<u>16,352,908</u>	<u>4,729,871</u>
<b>Total inflow from Operating Activities (A)</b>		<b>853,208,208</b>	<b>940,648,242</b>
<i>Outflows</i>			
Salaries & Wages	3	(499,557,701)	(877,568,253)
Social Benefits		-	-
Overhead Cost	4	<u>(297,203,726)</u>	<u>(62,943,232)</u>
<b>Total outflow from operating Activities (B)</b>		<b><u>(796,761,427)</u></b>	<b><u>(940,511,485)</u></b>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>		<b>56,446,781</b>	<b>136,757</b>
Prior year adjustment		-	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase/Construction of PPE	8	(79,429,348)	-
Acquisition of investments		<u>-</u>	<u>-</u>
<b>Net Cash from Investing Activities</b>		<b>(79,429,348)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Capital grant		59,695,102	-
Repayment of Borrowings		<u>-</u>	<u>-</u>
<b>Net Cash Flow from Financing Activities</b>		<b><u>59,695,102</u></b>	<b><u>-</u></b>
<b>Net Cash flow from all Activities</b>		<b>36,712,535</b>	<b>136,757</b>
<b>Net Movement in Current Assets / Liabilities</b>			
Net Movement in Receivables		(42,327,055)	(23,437,683)
Net Movement in Payables		<u>-</u>	<u>-</u>
		<b><u>(42,327,055)</u></b>	<b><u>(23,437,683)</u></b>
<b>Net Cash Flow from Operating Activities</b>		<b>(5,614,520)</b>	<b>(23,300,926)</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>		<b><u>176,204</u></b>	<b><u>23,477,130</u></b>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>		<b><u>(5,438,316)</u></b>	<b><u>176,204</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>			
Cash Balances		170,952	-
Bank Balances		(5,609,269)	176,204
Overdraft		<u>-</u>	<u>-</u>
		<b><u>(5,438,316)</u></b>	<b><u>176,204</u></b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b>1 STATUTORY ALLOCATION</b>		
Council and staff salaries	836,855,300	935,918,370
Other grants	–	–
	<b><u>836,855,300</u></b>	<b><u>935,918,370</u></b>
<b>2 OTHER REVENUE</b>		
Internally Generated Revenue	8,460,513	4,729,871
Interest & dividend	7,892,395	–
	<b><u>16,352,908</u></b>	<b><u>4,729,871</u></b>
<b>3 PERSONNEL COST</b>		
Salaries & Wages	474,125,651	854,667,987
Allowances	25,432,050	22,900,266
	<b><u>499,557,701</u></b>	<b><u>877,568,253</u></b>
<b>4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	23,142,873	12,317,481
Security vote	18,950,000	
Honourarium & sitting allowance	1,074,000	17,098,298
Immunization supervision allowance	21,363,650	2,104,567
Hajj seat	800,000	
Sallah celebration	1,760,000	
Ramadan feeding	2,179,000	
Relief materials	1,400,000	
IPD programme	122,639,500	
Land compensation	1,050,000	
Adult literacy	2,000,000	
NATA allowance	6,765,478	
Welfare		980,000
Medical expenses–local	235,000	156,000
Burial expenses	15,000	–
Disturbance allowance	1,166,970	–
	<b><u>204,541,471</u></b>	<b><u>32,656,346</u></b>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	4,477,008	4,217,000
Local travel & transport: Training	–	–
International travel & transport	–	–
	<b><u>4,477,008</u></b>	<b><u>4,217,000</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>MATERIALS AND SUPPLIES</i></b>		
Uniforms & other clothing	550,000	
Drugs/Medical supplies	12,584,600	2,144,567
Books		477,000
Purchase of Agro inputs	1,818,000	
Office stationeries/computer consumable	2,535,600	1,411,810
Printing of non-security document	4,938,500	1,055,000
	<b><u>22,426,700</u></b>	<b><u>5,088,377</u></b>
<b><i>MISCELLANEOUS EXPENSES</i></b>		
Security expenses	20,000	–
Refreshment & Meals	1,172,000	1,417,239
Financial Assistance	5,526,130	366,000
Logistic & fuel	31,571,198	
Hospitality & entertainment	7,429,000	3,806,000
Skill & vocation	2,260,000	
Clearing of drainage	3,324,275	
General expenses	1,080,000	6,874,161
Publicity	1,900,000	
Study tour	150,000	
Donation	450,000	–
Electricity bills	280,000	43,000
Bank charges	45,805	514,399
Special days celebration	200,000	3,920,500
	<b><u>55,408,408</u></b>	<b><u>16,941,298</u></b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator	5,000	–
Maintenance of motor vehicles	990,650	552,400
Communication equipment repairs	600,000	
Other repairs & maintenance	4,781,500	1,500,000
Maintenance of market	220,000	–
Maintenance of office equipment		451,000
Maintenance of of office building	2,362,050	100,000
Motor vehicle fuel cost	84,500	1,436,810
	<b><u>9,043,700</u></b>	<b><u>4,040,210</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Auction commission	-	-
Information technology consulting	-	-
15 %investment commission	1,166,439	-
Legal	140,000	-
	<u><b>1,306,439</b></u>	<u><b>-</b></u>
<b>Total Overhead</b>	<u><b>297,203,726</b></u>	<u><b>62,943,232</b></u>
<b>5 CASH &amp; CASH EQUIVALENT</b>		
Bank Balances	(5,609,269)	176,204
Cash	170,953	-
	<u><b>(5,438,316)</b></u>	<u><b>176,204</b></u>
<b>6 PREPAYMENTS</b>		
Advances	<u><b>60,567,950</b></u>	<u><b>18,240,895</b></u>
<b>7 INVESTMENTS</b>	<u><b>32,005,182</b></u>	<u><b>32,005,182</b></u>
<b>8 CAPITAL EXPENDITURE</b>		
Construction of handpump	2,795,500	
Construction of culvert	2,824,749	
Construction of health facilities	26,526,972	
Electrification project	4,656,000	
Renovation of classroom blocks	7,206,171	
Construction of slaughter slab	1,685,455	
Construction of drainage	2,981,655	
Renovation of ICT centre	1,071,390	
Rehabilitation of link road	6,430,000	
Communication equipment	650,000	
Skill acquisition	5,000,000	
Taxes	3,247,083	
Construction of mosque	6,872,065	
Motor vehicle	1,500,000	
purchase of office furniture	1,499,000	
Renovation of market	4,483,308	-
	<u><b>79,429,348</b></u>	<u><b>-</b></u>
<b>9 CAPITAL GRANT</b>		
Balance b/f		
For the year	59,695,102	
Balance b/f	<u><b>59,695,102</b></u>	<u><b>-</b></u>
<b>10 PUBLIC FUND</b>	<u><b>8,790,819</b></u>	<u><b>8,790,819</b></u>
<b>11 RESERVES</b>		
Brought Forward	41,631,462	41,494,705
Prior year adjustment	-	-
Operating Balance for the Year	56,446,781	136,757
	<u><b>98,078,243</b></u>	<u><b>41,631,462</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018  
APPENDICES**

**APPENDIX 1  
SCHEDULES OF INVESTMENT**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	FinBank Plc	5,496,875
2	Mainstreet bank (Afri bank)	80,000
3	First Bank Plc	50,000
4	F.S.B. Int Bank Plc	69,332
5	Yankari Savings & Loans	1,136,045
6	Jaiz International Plc	7,000,300
7	Zenith Bank (Nig) Plc	3,417,750
8	Access Bank (Nig) Plc	2,600,000
9	Zaranda International Hotel	184,620
10	Bauchi Publishing Company	50,000
11	Arewa Ceramic	96,940
12	Urban Development Bank	500,000
13	Galambi Ranch Farm	100,000
14	Monto Processing Company	50,000
15	Union Bank (Nig) Plc	1,320,000
16	Fidelity Bank Plc	9,853,320
		<u><b>32,005,182</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**APPENDICES**

**APPENDIX 2**  
**SCHEDULES OF ADVANCES**

<b>S/N</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
A/1	MOHAMMED LANDAN YARO	STANDING IMPREST 100,000
A/2	ELIZERBIRTH J. AREWA	STANDING IMPREST 3,000
A/3	GARBA ADAMU H	STANDING IMPREST 10,000
A/4	MOHAMMED BELLO M.	STANDING IMPREST 10,000
A/5	BALA MUSA YARO	STANDING IMPREST 5,000
A/7	AHMED JIBRIN	STANDING IMPREST 15,000
A/8	MOHAMMED MANDOMA	STANDING IMPREST 30,000
A/9	ABDULLAHI BALA Z	STANDING IMPREST 10,000
A/10	MOHAMMED A. ALI	STANDING IMPREST 10,000
A/11	SHEHU Y. MOHAMMED	STANDING IMPREST 10,000
A/12	SHEHU Y. MOHAMMED	STANDING IMPREST 10,000
A/13	AHMED D. ADAMU	STANDING IMPREST 10,000
A/14	AHMED S. MOHAMMED	STANDING IMPREST 10,000
A/15	MOHAMMED BELLO M.	STANDING IMPREST 10,000
A/16	SAMAILA A. GRABA	STANDING IMPREST 5,000
A/17	AHMED SHWHU UMAR	STANDING IMPREST 5,000
A/18	ABDULLI YAHAYA	STANDING IMPREST 10,000
A/19	HAMATU O. IBRAHIM	STANDING IMPREST 5,000
A/20	KABIRU ABUBAKAR D.	STANDING IMPREST 5,000
A/21	SULISU ABUBAKAR G.	STANDING IMPREST 5,000
A/22	ABUBAKAR AMALE	STANDING IMPREST 5,000
A/23	HUSSAINI A. UMAR	STANDING IMPREST 5,000
A/24	ISAH AHMED BETSO	STANDING IMPREST 5,000
A/26	SALEH MOHAMMED IMAIN	STANDING IMPREST 5,000
A/27	USMAN JAMA	STANDING IMPREST 5,000
A/29	ISYAKU Y. BELLO	STANDING IMPREST 5,000
A/30	MOHAMMED TALLE	STANDING IMPREST 5,000
A/31	ABDULLAHI BABAJI SAIDI	STANDING IMPREST 5,000
A/32	AHMED ABDULHAMID	STANDING IMPREST 20,000
A/33	SALISU SHEHU GRABA	STANDING IMPREST 20,000
A/34	ALIYU YA'U KACICIYA	STANDING IMPREST 20,000
A/35	ISAH MOHAMMED KUTAI	STANDING IMPREST 100,000
A/36	ALIYU SALISU SAIDU	STANDING IMPREST 20,000
A/37	HUSSAINI A. UMAR	STANDING IMPREST 5,000
A/38	ALI A. GAMBO	STANDING IMPREST 20,000
A/39	SAIDU SHEHU	STANDING IMPREST 20,000
A/40	ABDULLAHI ALIYU	STANDING IMPREST 20,000
	<b>Balance c/d</b>	<b>563,000</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**APPENDICES**

	<b>Balance b/d</b>		563,000.00
A/41	AHMED ISMAHI	STANDING IMPREST	20,000
A/42	ISAH ABDUBAKAR	STANDING IMPREST	20,000
A/43	ALH. BALA SARKI	STANDING IMPREST	20,000
A/44	SANI A. HARUNA	STANDING IMPREST	20,000
A/45	ABDULLAHI ALIYU LAME	STANDING IMPREST	20,000
A/46	ALIYU SHEHU SA'DU	STANDING IMPREST	20,000
A/47	ABDULLAHI MOHAMMED HAMZA	STANDING IMPREST	20,000
A/48	HUDU SARKI HASSAN	STANDING IMPREST	20,000
A/49	FATIMA ISAH LANTAIN	STANDING IMPREST	300,000
A/50	DATUS ATTEH	STANDING IMPREST	25,000
A/51	ALH. KABIRU GARBA G.	STANDING IMPREST	70,000
A/52	GRABA ADAMU N.	STANDING IMPREST	25,000
A/53	MATI HASSAN	STANDING IMPREST	25,000
A/54	BALA MOHAMMED ABDULLAHI	STANDING IMPREST	50,000
A/55	SAMAILA A. GRABA	STANDING IMPREST	10,000
A/56	AHMED SHEHU UMAR	STANDING IMPREST	10,000
A/57	ABDULLAHI MAGAJI	STANDING IMPREST	10,000
A/58	BABA AHMED YARO	STANDING IMPREST	50,000
A/60	BRAHIM SHEHU LAME	STANDING IMPREST	10,000
A/61	YUMUSA IBU ISA'IL	STANDING IMPREST	10,000
A/62	UMAR A. HASSAIN	STANDING IMPREST	10,000
A/64	ABUBAKAR AMALE	STANDING IMPREST	10,000
A/67	MOHAMMED MAIDUMAN	STANDING IMPREST	50,000
A/68	ALH. BALA SULAIMAN	STANDING IMPREST	50,000
A/69	ALH. BABA SULAIMAN	STANDING IMPREST	50,000
A/70	SUNDAY PERSONS	SPECIAL ADVANCE	650,000
A/71	HALADU ABUBAKAR	SPECIAL ADVANCE	130,000
A/72	ALIYU JIBRIN	SPECIAL ADVANCE	187,000
A/73	ABUBAKAR AMALE	SPECIAL ADVANCE	185,000
A/74	BABA SHUAIBU	SPECIAL ADVANCE	10,000
A/75	DANLAMI YARUSA	SPECIAL ADVANCE	80,000
A/76	BALA SHUAIBU	SPECIAL ADVANCE	100,000
	<b>Balance c/d</b>		<b><u>2,830,000</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

<b>Balance b/d</b>		<b>2,830,000.00</b>
A/77 DANLAMI YARUSA	SPECIAL ADVANCE	450,000
A/78 ALIYU JIBRIN	SPECIAL ADVANCE	50,000
A/79 BABA AHMED YARO	SPECIAL ADVANCE	500,000
A/80 MUSA IBRAHIM	SPECIAL ADVANCE	100,000
A/81 YUMUSA IBU ISA'IL	SPECIAL ADVANCE	329,000
A/82 MOHAMMMED Y. KAUM	SPECIAL ADVANCE	200,000
A/83 ENG. GRABA ADAMU	SPECIAL ADVANCE	373,445
A/84 ENG. GRABA ADAMU	SPECIAL ADVANCE	1,000,000
A/85 IDRIS USMAN SHALL	SPECIAL ADVANCE	100,000
A/86 BALA GIDENDO	SPECIAL ADVANCE	10,000
A/87 CHIGAIN LIMAN	SPECIAL ADVANCE	10,000
A/88 BALA Y. LIMAN	STANDING IMPREST	300,000
A/89 BAN. SALAH MAGARA	STANDING IMPREST	100,000
A/90 ALH.LAWAL ADAMU TILDE	STANDING IMPREST	100,000
A/91 SUNDAY PERSONS	STANDING IMPREST	200,000
A/92 AHMED MOHAMMED NABORDO	STANDING IMPREST	150,000
A/93 BABA AHMED YARO	SPECIAL ADVANCE	1,000,000
A/94 ALH. SAMAILA AHMED	SPECIAL ADVANCE	150,000
A/95 ENG. GARBA ADAMU	SPECIAL ADVANCE	971,000
A/96 ENG. GARBA ADAMU	SPECIAL ADVANCE	976,000
A/115 ALH. YAKUBU AHMED (1)AHS	SPECIAL ADVANCE	150,000
A/115 ALH. YAKUBU AHMED (1)AHS	SPECIAL ADVANCE	1,000,000
A/115 USMAN KAYANI	STANDING IMPREST	10,000
A/125 MOHAMMED SABO ABUBAKAR	SPECIAL ADVANCE	1,000,000
A/137 MOHAMMED SABO ABUBAKAR	SPECIAL ADVANCE	2,290,870
A/137 MOHAMMED SABO ABUBAKAR	SPECIAL ADVANCE	1,000,000
A/137 MOHAMMED SABO ABUBAKAR	SPECIAL ADVANCE	2,408,450
A/141 MOHAMMED SABO ABUBAKAR	SPECIAL ADVANCE	50,000
A/143 MOHAMMED DALADI ADAMU	SPECIAL ADVANCE	100,000
A/143 MOHAMMED DALADI ADAMU	SPECIAL ADVANCE	110,000
A/144 MOHAMMED DALADI ADAMU	SPECIAL ADVANCE	280,000
SUNDRY PERSONS		835,572
ALHAJI BELLO MOHAMMED MAGAMA	IMPREST ADVANCE	150,000
		<b><u>19,284,337</u></b>

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018

APPENDICES

Balance b/d		19,284,337
ABDULLAHI LIMAN	SPECIAL ADVANCE	4,565,150
MAIKASUWA Y. KAWUWA	SPECIAL ADVANCE	3,907,600
HUSSAINI ABUBAKAR	SPECIAL ADVANCE	481,149
ABDULLAHI LIMAN	SPECIAL ADVANCE	1,222,750
ABDULLAHI LIMAN	SPECIAL ADVANCE	971,000
ABDULLAHI LIMAN	SPECIAL ADVANCE	992,700
ABDULLAHI LIMAN	SPECIAL ADVANCE	996,500
ABDULLAHI LIMAN	SPECIAL ADVANCE	521,750
ABDULLAHI LIMAN	SPECIAL ADVANCE	728,758
ABDULLAHI LIMAN	SPECIAL ADVANCE	759,241
ABDULLAHI LIMAN	SPECIAL ADVANCE	621,750
ABDULLAHI LIMAN	SPECIAL ADVANCE	642,690
ABDULLAHI LIMAN	SPECIAL ADVANCE	378,400
ABDULLAHI LIMAN	SPECIAL ADVANCE	884,950
ABDULLAHI LIMAN	SPECIAL ADVANCE	2,687,500
ABDULLAHI LIMAN	SPECIAL ADVANCE	4,356,170
ABDULLAHI LIMAN	SPECIAL ADVANCE	888,700
ABDULLAHI LIMAN	SPECIAL ADVANCE	926,000
SUNDRY PERSONS	IMPREST	525,000
SUNDRY PERSONS	IMPREST	175,000
SUNDRY PERSONS	IMPREST	175,000
ABDULLAHI LIMAN	SPECIAL ADVANCE	6,998,270
ABDULLAHI LIMAN	SPECIAL ADVANCE	777,586
YUSUF SANI TORO	SPECIAL ADVANCE	100,000
ABDULLAHI LIMAN	SPECIAL ADVANCE	6,000,000
		<u>60,567,950</u>



# **WARJI LOCAL GOVERNMENT COUNCIL**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

**CHAIRMAN**  
AL-HASSAN MAHMUD

**HEAD OF ADMINISTRATION**  
BUBA DADA

**TREASURER**  
SUNUSI B. MAGAJI

**AUDITORS**  
ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)

**BANKERS**  
FIDELITY BANK PLC  
FIRST BANK LTD  
WARJI MFB LTD  
ACCESS BANK PLC

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF WARJI LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of WARJI LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	5	(1,201,657)		8,037	
Prepayments	6	-		-	
Inventories		-		-	
Total Current Assets A			(1,201,657)		8,037
<b>Non-Current Assets</b>					
Investments	7	13,517,885		13,517,885	
Property, Plant & Equipment	8	30,610,667		4,649,999	
Investment Property		-		-	
Total Non Current Assets B			44,128,552		18,167,884
Total Assets C=A+B			42,926,895		18,175,921
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities</b>					
Deposits	9	7,494,352		16,999,334	
Payables	10	-		-	
Total Current Liabilities D			7,494,352		16,999,334
<b>Non Current Liabilities</b>					
Public Funds		12,272,887		12,272,887	
Long Term Borrowings		-		-	
Total Non Current Liabilities E			12,272,887		12,272,887
Total Liabilities F=D+E			19,767,239		29,272,221
Net Assets G=C-F			23,159,656		(11,096,300)
<b>NET ASSETS/EQUITY</b>					
Capital Grants		30,223,683		-	
Reserves	11	(7,064,027)	23,159,657	(11,096,299)	(11,096,299)
Total Net Assets/Equity H=G			23,159,656		(11,096,300)

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017			2018	
ACTUAL		NOTES	ACTUAL	BUDGET
N			N	N
				VARIANCE
				N
<b>REVENUE</b>				
615,777,627	Govt Share of FAAC	1	461,181,277	3,816,548,365
-	Aid & Grants		-	18,969,580
2,252,591	Other Revenue	2	119,000	50,636,662
<b>618,030,218</b>	<b>TOTAL REVENUE (a)</b>		<b>461,300,277</b>	<b>3,886,154,607</b>
				(3,424,854,330)
<b>EXPENDITURE</b>				
597,809,762	Salaries	3	393,526,847	892,622,429
	Social Benefits			-
20,046,132	Overhead Cost	4	63,741,158	1,640,392,752
-	Grants & Contributions		-	-
<b>617,855,894</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>457,268,005</b>	<b>2,533,015,181</b>
				<b>2,075,747,176</b>
<b>Surplus/(Deficit) from operating Activities for</b>				
174,324	the period C=(a-b)		4,032,272	1,353,139,426
				1,349,107,154
-	Share of Surplus/(Deficit) In Assoc. & Joint Venture		-	-
-	<b>Total Non Operating Revenue or (Expenses)(d)</b>		-	-
174,324	Surplus/(Deficit)from Ordinary Activities e=(c+d)		4,032,272	1,353,139,426
				1,349,107,154
-	Minority Interest Share of Surplus/(Deficit) (f)		-	-
<b>174,324</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>4,032,272</b>	<b>1,353,139,426</b>
				<b>1,349,107,154</b>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

# STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	<u>(11,096,299)</u>	<u>-</u>	<u>(11,096,299)</u>
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>4,032,272</u>	<u>-</u>	<u>4,032,272</u>
	<u>(7,064,027)</u>	<u>-</u>	<u>(7,064,027)</u>
			-
Balance as at 31 December 2018	<u>(7,064,027)</u>	<u>-</u>	<u>(7,064,027)</u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>					
Government Share of FAAC	1	461,181,277		615,777,627	
Other Revenue	2	<u>119,000</u>		<u>2,252,591</u>	
<b>Total inflow from Operating Activities (A)</b>			<b>461,300,277</b>		<b>618,030,218</b>
<i>Outflows</i>					
Salaries & Wages	3	(393,526,847)		(597,809,762)	
Social Benefits		-		-	
Overhead Cost	4	<u>(63,741,158)</u>		<u>(20,046,132)</u>	
<b>Total outflow from operating Activities (B)</b>			<b>(457,268,005)</b>		<b>(617,855,894)</b>
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			<b>4,032,272</b>		<b>174,324</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase/Construction of PPE	8	(25,960,668)		-	
Purchase/Construction of Investment Property		-		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(25,960,668)</b>		<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		30,223,683			
Repayment of Borrowings		<u>-</u>			
<b>Net Cash Flow from Financing Activities</b>			<b>30,223,683</b>		<b>-</b>
<b>Net Cash flow from all Activities</b>			<b>8,295,288</b>		<b>174,324</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Receivables			-		19,438,334
Net Movement in Payables			<u>(9,504,982)</u>		<u>-</u>
			(9,504,982)		19,438,334
Net Cash Flow from Operating Activities			<b>(1,209,694)</b>		<b>19,612,658</b>
<b>Cash &amp; Its Equivalent as at 1/1/2018</b>			<b>8,038</b>		<b>(19,604,620)</b>
<b>Cash &amp; Its Equivalent as at 31/12/2018</b>			<b><u>(1,201,656)</u></b>		<b><u>8,038</u></b>
<b>Cash &amp; its Equivalent as at 31/12 2018</b>					
Cash Balances			595,173		2,973
Bank Balances			<u>(1,796,830)</u>		<u>5,064</u>
			<b><u>(1,201,657)</u></b>		<b><u>8,037</u></b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	461,181,277	615,777,627
	<u><b>461,181,277</b></u>	<u><b>615,777,627</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	119,000	2,252,591
10% Share of State Internal Revenue	-	-
Sale of shares	-	-
	<u><b>119,000</b></u>	<u><b>2,252,591</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	390,463,847	592,455,743
Allowances	3,063,000	5,354,019
	<u><b>393,526,847</b></u>	<u><b>597,809,762</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<i>ALLOWANCES AND SOCIAL CONTRIBUTION</i>		
Security allowance	7,192,000	2,385,060
Non-regular allowance	-	1,183,068
Immunization allowance	500,000	
Honourarium & sitting allowance	1,081,000	454,000
Welfare packages	5,049,500	1,585,000
Social benefit	-	300,000
Medical expenses-local	35,000	-
	<u><b>13,857,500</b></u>	<u><b>5,907,128</b></u>
<i>TRAVEL &amp; TRANSPORT</i>		
Local travel & transport: Others	13,681,604	5,907,771
Local travel & transport: Training	1,090,000	750,000
International travel & transport	-	568,000
	<u><b>14,771,604</b></u>	<u><b>7,225,771</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<i><b>MATERIALS AND SUPPLIES</b></i>		
Magazines & periodicals	15,000	
Uniform & clothing	204,000	
Office stationeries/computer consumables	800,000	
Printing of security document	-	25,000
Printing of non-security document	1,022,650	177,000
	<b><u>2,041,650</u></b>	<b><u>202,000</u></b>
<i><b>MISCELLANEOUS EXPENSES</b></i>		
Security vote	5,000,000	500,000
Refreshment & Meals	13,797,154	1,498,000
Financial Assistance	220,000	
Postage & courier services		560,000
Settlement of OPE		10,000
Hospitality & entertainment	1,536,000	355,630
Water rate	14,000	
Telephone Charges	10,000	
Satellite Broadcasting access charges	282,500	
Water pollution prevention & control	1,993,000	
Tree Planting	5,507,000	
Local Training	1,497,000	
Electricity bills	400,000	-
	<b><u>30,256,654</u></b>	<b><u>2,923,630</u></b>
<i><b>MAINTENANCE SERVICES</b></i>		
Maintenance of generator	78,000	
Maintenance of office equipment		389,000
Maintenance of office furniture	100,000	
Maintenance of water generator		180,000
Other Maintenance Services	1,927,750	
Maintenance of motor vehicles	304,000	100,000
Maintenance of office building	20,000	
Generator fuel cost	-	1,567,865
Motor vehicle fuel cost	-	500,875
	<b><u>2,429,750</u></b>	<b><u>2,737,740</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018 N</b>	<b>2017 N</b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Legal services	300,000	-
Geographic information	70,000	
Security services	-	1,035,000
	<u><b>370,000</b></u>	<u><b>1,035,000</b></u>
<b>FINANCIAL CHARGES</b>		
Bank charges	<u><b>14,000</b></u>	<u><b>14,863</b></u>
<b>Total Overhead</b>	<u><b>63,741,158</b></u>	<u><b>20,046,132</b></u>
<b>NOTE 5 CASH &amp; CASH EQUIVALENT</b>		
Fidelity		4,258
First Bank		806
Bank balance	(1,796,830)	
Cash	595,173	2,973
	<u><b>(1,201,657)</b></u>	<u><b>8,037</b></u>
<b>NOTE 6 PREPAYMENTS</b>		
Advances	<u>-</u>	<u>-</u>
<b>NOTE 7 INVESTMENTS</b>	<u><b>13,517,885</b></u>	<u><b>13,517,885</b></u>
<b>NOTE 8 PROPERTY, PLANT &amp; EQUIPMENT</b>		
Joint project	4,419,999	4,419,999
Construction/provision of roads	5,721,060	
Rehabilitation/Repairs of housing	832,120	
Renovation of quarters	6,000,000	
Renovation of admin block	5,924,000	
Construction of blocks	1,920,000	
Construction of blocks market	2,400,000	
Construction of centra store	1,226,088	
Land compensation	1,937,400	
Purchase of Agric. Equipment	230,000	230,000
	<u><b>30,610,667</b></u>	<u><b>4,649,999</b></u>
<b>NOTE 9 DEPOSITS</b>	<u><b>7,494,352</b></u>	<u><b>16,999,334</b></u>
<b>NOTE 10 PUBLIC FUND</b>	<u><b>12,272,887</b></u>	<u><b>12,272,887</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	2018 N	2017 N
<b>NOTE 11 CAPITAL GRANT</b>		
Paris club refund	<u>30,223,683</u>	<u>-</u>
<b>NOTE 12 RESERVES</b>		
Brought Forward	(11,096,299) –	11,270,623
Operating Balance for the Year	<u>4,032,272</u>	<u>174,324</u>
	<u>(7,064,027)</u>	<u>(11,096,299)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**SCHEDULES OF INVESTMENT**

**APPENDIX 1**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Savannah Bank	500,000
2	Yankari Savings and Loans Ltd	1,269,741
3	Jaiz International Plc	4,304,528
4	Finbank Plc(former Inland Bank plc)	3,308,758
5	Access Bank Plc	3,480,800
6	Zenith Bank Plc	654,058
		<u><b>13,517,884</b></u>

**SCHEDULES OF DEPOSIT**

**APPENDIX 2**

<b>D/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
D5	5% CPD Tax on Contract	27,250
D6	FIRS VAT 5% on Contract	61,268
D8	Pensioners' allowance	313,845
D9	Unity Bank Plc-Loan	6,800,226
	Nunas motorcycle	246,763
D15	Motor Cycle Loan	45,000
		<u><b>7,494,352</b></u>

# **ZAKI LOCAL GOVERNMENT COUNCIL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

## **CORPORATE INFORMATION**

### **CHAIRMAN**

**ABDULLAHI ADAMU**

### **HEAD OF ADMINISTRATION**

**ALH IBRAHIM AHMED**

### **TREASURER**

**ALH BAPPAH KAWU**

### **AUDITORS**

**ABDULKADEER MAHMOUD & CO.  
(CHARTERED ACCOUNTANTS)**

### **BANKERS**

**FIDELITY BANK PLC  
FCMB PLC  
KATAGUM MFB LTD**

## **AUDITORS REPORT**

### **REPORT OF THE AUDITORS ON THE ACCOUNTS OF ZAKI LOCAL GOVERNMENT COUNCIL**

We have audited the Financial Statements of ZAKI LOCAL GOVERNMENT COUNCIL for the year ended 31stDecember, 2018 set out on pages 7–10, which have been prepared on the basis of significant accounting policies on page 6 and other explanatory notes on pages 11–12.

#### **RESPONSIBILITY OF THE MANAGEMENT**

The Management is responsible for maintenance of proper books of account and for the preparation of the Financial Statements of the Council. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or errors, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstance.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on the financial statements based on our audit .We conducted our audit in accordance with International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

## **BASIS OF OPINION**

We conducted the audit in accordance with the International Public Sector Accounting Standards and the Financial Memoranda for Local Governments.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgment made by the Management in the preparation of the accounts and of whether the accounting policies appropriate and are consistently applied by the Council.

We planned and performed the audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements either caused by fraud other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the financial statements. The financial statements are in agreement with the books of accounts which have been properly kept.

## **BASIS OF QUALIFIED OPINION**

The Council did not reconcile the Bank Statement with Cash book during the year hence there is difference between the Bank balance and Cash book balance.

## **OPINION**

In our opinion, Except for effects of the issues described in the basis of qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Council as at 31 December 2018 of its financial performance and cash flows for the year then ended in accordance with the relevant standards issued by the International Public sector Accounting Standards Board.

**ABDULKADEER MAHMOUD & CO.**  
**(CHARTERED ACCOUNTANTS)**



## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

### **SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION:**

The Financial Statements have been prepared under the historical cost convention and in accordance with IPSAS and other applicable standards.

**2. ACCOUNTING PERIOD**

The Financial Statements is for the accounting period from 1 January 2018 to 31 December 2018.

**3. REPORTING CURRENCY**

The Financial Statements is prepared in Nigerian Naira and is rounded up to the nearest naira.

**4. CASH AND CASH EQUIVALENT**

Cash and cash equivalent represents cash balance on hand, held in bank accounts.

**5. ACCOUNTS RECEIVABLES**

Receivables from exchange transactions consist of staff advances and are recognized as the outstanding balance in the individual advances ledgers. Provision for impairment of receivable is not made as it is expected that all outstanding advances will be retired.

**6. PREPAYMENTS**

Prepayments are expenses paid in advance for service to be rendered. Prepaid expenses for which the full benefits will be derived in the future accounting periods are classified under current assets in the Statement of Financial Position.

**7. INVENTORY**

The Local Government does not have any amount to be reported under inventory.

**8. PROPERTY PLANT & EQUIPMENT (PPE)**

These are assets acquired or constructed and are held for use by the council from which benefits are derivable beyond a financial year.

**9. DEPOSITS**

Deposits are various deductions made by the Council but were not remitted to the appropriate Government Agencies

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	2018 N	2018 N	2017 N	2017 N
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	6	12,057,532		5,081,566	
Prepayments	7	<u>8,570,459</u>		<u>6,650,459</u>	
<b>Total Current Assets A</b>			20,627,991		11,732,025
<b>Non-Current Assets</b>					
Investments	8	4,663,175		4,663,175	
Property, Plant & Equipment	5	<u>43,660,331</u>		<u>-</u>	
<b>Total Non Current Assets B</b>			48,323,506		4,663,175
<b>Total Assets C=A+B</b>			<u><b>68,951,497</b></u>		<u><b>16,395,200</b></u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Deposits	9	1,547,603		-	
<b>Total Current Liabilities D</b>			1,547,603		-
<b>Non Current Liabilities</b>					
Long Term Borrowings		<u>-</u>		<u>-</u>	
<b>Total Non Current Liabilities E</b>			-		-
<b>Total Liabilities F=D+E</b>			1,547,603		-
<b>Net Assets G=C-F</b>			<u><b>67,403,894</b></u>		<u><b>16,395,200</b></u>
<b>NET ASSETS/EQUITY</b>					
Capital Grants		-		-	
Reserves		-		-	
Accumulated Fund Surplus/(Deficit)	10	<u>67,403,894</u>		<u>16,395,200</u>	
			<u>67,403,894</u>		<u>16,395,200</u>
<b>Total Net Assets/Equity H=G</b>			<u><b>67,403,894</b></u>		<u><b>16,395,200</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**  
**STATEMENTS OF FINANCIAL PERFORMANCE**

2017

ACTUAL N		NOTES	ACTUAL 2018 N	BUDGET N	VARIANCE N
<b>REVENUE</b>					
804,930,044	Govt Share of FAAC	1	660,093,448	3,608,976,929	(2,948,883,481)
15,404,114	Other Revenue	2	8,727,562	15,280,000	(6,552,438)
-	- Transfer from other Govt Entities	-	-	-	-
<b>820,334,158</b>	<b>TOTAL REVENUE (a)</b>		<b>668,821,010</b>	<b>3,624,256,929</b>	<b>(2,955,435,919)</b>
<b>EXPENDITURE</b>					
776,416,660	Salaries	3	515,890,377	864,100,672	348,210,295
38,835,932	Overhead Cost	4	101,921,939	1,123,621,639	1,021,699,700
<b>815,252,592</b>	<b>TOTAL EXPENDITURE(b)</b>		<b>617,812,316</b>	<b>1,987,722,311</b>	<b>1,369,909,995</b>
Surplus/(Deficit) from operating Activities					
5,081,566	for the period C=(a-b)		51,008,694	1,636,534,618	1,585,525,924
-	- Share of Surplus/(Deficit) In Assoc. & Joint Venture		-	-	-
-	- Total Non Operating Revenue or (Expenses)(d)		-	-	-
5,081,566	Surplus/(Deficit)from Ordinary Activities e=(c+d)		51,008,694	1,636,534,618	1,585,525,924
-	- Minority Interest Share of Surplus/(Deficit) (f)		-	-	-
<b>5,081,566</b>	<b>Net Surplus/(Deficit) for the period g=(e-f)</b>		<b>51,008,694</b>	<b>1,636,534,618</b>	<b>1,585,525,924</b>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018.**

# STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund =N=	Revaluation Reserve =N=	TOTAL =N=
Balance as at 31 December 2017	16,395,200	-	16,395,200
Surplus /(Deficit) on revaluation	-	-	-
Prior Year Adjustments	-	-	-
Surplus /(Deficit)	<u>51,008,694</u>	<u>-</u>	<u>51,008,694</u>
	<u><b>67,403,894</b></u>	<u><b>-</b></u>	<u><b>67,403,894</b></u>
			-
Balance as at 31 December 2018	<u><b>67,403,894</b></u>	<u><b>-</b></u>	<u><b>67,403,894</b></u>

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**  
**CONSOLIDATED STATEMENT OF CASH FLOW**

Description	Notes	2018		2017	
		N	N	N	N
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows</i>		-		-	
Government Share of FAAC		660,093,448		804,930,044	
Other Revenue		8,727,562		15,404,114	
Transfer from other Govt Entities		-		-	
<b>Total inflow from Operating Activities (A)</b>		668,821,010		820,334,158	
<i>Outflows</i>					
Salaries & Wages		(515,890,377)		(776,416,660)	
Social Benefits		-		-	
Overhead Cost		(101,921,939)		(38,835,932)	
Finance Cost		-		-	
<b>Total outflow from operating Activities (B)</b>		<u>(617,812,316)</u>		<u>(815,252,592)</u>	
<b>Net Cash Inflow/(Outflow) from Operating Activities C=(A+B)</b>			51,008,694		5,081,566
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase/Construction of PPE		(43,660,331)		-	
Purchase/Construction of Investment Property		-		-	
Acquisition of investments		<u>-</u>		<u>-</u>	
<b>Net Cash from Investing Activities</b>			<b>(43,660,331)</b>		-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Capital Grants Received		-		-	
Proceeds from Borrowings		-		-	
Repayment of Borrowings					
<b>Net Cash Flow from Financing Activities</b>			-		-
<b>Net Cash flow from all Activities</b>			<b>7,348,363</b>		<b>5,081,566</b>
<b>Net Movement in Current Assets / Liabilities</b>					
Net Movement in Receivables			(1,920,000)		(6,000,459)
Net Movement in Payables			1,547,603		-
			(372,397)		(6,000,459)
<b>Cash Flow from all Activities</b>			6,975,966		(918,893)
<b>Cash &amp; Its Equivalent as at 1st January</b>			5,081,566		6,000,461
<b>Cash &amp; Its Equivalent as at 31st December</b>			<u><b>12,057,532</b></u>		<u><b>5,081,568</b></u>
<b>Cash &amp; its Equivalent as at 31st December</b>					
Cash Balances			48,807		45,500
Bank Balances			<u>12,008,724</u>		<u>5,036,066</u>
			<u><b>12,057,532</b></u>		<u><b>5,081,566</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 1 STATUTORY ALLOCATION</b>		
Council and staff salaries	660,093,448	804,930,044.00
	<u><b>660,093,448</b></u>	<u><b>804,930,044</b></u>
<b>NOTE 2 OTHER REVENUE</b>		
Internally Generated Revenue	-	15,404,114
License, fees & fines	1,129,471	
Earnings from Commercial Undertaking	67,000	
Interest Payment and Dividends	3,384,892	-
Rates	43,000	-
10% Share of State Internal Revenue	4,007,699	-
Sale of Forms	95,500.00	-
	<u><b>8,727,562</b></u>	<u><b>15,404,114</b></u>
<b>NOTE 3 PERSONNEL COST</b>		
Salaries & Wages	515,890,377	776,416,660
Allowances	-	-
	<u><b>515,890,377</b></u>	<u><b>776,416,660</b></u>
<b>NOTE 4 OVERHEAD COST</b>		
<b>ALLOWANCES AND SOCIAL CONTRIBUTION</b>		
Security Vote	18,350,000	250,000.00
Sallah Gift Allowance	2,968,000	
NYSC Allowance	943,000	
Honourarium & sitting allowance	2,992,215	102,000.00
Medical Expenses	250,000	250,730.00
Sporting Activities		215,000.00
Disturbance allowance	1,423,661	470,000.00
	<u><b>26,926,876</b></u>	<u><b>1,287,730</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<i><b>TRAVEL &amp; TRANSPORT</b></i>		
Local travel & transport: Others	7,231,600	8,217,500
Local travel & transport: Training	805,000	160,000
	<u><b>8,036,600</b></u>	<u><b>8,377,500</b></u>
<i><b>MATERIALS AND SUPPLIES</b></i>		
Magazines & periodicals	21,000	–
Uniform & Other Clothing		190,000
Office stationeries/computer consumables	314,000	82,000
Printing of security document	480,000	10,000
Printing of non-security document	1,141,000	733,000
Drugs & medical supplies	4,136,000	440,000
	<u><b>6,092,000</b></u>	<u><b>1,455,000</b></u>
<i><b>MISCELLANEOUS EXPENSES</b></i>		
Entertainment Allowance	67,500	–
Refreshment & Meals	1,658,250	8,982,250
Financial Assistance	5,813,000	–
Electricity bills	520,000	50,000
Bank charges	542,583	538,881
Sundry expenses	–	162,000
Hospitality & entertainment	2,986,000	–
Welfare Packages	21,926,750	16,085,446
Clearance and Disposal of Drainages	625,000	
Publicity & advertisement	470,000	50,000
Vehicle Hire	4,202,080	–
Other Dues	40,000	–
Sitting Allowance	–	156,000
Special days celebration	–	550,000
	<u><b>38,851,163</b></u>	<u><b>26,574,577</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b><i>MAINTENANCE SERVICES</i></b>		
Maintenance of generator	100,000	-
Other maintenance	2,950,000	39,000
Erosion and Flood Control	5,701,000	-
Tree Planting	1,000,000	-
Maintenance of market & Other Public Pl	5,313,490	-
Maintenance of street light	110,000	-
Maintenance of motor vehicles	3,053,375	644,125
Maintenance of office Furniture	100,000	-
Maintenance of of office building	1,107,991	30,000
Motor vehicle fuel cost	2,153,625	320,000
Plant fuel cost	-	108,000.00
	<b><u>21,589,480</u></b>	<b><u>1,141,125</u></b>
<b><i>CONSULTING &amp; PROFESSIONAL SERVICES</i></b>		
Financial Consulting	425,820	-
	<b><u>425,820</u></b>	<b><u>-</u></b>
<b>Total Overhead</b>	<b><u>101,921,939</u></b>	<b><u>38,835,932</u></b>
 <b>NOTE 5 PROVISION OF INFRASTRUCTURES</b>		
Renovation of building	790,000	-
Construction of Water facilities	6,500,000	-
Construction of Dispensary	647,768	-
Erosion & flood Control	975,000	-
Maintenance of Health Centres	7,690,473	-
Road Maintenance	13,499,375	-
Purchase of Computer & Printer	290,000	-
Purchase of Veterinary Drugs	4,307,000	-
Purchase of Learning Materials	544,000	-
Construction of Computer Room	2,513,398	-
Purchase of Motor Vehicle	570,000	-
Purchase of Wooden Canoes	950,000	-
Purchase of Cabinet	320,000	-
Purchase of Generator	500,000	-
Purchase of Motor Cycle	230,000	-
Purchase of Agric Equipment	1,000,000	-
Purchase of hand pump	2,333,317	-
	<b><u>43,660,331</u></b>	<b><u>-</u></b>
 <b>NOTE 6 CASH &amp; CASH EQUIVALENT</b>		
Bank balance	12,008,724	5,036,066
Cash	48,807	45,500
	<b><u>12,057,532</u></b>	<b><u>5,081,566</u></b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N</b>	<b>N</b>
<b>NOTE 7    PREPAYMENTS</b>		
Advances	<u><u>8,570,459</u></u>	<u><u>6,650,459</u></u>
<b>NOTE 8    INVESTMENTS</b>	<u><u>4,663,175</u></u>	<u><u>4,663,175</u></u>
<b>NOTE 9    DEPOSITS</b>	<u><u>1,547,603</u></u>	<u><u>-</u></u>
<b>NOTE 10   ACCUMULATED FUND</b>		
Brought Forward	16,395,200	51,398,958
Prior Year Adjustment	-	(40,085,324)
Operating Balance for the Year	<u><u>51,008,694</u></u>	<u><u>5,081,566</u></u>
	<u><u>67,403,894</u></u>	<u><u>16,395,200</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**APPENDICES**

**SCHEDULES OF INVESTMENT**

**APPENDIX 1**

<b>S/N</b>	<b>NAME OF COMPANY</b>	<b>AMOUNT (N)</b>
1	Urban Developement Bank	500,000
2	Zaranda Hotel	63,620
3	Inland Bank of Nigeria	699,055
4	Bauchi Publishing & Printing Company	100,000
5	Inland Bank of Nigeria	12,500
6	Kaduna Textile Limited	122,500
7	Federal Savings Bank Nig Ltd	31,500
8	Ashaka Cement	84,000
9	Yankari Savings & Loans	50,000
10	Katagum Microfinance Bank	3,000,000
	<b>Total</b>	<b>4,663,175</b>

**SCHEDULES OF DEPOSIT**

**APPENDIX 2**

<b>S/N</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
1	Sakwa Global Concept	37,200.00
2	Yahuza Bursali Nig Ltd	155,610.84
3	Yahuza Bursali Nig Ltd	87,830.40
4	Yahuza Bursali Nig Ltd	126,073.92
5	Dankiri Petroleum Nig Ltd	82,017.60
6	Sakwa Global Concept	79,625.28
7	Sakwa Global Concept	40,800.00
8	Haladu Idris	95,326.34
9	Haladu Idris	19,386.15
10	Dankiri Petroleum Nig Ltd	52,698.24
11	Dankiri Petroleum Nig Ltd	51,179.47
12	Yahuza Bursali Nig Ltd	77,805.45
13	Sakwa Global Concept	39,264.00
14	Sakwa Global Concept	39,812.64
15	Dankiri Petroleum Nig Ltd	87,173.12
16	Dankiri Petroleum Nig Ltd	41,008.80
17	Dankiri Petroleum Nig Ltd	63,036.96
18	Dankiri Petroleum Nig Ltd	35,132.16
19	Dankiri Petroleum Nig Ltd	273,159.16
20	Dankiri Petroleum Nig Ltd	63,462.60
	<b>Total</b>	<b>1,547,603.13</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018

APPENDICES

APPENDIX 3

SCHEDULES OF ADVANCES

		N
1	31/12/2017 Sundry Persons	3,865,459
2	19/9/2018 Bala Tata	40,000
3	19/9/2018 Bala Tata	928,000
4	19/9/2018 Mohammed Mohd sakwa	500,000
5	5/11/2018 Alh Sule Adamu	796,000
6	5/11/2018 Alh Sule Adamu	796,000
7	7/11/2018 Alh Sule Adamu	995,000
8	Nov-18 Bala Tata	650,000
	<b>TOTAL</b>	<b><u>8,570,459</u></b>