

EKITI STATE WATER CORPORATION

AUDITED

FINANCIAL STATEMENTS

AS AT 31ST DECEMBER, 2023



Femi Olatilekun & Co. Certified National Accountants

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

TABLE OF CONTENTS

	PAGE
CONTENT	1
CORPORATE INFORMATION	2
MANAGEMENT REPORT	3
INDEPENDENT AUDITORS' REPORT	4
STATEMENT OF ACCOUNTING POLICIES	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOMES	7
STATEMENT OF CHANGE IN CAPITAL FUNDS	8
STATEMENT OF CASHFLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10-13

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

CORPORATION INFORMATION

BOARD MEMBERS

NOT YET CONSTITUTED

MANAGEMENT TEAM

Wole Afolabi	-	Managing Director
Engr Oluwatoba Opeyemi	-	Director (Operation & Maintenance)
Mr R.S Fasusi	-	Director (Admin & Supplies)
Engr,Ayedun Oladipupo	-	Director (Commercial Service)
Mr. Lukas Ogundele	-	Director (Finance & Accounts)
Mrs. Bolanle Taiwo	-	Director (Quality Control)
Engr Alabi Abiodun M.	-	Director (Design & Construction)
Mr Salami Kasali	-	Director (Planning, Research and Statistics)
Engr.Olatiilu Olajide John	-	State Coordinator (E.U Sponsor).
Mrs. Bolatito Abimbola/Ogunyebi Femi Abiodun	-	Chief Internal Auditor
Engr. Obafemi Albert	-	Director Surveillance and Infrastructure

BANKERS

United Bank of Africa Plc (Account Number 1003372017)
United Bank for Africa Plc (Account Number 1003378466)
Sterling Bank Plc (Account Number 0029679509)
Wema Bank (Account Number 0123254623)
Zenith Bank

AUDITORS

FEMI OLATHILU & CO

Certified National Accountants

7, Temidire Avenue, Olokemeji, Odo Ado,Ekiti

P O Box 2324,

Ado Ekiti,

Ekiti State

Email oluolatiilu @ gmail.com

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023 MANAGEMENT REPORT

The Management is pleased to submit their report together with the Audited Financial Statements of the Corporation for the Year Ended 31st December, 2023

1. Principal Activities

The principal activities of the Corporation are the production of affordable, drinkable and portable water to the people of Ekiti State.

2. Legal Form

Ekiti State Water Corporation is one of the social service/ welfare oriented /revenue generating parastatals in the State. It was established to provide portable water to the state. It has supervisory board with members drawn from different disciplines and representation from relevant ministries of the government of Ekiti State

3. Non-Current Assets

Movements in Non-Current Assets during the year are shown in Note I to the Financial Statements. In the opinion of the management, the market value of the Corporation's properties is not less than the value shown in the Audited Financial Statements

4. Post Statement of Financial Position Events

There was no significant development since the date of Statement of Financial Position which could have had a material effect on the state of affairs of the Corporation as at 31 December, 2023

5. Auditors

Messrs Femi Olatiilu & Co. (Certified National Accountants) has been appointed as the auditor to the Corporation

By Order of the Management



FEMI OLATILU & CO

7, Temidire Avenue,
Off Federal Poly Road, Olokemeji,
P.O.Box 2324, Ado-Ekiti, Ekiti State.
08035066289, 08055620907, 07062130865
E-mail: oloolatilu@gmail.com.

Aja-laye International Hotels,
Plot 210, Afe Babalola University Road,
Opposite Ado Grammar School,
Ado Ekiti,
Ekiti State.

Date: 27/12/2024

Our Ref:.....Your Ref:.....

REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD AND MANAGEMENT OF EKITI STATE WATER CORPORATION

REPORT ON FINANCIAL STATEMENTS

We have examined the Financial Statements of Ekiti State Water Corporation, Ado-Ekiti, Ekiti State for the Year Ended 31st December, 2023 as set out on pages 6 and 13.

PROFESSIONAL OPINION

In our opinion and to the best of the information and explanations given to us by the Board Members and Management, the Financial Statements are in agreement in all material respect with the available records and show a true and fair view of the Financial Position of Ekiti State Water Corporation, Ado-Ekiti, Ekiti State as at 31st December, 2023 and of its Surplus/(Loss) and cash flow for the year then Ended.

BASIS OF OPINION

We conducted the audit examination in accordance with Internationally Accepted Standards of Auditing and the Guidelines issued by the Financial Reporting Council of Nigeria. These standards required that we plan and perform the audit to obtain reasonable assurance that the Financial Statements are free from material misstatements. An audit includes an examination, on a test basis, of evidence supporting the amount and significant estimates and judgments made by the Board and Management, as well as an evaluation of all the overall presentation of the Financial Statements.

We have obtained all the information and explanations that to the best of our knowledge and belief were necessary for the purpose of our audit and we believe this provides us with a reasonable basis for our opinion.

RESPONSIBILITIES OF THE BOARD, MANAGEMENT AND AUDITORS

The Board and Management are responsible for the preparation and fair presentation of the Financial Statements in accordance with the provisions of 2004 Companies and Allied Matters Act as amended and statements issued by the Financial Reporting Council of Nigeria. Our responsibility is to express an independent opinion on the Financial Statements.

For

FEMI OLATILU & Co.

Certified National Accountants

E.O. Olatilu

E.O. OLATILU B.Sc. FCMA, FCTI

Managing Partner

FRC/2014/ANAN/00000010279



Accounting/Audit, Tax Consulting, Human Resources Management

EKITI STATE WATER CORPORATION
ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENT OF ACCOUNTING POLICIES

The following are the Significant Accounting Policies adopted in the preparation of the Financial Statements

(a) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and modified by accrual basis to reflect the prevailing economic realities

(b) Government Recurrent Subventions

(c) Internally Generated Revenue

(d) Others

This represents income realized from Tender fees, Industrial & Commercial water supply services, Connection fees, public water Tapes, Institutional/Domestic and Tanker services and other incomes

(g) Financial Operation

The Corporation is not self – accounting. Its operations are being funded by Water Rates, Subventions from the Consolidated Revenue Fund of the State and the staff emolument is paid directly by the Office of the State Accountant- General.

(h) Capital Grant/Recurrent Grants

These represents grant received from Ekiti State Government, the European Union World Bank for both Capital and Recurrent Expenditure but no Capital Grants were received during the year under review from Ekiti State Government, European Union and World Bank

(i) Depreciation

Non-Current Assets are stated at their historical costs and Depreciation is provided for on a straight line Written off over the expected useful life of the Assets so as to write off their cost/valuation

The annual rates employed are as follows: %

Buildings	2
Water Supply Schemes	2
Plant & Machinerics	10
Furniture, Fittings & Office Equipment	20
Motor Vehicles	25

(j) Cash and Bank

Cash and Bank lodgments include water rates, fines and approved release warrantees from Ekiti State Governments in the Corporation's Cash book which are certain to be received and are processed at State Treasury Office (STO).

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

ASSETS		2023		2022	
		N	N	N	N
NON-CURRENT ASSETS					
PROPERTY, PLANT & EQUIPMENTS	1	9,557,258,183		10,024,124,415	
TOTAL NON-CURRENT ASSETS (A)			9,557,258,183		10,024,124,415
CURRENT ASSETS					
INVENTORY	2A	37,758,647		57,857,232	
DEBTORS & REPAYMENTS	2B	148,820,666		244,957,108	
CASH AND BANK BALANCE	3	5,743,029		1,081,031	
			192,322,342		303,895,371
TOTAL CURRENT ASSETS (B)			9,749,580,525		10,328,019,786
TOTAL ASSETS (C=A+B)					
CURRENT LIABILITIES					
CREDITORS AND ACCRUALS	4	(187,924,037)		(97,999,901)	
TOTAL CURRENT LIABILITY (D)			(187,924,037)		(97,999,901)
NET ASSETS (C-D)			9,561,656,488		10,230,019,885
FINANCIAL BY:					
ACCUMULATED FUNDS	5		1,934,217,938		2,077,328,547
INCOME & EXPENDITURE ACCOUNTS	6		7,627,438,550		8,152,691,338
			9,561,656,488		10,230,019,885

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENTS OF SURPLUS/DEFICIT AND OTHER COMPREHENSIVE INCOMES FOR THE YEAR ENDED 31ST DECEMBER, 2023

INCOME		ACTUAL 2023	ACTUAL 2022
		₦	₦
GOVERNEMENT GRANTS	7	274,658,863	364,302,073
WOLRD BANK	7	0	0
OTHERS	7	109,789,865	0
INTERNALLY GENERATED FUND	9	21,468,000	37,917,456
		405,916,728	402,119,529
EXPENDITURE			
ADMINISTRATIVE EXPENSES	11	(460,303,284)	(497,448,687)
TRANSFER TO CRF	9	(0)	(0)
DEPRECIATION	1	(470,866,232)	(985,668,838)
OPERATING SUPLUS/DEFICIT		(525,252,788)	1,080,997,996

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENTS OF CHANGES IN NET ASSET/EQUITY

	NOTE	CAPITAL GRANT N	ACCUMULATED FUND N	TOTAL Ns
BALANCE AS AT 1ST JANUARY 2023		14,039,181,727	9,243,434,419	23,382,616,146
CAPITAL INJECTION DURING THE YEAR		0	(529,252,788)	(529,252,788)
SUPLUS/DEFICIT FOR THE YEAR		0	-	-
ADJUSTMENT		0	-	-
BALANCE AS AT 31ST DECEMBER, 2023		<u>14,039,181,727</u>	<u>8,714,181,631</u>	<u>22,753,363,358</u>

	NOTE	CAPITAL GRANT N	ACCUMULATED FUND N	TOTAL N
BALANCE AS AT 1ST JANUARY 2022		14,039,181,727	10,324,432,415	24,363,614,142
CAPITAL INJECTION DURING THE YEAR		0	(1,080,997,996)	(1,080,997,996)
SUPLUS/DEFICIT FOR THE YEAR		0	-	-
ADJUSTMENT		0	-	-
BALANCE AS AT 31ST DECEMBER, 2022		<u>14,039,181,727</u>	<u>9,243,434,419</u>	<u>23,382,616,146</u>

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DEC, 2023

	=N=	=N=
Operating Surplus/(Loss)		(525,252,788)
Adjustments for item not involving flow of cash		
Depreciation		<u>470,866,232</u>
Net Cash inflow before changes in		
Working Capital		(54,386,556)
Changing in working capital:		
Purchase of Stock		<u>398,263,224</u>
Net Cash out flow from operations		343,876,668
Professional fees paid	(0)	
Receipt from Government, Others, World Bank	<u>(405,916,728)</u>	(405,916,728)
Net inflow from operating activities		
Investing activities		
Payment for investment in others		
Inflow of loan from Government		0
Net decrease/increase in cash and cash equivalents:		(49,532,969)
Cash & cash equivalent as at 01/01/23		<u>303,895,371</u>
Cash & cash equivalent as at 31/12/23		<u>192,322,342</u>
Represented BY:		₦
Cash		0
Bank		5,743,029.23
Debtors		148,820,666
Inventory		<u>37,758,647</u> <u>192,322,342</u>

EKITI STATE WATER COPORATION
ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023
NOTES TO THE FINANCIAL STATEMENTS

Note 1

NON-CURRENT ASSETS	WATER SUPPLY SCHEME 2% ₦	LAND & BUILDING 2% ₦	FURNITURE AND FITTINGS 20% ₦	MOTOR VEHICLES 25% ₦	EQUIPMENT PLANT & MACHINERY 10% ₦	TOTAL ₦
BAL, BEGINNING OF YEAR	14,031,089,572.00	2,254,611,452.00	228,641,799.00	248,169,379.00	864,772,612.00	17,627,284,814.00
ADDITIONS DURING THE YEAR	0.00	0.00	0.00	0.00	0.00	0.00
DISPOSAL						
BAL. END OF YEAR	14,031,089,572.00	2,254,611,452.00	228,641,799.00	248,169,379.00	864,772,612.00	17,627,284,814.00
ACCUMULATED DEPRECIATION						
BAL. BEGINNING OF YEAR	(6,493,990,549.00)	(450,432,812.00)	(160,092,467.00)	(235,212,788.00)	259,431,783.00	(7,599,160,399.00)
DEPRECIATION FOR THE YEAR	(280,621,791.00)	(45,092,229.00)	(45,728,360.00)	(12,946,591.00)	86,477,261.00	(470,866,232.00)
DISPOSALS						
BAL. END OF YEAR	(6,774,612,340.00)	(495,525,041.00)	(205,820,827.00)	(248,159,379.00)	345,909,044.00	(8,070,026,631.00)
NET BOOK VALUE						
AS AT 31/12/2023	7,256,477,232.00	1,759,086,411.00	22,820,972.00	10,000.00	518,863,568.00	9,557,258,183.00
AS AT 31/12/2022	8,238,653,502.00	1,916,909,213.00	91,413,512.00	74,998,936.00	691,818,080.00	10,028,124,415.00

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2022

NOTES TO THE ACCOUNTS CONTD.

2A	INVENTORY		2023		2022
			₦		₦
	WATER TREATMENT CHEMICALS		10,543,511		30,,639,425
	DIESEL AND LUBRICANTS		5,006,397		31,089,879
	WATER PIPES & FITTINGS		16,957,306		19,949,772
	ELECTRO MECHANICAL TOOLS		5,251,433		6,178,156
			37,758,647		57,857,232
2B	DEBTORS		₦		₦
	RECEIVABLES FROM WATER CONSUMERS		148,820,666		244,857,108
	STAFF DEBTORS		-		
			148,820,666		244,857,108
3	CASH AND BANK BALANCES	ACCOUNT NOS	₦		₦
	WEMA BANK	0123254623	575,781.21		579,243.03
	UNITED BANK OF AFRICA PLC	1003372017	0,00		480,856.40
	UNITED BANK OF AFRICA PLC	1003378466	15,095.90		9,900.00
	STERLING BANK PLC	0029679509	103,688.78		10,931.59
	Zenith Overhead Account		238,133.07		0.00
	Zenith Surwash Account		4,810,330.27		0.00
	WEMA BANK WOLRD BANK (Drawdown Account)		0.00		0.00
	WORLD BANK (Cash At Hand)		0.00		0.00
			5,743,029.23		1,081,031.02
	CREDITORS AND ACCRUALS				
	PAYABLES TO SUPPLIERS		0		
	PROVISION /OUTSTANDING AUDIT FEES		15,000,000		11,000,000
	WITHHOLDING TAXES, VAT & EET PAYABLE		-		-
	OUTSTANDING GRATUITIES		172,924,037		86,999,901
			187,924,037		97,999,901

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTES TO THE ACCOUNTS CONTD

	2023		2022
5 ACCUMULATED FUND	₦		₦
AT 1 JANUARY	8,152,691,338		9,233,689,334
ADDITION DURING THE YEAR	0		0
ADJUSTMENT AT 31 DECEMBER	(6,218,473,400)		(7,156,360,787)
	1,934,217,938		2,077,328,547
6 INCOME & EXPENDITURE ACCOUNTS	N		N
AT 1 JANUARY	8,152,691,338		9,233,687,334
SURPLUS (DEFICIT) DURING THE YEAR	(525,252,788)		(1,080,997,996)
*ADJUSTMENT AT DECEMBER	-		-
	7,627,438,550		8,152,691,338
7 SUBVENTIONS	ACTUAL 2022		ACTUAL 2021
	N		N
GOVERNMENT GRANTS	274,658,863		364,202,073
PENSIONS & GRATUITIES	-		-
WORLD BANK PROJECT	0		0
OTHERS	109,789,865		0
	384,448,728		364,202,073
8 CAPITAL PROJECT FUNDING	₦		₦
LAND & BUILDING	0		0
WATER SUPPLY SCHEMES & DAM REHAB	0		0
MOTOR VEHICLE	0		0
PLANT & MACHINERY	0		0
FURNITURE & FITTING	0		0
	0		0
9 INTERNALLY GENERATED REVENUE	₦		₦
MISCELLANEOUS	=		
TENDER FEES			
INDUSTRIAL & COMMERCIAL CONSUMERS			
SERVICE CONNECTION			
INSTITUTION, DOMESTIC AND TANKER SERVICES			
SALES OF FISH 1000 LITRES OF WATER BELLOW			
ALL INTERNALLY GENERATED REVENUE FOR THE YEAR	21,468,000		37,917,456
	21,468,000		37,917,456
10 INCOME	₦		₦
OTHERS	109,789,865		0
GOVERNMENT SUBVENTION	274,658,863		364,202,073
INTERNALLY GENERATED REVENUE	21,468,000		37,917,456
	405,916,728		402,119,529

EKITI STATE WATER CORPORATION

ANNUAL REPORT AND AUDITED ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2023

	<i>NOTES TO THE ACCOUNTS CONTD.</i>	<i>2023</i>	<i>2022</i>
11	ADMINISTRATIVE EXPENSES	₦	₦
	Salaries, Wages & Allowances	269,798,862	385,361,942
	Maintenance of Office/IT Equipment/ Working Tools	3,260,200	359,000
	Printing and Stationery	0	1,050,410
	Local Transport / Travelling and Others	4,523,400	0
	Office Stationeries/ Computer Consumables	2,198,880	3,453,525
	Maintenance of Office Vehicle &Transport Equipment.	5,317,800	5,545,750
	Honorarium/Welfare	12,735,568	0
	Local Training Cost	0	2,258,950
	Refreshment/Meal /News/Telephone/Internet Services	1,245,100	1,350,450
	Consultancy &Training/Capacity Building	557,000	0
	Accounting & Audit fees	0	0
	Utility & Insurance	0	156,000
	Maintenance of Borehole, Pipes and Fittings	79,552,424	0
	Construction and Provision of Water Facilities	0	2,704,690
	Contingency	0	7,144,000
	Motor Vehicle Fuel Cost	3,027,700	72,000
	Rehabilitation/Repair of Water Facilities	0	3,144,320
	Other Maintenance Services	18,683,216	17,253,476
	Diesel, Water Treatment Chemicals, Consumables	0	70,751,250
	Bank Charges	117,584	61,835
	Maintenance of Plant, Generators and Fuel Cost	1,245,490	370,900
	Provision for Bad and Doubtful Debt	58,040,060	96,410,189
		460,303,284	497,448,687