



LUSAKA CITY COUNCIL

**2024
ANNUAL
FINANCIAL
STATEMENTS**

**LUSAKA CITY COUNCIL
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024**

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LUSAKA CITY COUNCIL
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024
REPORT OF THE COUNCIL

The Council has the pleasure of presenting the report together with the annual financial statements for the period ended 31st December 2024 which disclose the sources, utilization and balances of cash for Lusaka City Council during the period under review.

Background

Lusaka City is situated 28010' east of the Greenwich Meridian and 15030' south of the Equator. The District has a surface area of 360 Square Kilometres. It is bordered by four districts namely; Chibombo to the north, Chongwe to the east, Kafue to the south-east and Chilanga to the south-west and west respectively. The City of Lusaka derives its name from a headman who was called "Lusaaka" and according to history settled in a swampy area now Olympia Park many years ago.

"Lusaaka" was a headman for the Soli speaking people who are one of the seventy-three (73) tribes found in Zambia. The Soli village which now makes central part of Lusaka was discovered in the early 1960's during the construction of the National Assembly Building. What has remained of the old village settlement is the Chakeluka Archaeological Site, declared as a national monument under Statutory Instrument No. 37 of 1972.

In the early 1900, a series of the private townships were developed on the northeast on farms subdivided for the housing purposes, these include Villa Elisabetta (Farm 110A), Emmasdale (Farm 284A) and Thorn Park (Farm 90A) owned by Marrapodi. In 1916 the Village Management Board (VMB) boundary was extended to include Villa and Fairview.

In 1935 the colonial government decided to move the capital of Northern Rhodesia from Livingstone town located on the periphery of Northern Rhodesia to a more centrally located area. And from the shortlist, Lusaka was chosen.

Lusaka was planned for a population of 20,000 white Europeans in 1935. The African population was housed into two compounds - old Kabwata and old Kamwala. The dominant notion was that the town dwelling was a temporary phase for the Africans and housing provision assumed that the majority would be made up of men without families, hence the oneroomed huts at old Kabwata, now Kabwata Cultural Village. This resulted in planning authorities to establish African housing areas.

Old Chilenje was built in 1945; the city boundary extended to take many peri-urban settlements. These included Kabulonga, Twin Palm, Roma and Chelstone; all developed townships in their own right with management boards.

In other more distant locations like Barlaston Park, Foxdale, Chamba Valley and Makeni subdivided to provide plots for small holdings, the idea was intended to allow residents engage in small scale farming. This increased the city from 36 to 139 Square Kilometres. As a result, the population increased to 262,425 by 1970, 538,469 by 1980 and 1,103,413 by the year 2000.

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Location

The Council is located in Lusaka District in Lusaka Province of Zambia, on Independence Avenue. The District is the Capital City of the Republic of Zambia and is the commercial centre of the Country. The latitudinal and longitudinal position of Lusaka District is 290 and 270 east and 150 and 170 south respectively.

Lusaka District has a total area of 360 Square Kilometres (Km²). The Census of Population undertaken by the Central Statistics Office in 2022 revealed that the population of Lusaka District had reached around 3,100,000. The district shares district boundaries with Chongwe in the east, Mumbwa in the West, Chisamba in the north and Chilanga district in the south. The central position of the city has made it to be one of the most important economic hub of Zambia as it provides the market for the absorption of the agriculture produce from all provinces.

The address of the registered office of Lusaka City Council (LCC) is as follows:

The Civic Centre
Independence Avenue, Lusaka,
P.O Box 30077
LUSAKA.

Composition of the Council

Lusaka City Council is a body corporate established under Article 152 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 and Section 6 of the Local Government Act No. 2 of 2019. As a Local Authority, the City Council administers the Lusaka District.

The Council is composed of an elected Mayor, thirty-eight (38) elected Councillors from thirty – eight (38) wards, and two (2) Aldermen as provided for under Article 153 (2)(c) of the Constitution of Zambia (Amendment) Act No. 2 of 2016. The current Council was elected to office in 2021 to serve a five-year term up to 2026. The Deputy Mayor was elected from among the Councillors in 2024 for the period of two and half years.

LUSAKA CITY COUNCIL**ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024**

The Councillors who held office during the year were:

S/N	NAME	GENDER	POSITION	WARD
1	Chitangala Chilando	F	Mayor	N/A
2	Nanyangwe Ketty	F	Deputy Mayor	Silwizya Ward 16
3	Chembe Davis	M	Councilor	Nkoloma Ward 1
4	Karma Jawara B.	M	Councilor	Chawama Ward 2
5	Phiri Ponsilio	M	Councilor	John Howard Ward 3
6	Mafuta Bright	M	Councilor	Lilayi Ward 4
7	Simataa Mainda	M	Councilor	Kamwala Ward 5
8	Chishala Bwalya	M	Councilor	Kabwata Ward 6
9	Chabo Kyalusanza M.	M	Councilor	Libala Ward 7
10	Mwenya Rauben	M	Councilor	Chilenje Ward 8
11	Sikuyuba Jackson	M	Councilor	Kamulanga Ward 9
12	Samboko Gerald	M	Councilor	Garden Park Ward 10
13	Ngoma Masautso	M	Councilor	Chinika Ward 11
14	Mwanza Aaron	M	Councilor	Harry Mwaanga Nkumbula Ward 12
15	Cheelo Leonard	M	Councilor	Kanyama Ward 13
16	Mumba Fred	M	Councilor	Makeni Villa Ward 14
17	Kaliko Evans	M	Councilor	Munkolo Ward 15
18	Madyenkuku Mubotu	M	Councilor	Independence Ward 17
19	Milonga Clement M.	M	Councilor	Lubwa Ward 18
20	Tembo Kosamu	M	Councilor	Kabulonga Ward 19
21	Phiri Luka	M	Councilor	Roma Ward 20
22	Tayali Pearce	M	Councilor	Mulungushi Ward 21
23	Banda Adrian	M	Councilor	Ngwerere Ward 22
24	Phiri Ruth	F	Councilor	Chaisa Ward 23
25	Mwenya M. Elijah	M	Councilor	Justine Kabwe Ward 24
26	Bwalya Bornface	M	Councilor	Raphael Chota Ward 25
27	Mwango Chileshe	M	Councilor	Mpulungu Ward 26
28	Katongo Joseph N.	M	Councilor	Kabanana Ward 27
29	Mukupa Lee K.	M	Councilor	Muchinga Ward 28
30	Salubusa Patrick	M	Councilor	Kapwepwe Ward 29
31	Mwewa Daniel C.	M	Councilor	Lima Ward 30
32	Kabole Chrispin	M	Councilor	Mwembeshi Ward 31
33	Chinyanta Annie B.	F	Councilor	Matero ward 32
34	Mpundu P. Nsama	M	Councilor	Chainda Ward 33
35	Chibeka Boniface	M	Councilor	Mtendere Ward 34
36	Chimwanga M. Shadrick	M	Councilor	Kalikiliki Ward 35
37	Nyoni Mukubesa	M	Councilor	Kalingalinga Ward 36
38	Chimuka Njomona	M	Councilor	Chakunkula Ward 37
39	Lubasi Milupi	M	Councilor	Munali Ward 38
40	Nawa Patricia	F	Councilor	Alderman

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The City also has seven (7) elected Members of Parliament for Lusaka Central, Munali, Kabwata, Kanyama, Chawama, Mandevu and Matero constituencies. The Members of Parliament that held office during the year were:

S/No	Name	Gender	Constituency
1	Hon. Lungu Tasila	F	Chawama
2	Hon. Tayengwa Andrew	M	Kabwata
3	Hon. Chinkuli Monty	M	Kanyama
4	Hon. Haimbe Mulambo	M	Lusaka Central
5	Hon. Shakafuswa Christopher	M	Mandevu
6	Hon. Sampa Miles	M	Matero
7	Hon. Mposha Mike	M	Munali

The affairs of Central Government in the district are coordinated by the District Commissioner. During the year under review, Ms Rosa Zulu was the District Commissioner for Lusaka District.

The Council Secretariat

The Secretariat of Lusaka City Council is headed by the Town Clerk. The Town Clerk and the rest of the Secretariat are appointed by the Local Government Service Commission.

The Town Clerk is assisted by Seven (7) Directors responsible for Finance, Planning, Engineering, Public Health, Human Resource and Administration, Legal Services and Housing and Social Services and five (5) units namely Valuation and Real Estate, Procurement, District Planning Office, Information Technology (IT) and Internal Audit.

Functions of the Council

The main function of the Council is the delivery of local public goods and services to the people in the District and discharge all or any of the functions set out in Article 147 (2) (c) of the Constitution of Zambia (Amendments) Act No. 2 of 2016 and First Schedule of the Local Government Act No. 2 of 2019 which include, among others, power to make By-Laws, power to make regulations, imposition of levies, fees and charges and to formulate local policies to promote, guide and regulate development in the district through various relevant departments of the Council.

LUSAKA CITY COUNCIL
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024

Financial Results

	31.12.2024	31.12.2023
	Kwacha	Kwacha
Cash Receipts	555,579,262	572,706,375
Payments	<u>690,145,881</u>	<u>505,782,505</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>(134,566,619)</u>	<u>66,923,870</u>

Key Policies Adopted During the Year

The Council adopted the following policies during the year:

- Commencement of the implementation of the Main Valuation Roll of 2021
- Implementation of E-Governance Services such as e-payments, e-bills, construction permit systems and others.

Related Party Transactions

There were no related party transactions during the financial year.

Property, Plant and Equipment

The Council purchased property, plant and equipment costing K57,427,577 during the year under review. Further, the Council did not dispose of any property, plant and equipment during the same period.

Intangible Assets

The Council did not purchase any intangible fixed assets during the year under review.

Employees

The actual number of employees at the beginning of the year was 3,001 and at the year end of 2024 they were 2952 employees. The reduction in the number of staff during the year under review was as a result of the following:-

- a) Council terminated contracts for 38 workers who were on contracts during the year under review.
- b) 7 workers died during the year under review.
- c) 4 workers resigned from the council during the year.

LUSAKA CITY COUNCIL

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Meanwhile Council spent a total amount of K267,822,284 on employees' remuneration and welfare during the year.

Health and Safety of Employees

The Council is aware of its responsibilities regarding the safety and health of employees as prescribed in the Occupational, Health and Safety Act No. 36 of 2010 and took appropriate measures to safeguard their safety and health.

Recreation

The Council during the financial year incurred K5,736,944 towards sponsoring various sporting activities.

Corporate Social Responsibility

The Council did not make donations during the year towards the support of various socially responsible causes.

Auditors

In line with Article 250 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 and Section 44(2) of the Local Government Act No. 2 of 2019, the Council is audited by the Auditor-General.

By order of the Council.

Signature

Name.....

Position: Mayor

Date.....2025

LUSAKA CITY COUNCIL

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024

STATEMENT OF RESPONSIBILITIES FOR ANNUAL FINANCIAL STATEMENTS

The Lusaka City Council is responsible for preparing the financial statements for the year ended 31st December 2024, which are free from material misstatement, whether due to fraud or error, and are prepared, in all material respects, in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS). In preparing the financial statements, the Council selected applicable policies from Local Authorities Accounting Policies (LAAPs) of October 2019 and then applied them consistently, making judgement and estimates that were reasonable and prudent.

The Council is also responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The Auditor-General has audited the financial statements and his report is shown on pages 9 to 13.

The Council accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with the Cash Basis IPSAS, the requirements of the Local Government Act No. 2 of 2019, the Public Finance Management Act No. 1 of 2018 and Local Authorities Accounting Policies (LAAPs) of 2019.

The Council, further, accepts responsibility:

- for the maintenance of accounting records that may be relied upon in the preparation of financial statements,
- for designing, implementing and maintaining systems of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Nothing has come to the attention of the Council to indicate that the Lusaka City Council will not remain a going concern for at least twelve months from the date of this statement.

In the opinion of the Council, proper books of accounts were maintained to support preparation of Financial Statements that present fairly the financial results of the City Council for the financial period ended 31st December 2024.

Signed on behalf of the Council by;

Signature: *[Handwritten Signature]*.....

Name: **CHILANDO CHITANGOLA**.....

Position: Mayor

Date: *07/11/*.....2025

Signature: *[Handwritten Signature]*.....

Name: **L. NDOBO**.....

Position: Town Clerk

Date: *07/11/*.....2025

Signature: *[Handwritten Signature]*.....

Name: **FRANCIS PHIM**.....

Position: Director of Finance

Date: *07/11/*.....2025





REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR-GENERAL

OAG/101/9/112

In reply please quote:

No.

P.O. BOX 50071
RIDGEWAY
LUSAKA, ZAMBIA

3rd November, 2025

The Council Secretary
Lusaka City Council
P.O Box
LUSAKA

**RE: AUDITED FINANCIAL STATEMENTS FOR LUSAKA CITY COUNCIL FOR
THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2024**

The above-mentioned subject matter refers.

Find attached the audited financial statements for Lusaka City Council and the proposed Independent Auditor's Report for the financial year ended 31st December 2024.

The financial statements are being sent to you for consideration, adoption and signing in line with the Local Authorities Accounting Policies (LAAPs) of 2019 and the Treasury and Financial Management Circular No. 6 of 2021 which require that audited financial statements should be tabled in a Council meeting and be considered and authorised by the Council for issuance. In this regard, you are hereby advised to proceed accordingly and have the financial statements tabled in a Council meeting for authorisation.

After the financial statements have been authorised you will be required to send ten (10) copies of the signed financial statements to my Office for inclusion of signed copies of the Independent Auditor's Reports.

In addition, you are advised to ensure that the signed copies are the exact copies audited and approved by the Council.

Be guided accordingly.

Dr. Ron M. Mwambwa - FCMA, FZICA, CGMA, CFE
ACTING AUDITOR GENERAL

Cc: The Permanent Secretary
Ministry of Local Government and Rural Development
LUSAKA



REPUBLIC OF ZAMBIA

OFFICE OF THE AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

STAND No. 7951
HAILE SELASSIE AVENUE
LONGACRES
P.O BOX 50071
LUSAKA, ZAMBIA

E-mail: auditor@ago.gov.zm
Website: www.ago.gov.zm
Telephone: +260252611/252771

To the Minister – Ministry of Local Government and Rural Development

Report on the Audit of Lusaka City Council Financial Statements for the Financial Year Ended 31st December, 2024

Opinion

I have audited the financial statements of Lusaka City Council for the financial year ended 31st December, 2024 which comprise Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grant (Devolved Functions) and a summary of significant accounting policies and disclosures and other explanatory information.

In my opinion, the accompanying financial statements of Lusaka City Council present fairly, in all material respects, the Statement of Cash Receipts and Payments, Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), Statement of Cash Receipts and Payments for Constituency



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Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grant (Devolved Functions) for the year ended 31st December 2024 in accordance with the Cash Basis International Public Sector Accounting Standard (IPSAS) and the amended Local Authorities Accounting Policies (LAAPs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Lusaka City Council in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements. Key audit matters are selected from the matters communicated to those charged with governance but are not intended to represent all matters that were discussed with them.

However, I have determined that there are no key audit matters to communicate.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Cash Basis International Public Sector Accounting Standard, the Local Government Act No.2 of 2019, the Public Finance Management Act No.1 of 2018 and Local



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Authorities Accounting Policies (LAAPs) of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing Lusaka City Council's financial reporting process.

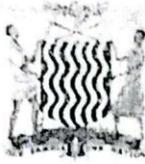
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lusaka City Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Lusaka City Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, the going concern of Lusaka City Council is dependent on the government policy decision.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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In communicating with those charged with governance, I also determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Lusaka City Council is required, under Section 45 of the Local Government Act No. 2 of 2019 to prepare a Statement of Comprehensive Income and a Statement of Financial Position. However, the Council prepared the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts, Statement of Cash Receipts and Payments for Local Government Equalization Fund (LGEF), the Statement of Cash Receipts and Payments for Constituency Development Fund (CDF), Statement of Cash Receipts and Payments for Zambia Devolution Support Programme (ZDSP) and Statement of Cash Receipts and Payments for Sector Grant (Devolved Functions) using Cash Basis IPSAS in line with the LAAPS.

Dr. Ron M. Mwambwa, FCMA, FZICA, CGMA, CFE

ACTING AUDITOR GENERAL

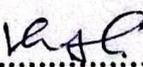
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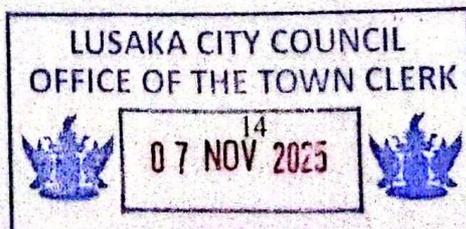
Date:2025

LUSAKA CITY COUNCIL
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024
STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST
DECEMBER 2024

	Note	31.12.2024 Kwacha	31.12.2023 Kwacha
Receipts			
Local Taxes	2	144,092,276	86,342,712
Fees and Charges	3	116,971,681	133,779,291
Licences	4	5,687,962	4,367,999
Levies	5	53,605,233	42,514,418
Permits	6	79,476,872	62,707,521
Local Government Equalisation Fund	7	29,453,419	35,910,430
Constituency Development Fund	8	59,725,926	194,977,478
Other Grants	9	5,984,679	6,967,563
Borrowings	10	-	-
Commercial Venture	11	6,300,000	2,700,000
Sector Grants (Devolved Functions)	12	54,155,042	-
Other Receipts	13	126,172	2,438,962
Total Receipts		555,579,262	572,706,375
Payments			
Personal Emoluments	14	264,768,261	328,133,478
Use of Goods and Services	15	191,099,853	93,890,942
Financial Charges	16	-	70,906
Social Benefits	17	52,966,176	41,577,221
Non-financial Assets Acquisition	18	57,427,577	26,328,756
Financial Assets	19	38,948,727	11,865,081
Loan Repayments	20	-	1,095,423
Other Payments	21	84,935,287	2,820,698
Total Payments		690,145,881	505,782,505
Increase/(decrease) in Cash		- 134,566,619	66,923,870
Foreign Exchange Gains/Losses	22	-	-
Cash at beginning of the year	23	252,286,196	185,362,325
Cash at the end of the year	23	117,719,577	252,286,196

Incorporated in the payments recognised in this Statement are those for Local Government Equalisation and Constituency Development Funds, Zambia Devolution Support Programme and Sector Grants (Devolved Functions). However, the details of payments under each of these Funds are presented separately in each Fund's own Statements of Cash Receipts and Payments.

Signature:  Signature:  Signature: 
Name: **CHIKANDA CHITANGA** Name: **L. NDABA** Name: **FRANCIS PHIRI**
Position: Mayor Position: Town Clerk Director of Finance
Date: **07/11/2025** Date: **07/11/2025** Date: **07/11/2025**



LUSAKA CITY COUNCIL

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2024

	Original budget Kwacha	Adjustments Kwacha	Final budget Kwacha	Actual amounts Kwacha	% Perform	Variance Kwacha	% Variance
Local taxes	135,291,979	-	135,291,979	144,092,276	107	8,800,297	7
Fees and Charges	108,808,075	-	108,808,075	116,971,681	108	8,163,606	8
Licenses	7,009,356	-	7,009,356	5,687,962	81	(1,321,394)	-19
Levies	50,804,858	-	50,804,858	53,605,233	106	2,800,375	6
Permits	83,326,252	-	83,326,252	79,476,872	95	(3,849,380)	-5
Local Government Equalization Fund	41,307,058	-	41,307,058	29,453,419	71	(11,853,639)	-29
Constituency Development Fund	214,449,494	-	214,449,494	59,725,926	28	(154,723,568)	-27
Other Grants	52,645,905	-	52,645,905	5,984,679	11	(46,661,226)	-89
Borrowings	-	-	-	-	0	-	0
Commercial Ventures	11,160,000	-	11,160,000	6,300,000	56	(4,860,000)	-44
Sector Grants (Devolved Functions)	26,387,188	-	26,387,188	54,155,042	205	27,767,854	105
Other Receipts	900,000	-	900,000	126,172	14	(773,828)	-86
TOTAL RECEIPTS	732,090,165	-	732,090,165	555,579,262	76	(176,510,903)	-24
PAYMENTS							
Personal Emoluments	268,281,859	-	268,281,859	264,768,261	99	(3,513,598)	-1
Use of goods and services	186,528,238.8	-	186,528,239	191,099,853	102	4,571,614	2
Social benefits	57,043,566	-	57,043,566	52,966,176	93	(4,077,390)	-7
Non-financial assets acquisition	71,063,400	-	71,063,400	57,427,577	81	(13,635,823)	-19
Financial Assets	24,447,242	-	24,447,242	38,948,727	159	14,501,485	59
Other Payments	124,725,859	-	124,725,859	84,935,287	68	(39,790,572)	-32
TOTAL PAYMENTS	732,090,165	-	732,090,165	690,145,881	94	(41,944,284)	-6
INCREASE /DECREASE IN CASH	-	-	-	134,566,619			

The composition of budget adjustments and explanations of major variances are provided in Note 24.

LUSAKA CITY COUNCIL

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STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR LOCAL GOVERNMENT EQUALISATION FUND (LGEF) FOR THE YEAR ENDED 31ST DECEMBER 2024

		31.12.2024	31.12.2023
	Note	Kwacha	Kwacha
Receipts			
Funding	7(a)	29,453,419	35,910,430
Total Receipts		<u>29,453,419</u>	<u>35,910,430</u>
Payments			
Operational Expenditure Payments: 7(b)			
Salaries and Wages		-	19,273,241
Terminal Benefits		3,326,418	955,536
Utility bills		1,340,120	525,647
Service Provision			1,470,875
Goods and Services - Administrative Costs			9,641,081
Other Costs			2,697,583
Statutory Contributions		4,439,762	-
Long Service Bonus		1,513,681	-
Leave Pay Benefits		377,713	-
Councillors' Allowances		2,459,000	-
Goods and Services		7,480,980	-
Sub-Total		<u>20,937,673</u>	<u>34,563,962</u>
Capital Expenditure Payments: 7(c)			
Infrastructure Development		1,272,065	1,005,895
Rehabilitation Works		-	484,554
Service delivery (Capital)		6,871,431	2,408,874
Asset Acquisition		372,250	936,902
Sub-Total		<u>8,515,746</u>	<u>4,836,225</u>
Total Payments		<u>29,453,419</u>	<u>39,400,187</u>
Increase/(decrease) in cash		<u>-</u>	<u>- 3,489,757</u>
Cash at the beginning of the year		<u>-</u>	<u>3,489,757</u>

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ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024
STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR CONSTITUENCY
DEVELOPMENT FUND (CDF) FOR THE YEAR ENDED 31ST DECEMBER 2024

		31.12.2024	31.12.2023
	Note	Kwacha	Kwacha
RECEIPTS			
2024 Funding	8(a)	53,781,268	190,589,326
Other Sources	8(b)	5,944,658	4,388,152
TOTAL RECEIPTS		<u>59,725,926</u>	<u>194,977,478</u>
PAYMENTS			
Infrastructure Development	8(c)	70,091,902	23,291,494
Rehabilitation Works	8(d)	27,602,992	13,956,242
Asset Acquisition	8(e)	14,945,037	8,813,200
Empowerment Grants	8(f)	16,036,409	15,329,230
Empowerment Loans	8(g)	38,290,799	11,865,081
Boarding School and Skills Develop	8(h)	36,929,767	26,247,991
Administrative Costs	8(i)	13,015,906	7,243,907
Other Payments	8(j)	7,193,166	
TOTAL PAYMENTS		<u>224,105,978</u>	<u>106,747,146</u>
Increase/(decrease) in Cash	-	164,380,053	88,230,333
Cash at beginning of the year		<u>230,915,573</u>	<u>142,685,241</u>
Cash at the end of the year		<u>66,535,521</u>	<u>230,915,573</u>

Note 8 explains the composition and other details relating to the various elements included in this Statement.

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ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024
STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR ZAMBIA
DEVOLUTION SUPPORT PROGRAMME (ZDSP) CAPITAL GRANT FOR THE
YEAR ENDED 31ST DECEMBER 2024

	Note	2024 Kwacha	2023 Kwacha
RECEIPTS			
Funding	9(a)	-	-
Other Receipts	9(b)	-	-
TOTAL RECEIPTS		<u>-</u>	<u>-</u>
PAYMENTS			
Goods and Services	9(c)	-	-
Non financial Asset Acquisition	9(d)	-	-
Infrastructure Development	9(e)	-	-
Rehabilitation Works	9(f)	-	-
TOTAL PAYMENTS		<u>-</u>	<u>-</u>
Increase/(decrease) in Cash		<u>-</u>	<u>-</u>
Cash at beginning of the year		<u>-</u>	<u>-</u>
Cash at the end of the year		<u>-</u>	<u>-</u>

Note:

The Council did not receipt Zambia Devolution Support Programme Capital Grant from World Bank during the period under review.

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STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR SECTOR GRANTS
(DEVOLVED FUNCTIONS) FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	31.12.2024 Kwacha	31.12.2023 Kwacha
RECEIPTS			
2024 Funding	12(a)	49,839,186	-
Other Sources	12(b)	4,315,856	-
TOTAL RECEIPTS		54,155,042	-
PAYMENTS			
Goods and Services	12(c)	47,402,848	-
Non - Financial Assets Acquisition	12(d)	1,654,951	-
Infrastructure Development	12(e)	-	-
Rehabilitation Works	12(f)	-	-
TOTAL PAYMENTS		49,057,799	-
Increase/(decrease) in Cash		5,097,243	-
Cash at beginning of the year		-	-
Cash at the end of the year		5,097,243	-

Note 12 explains the composition and other details relating to the various elements included in this Statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of the Preparation of the Financial Statements

The Financial Statements have been prepared in accordance with Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*, issued by the International Public Sector Accounting Standards Board (IPSASB) and Local Authorities Accounting Policies (LAAPs).

These financial statements have been prepared in accordance with the historical cost convention as the basis of measurement, unless specified otherwise.

The accounting policies have been applied consistently throughout the period.

1.1 Migration to Accrual Basis Financial Reporting

Lusaka City Council is required, under the Local Government Act No. 2 of 2019 to produce a Statement of Comprehensive Income and a Statement of Financial Position. The production of these statements entails adoption and application of Accrual Basis of Accounting in financial reporting. In applying Cash Basis of Accounting, the Council followed guidance listed below:

- (a) Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting*.
This standard provides that public sector entities adopting Accrual Basis for the first time may apply Cash Basis IPSAS provisions as an intermediate step to assist them in the transition to Accrual Basis IPSASs. In this vein, the Council has produced these financial statements under Cash Basis IPSAS as part of its transition to Accrual Basis of Accounting.
- (b) Accounting Pronouncement: 2023/1 -- Applicability of International Public Sector Accounting Standards (IPSASs)
This pronouncement issued by the Zambia Institute of Chartered Accountants (ZICA) pursuant to the Accountants Act No. 13 of 2008 requires the adoption of Accrual Basis of Accounting by public entities by 1st January 2025 with a transition period of three (3) years. The Council is preparing to adopt Accrual Basis IPSASs on 1st January 2028.
- (c) Treasury and Financial Management Circular No.18 of 2022 issued by the Secretary to the Treasury pursuant to the Public Financial Management Act. No. 1 of 2018.

The Treasury and Financial Management Circular provides as follows:

- i. That in order to have a standard financial reporting framework, all Local Authorities should adopt the International Public Sector Accounting

LUSAKA CITY COUNCIL

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024

Standards (IPSASs) Cash Basis of Accounting as a first step in migration to IPSASs Accrual Basis of Accounting.

- ii. Local Authorities shall use Part 2 of Cash Basis IPSAS which requires extra disclosures called 'Encouraged Additional Disclosures' in Cash Basis financial statements for the years ending 31st December 2025 up to 31st December 2027.
- iii. All Local Authorities shall adopt and apply Accrual Basis IPSAS of Accounting starting 1st January 2025 by following the guidelines provided in IPSAS 33 – "First Time Adoption of Accrual Basis IPSASs".
- iv. That the three (3) year transition period provided under IPSAS 33 should commence on 1st January 2025 and should end on 31st December 2027. Thereafter, all Local Authorities shall be required to comply fully with Accrual Basis IPSASs.

Based on these guidelines, the Council has not yet commenced production of Accrual Basis financial statements required by the Local Government Act No. 2 of 2019. However, the Council has adopted Part 2 Cash Basis IPSAS, *Financial Reporting under the Cash Basis of Accounting* to help it transition its financial reporting to Accrual Basis IPSASs.

1.2 Reporting Entity

The Financial Statements are prepared for Lusaka City Council (LCC). The financial statements encompass the Council as specified in the Constitution of Zambia (Amendment) Act No. 2 of 2016, the Local Government Act No.2 of 2019, and the Public Finance Management Act No.1 of 2018. It also includes projects and activities of the Local Government Equalization Fund and Constituency Development Funds, Zambia Devolution Support Programme and Sector Grants (Devolved Functions) in the district.

1.3 Authorization Date

The financial statements were authorized for issue on.....by the Ordinary Council.

1.4 Revenue

Revenue is recognized when cash is received. It is generated from various sources as explained below:

a. Local Taxes

Article 161 of the Constitution of Zambia (Amendment) Act No. 2 of 2016 authorizes Lusaka City Council as a Local Authority to levy, impose, recover and retain local taxes. Further, the Local Government Act No. 2 of 2019 section 25(1) prescribes, subject to the Constitution and the Business Regulatory Act of 2014, a system of local taxes which Local Authorities can raise by passing by-laws imposing levies on:

- leviable persons owning or occupying property or premises situated within the area of the district;
- leviable persons carrying on a business, trade or occupation within the area of the district; or
- The purchase or sale of a commodity within the area of the district.

b. Fees and Charges

Section 27 (1) of the Local Government Act No.2 of 2019 empowers Local Authorities, subject to the Business Regulatory Act, 2014, to impose fees or charges payable to the Council:

- For any license or permit issued under any regulation or by-law made under the Act. These may include health permits, fire certificate licences, burial permits and extension of business hours permits;
- For any service or facility provided or goods or documents supplied by the local authority in pursuance of or in connection with the performance of any function of the local authority. These may include survey fees, consent fees, building inspection fees, waste collection fees and parking fees.

1.5 Expenditure

Expenditure is recognized when payment is made for expenses incurred. The Council incurs expenditure relating to the discharge of its functions which includes expenses relating to personal emoluments, use of goods and services, social benefits and acquisition of non-financial assets.

Items of a capital nature are expensed at the time of payment and such transactions are depicted in the appropriate class and heading in the financial statements. Since capital expenditure is expensed when incurred, neither depreciation nor amortization is charged on non-current assets.

1.6 Reporting on Gross Basis

Transactions are reported on gross basis without netting off similar classes of receipts and payments. However, transactions may be reported on net basis when they relate to transactions the Council administers on behalf of other entities recognized in the Financial Statements.

1.7 Cash in hand at the Beginning and the End of the Year

Cash at the beginning and end of the year consist of cash on hand, demand deposits and cash equivalents held at such dates.

Cash on hand refers to notes and coins held by the Council at the reporting date and it includes petty cash and cash collections not yet deposited into bank accounts. Demand deposits consist of reconciled balances held in the Council's bank accounts which it can use on demand. Cash equivalents, on the other hand, refer to short term high liquid investments that can easily be converted to known amounts of cash and are subject to insignificant risk of change in values.

The Council recognizes all short-term high liquid investments having maturities of three months or less as cash equivalents.

1.8 Local Government Equalization Fund (LGEF)

Article 163(2) of the Constitution of Zambia (Amendment) Act No. 2 of 2016 provides that Parliament shall annually appropriate monies to the Local Government Equalization Fund which shall be disbursed by the Ministry responsible for finance to Local Authorities. Receipts under LGEF supplement revenue generated by the Council. The Council uses at least 20% of the funds received from the equalization fund, in any financial year, to finance capital expenditure and the balance to meet operational expenses.

1.9 Constituency Development Fund (CDF)

The Constituency Development Fund (CDF) was established under Article 162(1) of the Constitution of Zambia (Amendment) Act No. 2 of 2016.

The fund was set up to finance micro-community projects for poverty reduction in communities and it is financed by monies appropriated by Parliament.

The administration of CDF is regulated by the Constituency Development Fund Act No. 11 of 2018. The Council maintains separate bank accounts for each constituency. Transfers are made from CDF into constituency bank accounts from which payments are made to finance approved CDF projects.

1.10 Other Grants

These include grants in lieu of rates and support from Cooperating Partners. Grants in lieu of rates are paid by the Government to the Council to cover property rates of

Government properties in the district. Support from Cooperating Partners may consist of cash receipts under bilateral and multilateral agreements.

Sector Grants

These includes grants from Devolved functions of the Central Government to the Sub National Level among them; Primary care services (Ministry of Health), Pontoons, Ferries, Jetties and Piers, Harbours, Community sport, Vehicle Licensing (Ministry of Transport & Logistics), Cultural matters (Ministry of Tourism) District Archives (Ministry of Home Affairs), Veterinary Services (Ministry of Fisheries and Livestock)

1.11 Presentation Currency

The presentation currency is Zambian Kwacha.

1.12 Foreign Currencies

Transactions in other currencies are converted into Zambian Kwacha using the ruling Bank exchange rates at the time of payment. Balances expressed in foreign currencies at the year-end are translated into Kwacha at the ruling rate then. The resulting difference from the conversion and translation are charged to the Statement of Cash Receipts and Payments.

1.13 Borrowings

Borrowings comprise actual cash inflows received from financial institutions, bilateral and multilateral institutions.

1.14 Budgets and Actual Amounts

A final budget includes all adjustments (supplementary and re-allocations) made to the original approved budget during the year. Supplementary budgets consist of additional provisions beyond what was originally approved while re-allocations are approved budget variations.

The approved budget is developed on the same accounting and classification basis, and for the same period as for the financial statements. All material differences between final

budgets and actual amounts are explained in the notes to the annual financial statements. Budget differences of 20% and above are considered material.

1.15 Encouraged Disclosures of Accrual Type of Items

During the year, the Council adopted Part 2 of Cash Basis IPSAS which provides extra Accrual Basis type of disclosures called Encouraged Additional Disclosures as follows:

i. Property, Plant and Equipment

These are assets that have useful economic lives or service potential of more than one year. They are recorded and disclosed at either cost or valuation. Valuations are

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conducted by the Government Valuation Department and the Council's own Valuation staff. Where valuation has been undertaken, the applicable valuation bases are as follows:

- Land Current Value
- Buildings Cost or Market Value
- Plant and Equipment Cost

ii. Investments in Other Entities

The Council discloses the following details about its investments in other entities:

- (a) Name of the entity
- (b) Principal activity of the entity
- (c) Percentage of shareholding in the entity
- (d) Receipts in form of dividends and other returns on the investments

iii. Administered Transactions

Administered transactions are cash flows resulting from transactions administered by the Council as an agent of Central Government and any of its agencies. All cash collected in this manner is deposited into an account of the Central Government or its appropriate agent and such accounts are not controlled by the Council. The Council deems as part of cash under its control any collections made and administered by the Council on behalf of the Central Government but are allowed to be deposited in any of its bank accounts prior to its transfer to the Central Government or any of its agents.

iv. Related Party Transactions

A related party is one that has the ability to control the Council or exercise significant influence over the Council in making financial and operating decisions. The related party entity is also any entity that is subject to common control with the Council.

Related parties include:

- (a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Council;
- (b) Associates being entities over which the Council has significant influence
- (c) Individuals that have significant influence over the Council, and close members of the family of any such individual;
- (d) Key management personnel, and close members of the family of key management personnel; and
- (e) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) or (d), or over which such a person is able to exercise significant influence.

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The key management personnel of the Council are:

- (a) the Mayor/Chairperson, elected councillors, co-opted members of the Audit and Procurement Committees, chiefs who are part of the council representing other chiefs in the district, and
- (b) The Principal Officers and Chief Officers.

Spouses, children and grandchildren, grandparents, brothers, sisters, parents in law, brothers in law, and sisters in law of key management personnel are related parties to the Local Authority

The Council discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the financial statements. Such transactions may include remuneration, loans and contracts awarded to key management personnel and their close relatives.

v. **External Assistance**

External assistance comprises loans and grants from multilateral and bilateral agencies provided under agreements specifying the purposes for which the assistance will be utilized.

Lusaka City Council discloses total external assistance received in cash during the period, total external assistance paid by the agencies for the benefit of the council, external assistance received in form of loans and grants, their classifications, purposes for which it was received and undrawn balances.

vi. **Payments to Third Parties**

Third party payments also known as direct payments are those that are made by third parties to construct or acquire property, plant and equipment and or pay for services on behalf of Lusaka City Council. These do not constitute cash receipts and payments by the Council. They include payments for goods and services made by multilateral and bilateral aid agencies and non-governmental organizations and are included in the disclosures of external assistance.

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ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS

2. Local Taxes

During the year, the Council generated local tax cash receipts as follows:

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Local Tax Type		
Residential Rates	65,661,514	38,190,300
Industrial / Commercial Rates	74,887,494	45,096,356
Personal Levy	3,543,268	3,056,057
Total	144,092,276	86,342,712

The Council relied on the Valuation Roll updated for the period 2019 to 2024 to determine the property rates receivable.

3. Fees and Charges

The Council generated cash receipts in form of fees and charges arising from offering various services as follows.

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
a) Fees and Charges	101,118,185	120,599,247
b) Development Charges	15,853,496	13,180,044
Total	116,971,681	133,779,291

**LUSAKA CITY COUNCIL
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024**

a. Fees and Charges

The Council generated the following fees:

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Consent Fees	-	259,423
Survey Fees/Beacon	29,530	20,068
Building Inspection Fees	2,297,613	1,651,454
Plan Scrutiny	15,148,530	12,254,027
Change Of Premise Use	84,968	31,232
Container/Ntemba Fees	-	87,675
Rentals /Leases Of Council Properties	7,356,824	2,812,680
Application Fees(Plots,Forms)	39,112	-
Sketch Plan Billboards	7,698	3,731,919
Search Fees	58,599	46,076
Notice Board Adverts	-	217,433
Market Fees	12,349,683	5,768,746
Parking Fees	2,834,716	2,248,099
Bus Station Fees	7,841,734	781,016
Affidavit Fees	-	20,130
Registration of Clubs and Societies	-	186,407
Hire Of Halls	399,303	282,550
Hire of Grounds and Stadia	-	2,500
Hoarding Fees	-	47,070
Body Remains Exhumation Fees	234,687	-
Body Remains Inspection Fees	-	9,600
Boundary location (Tombstone) Fees	62	10,272
Course Fees	-	5,750
Refuse Disposal	-	411,443
Library Membership Fees	74,120	21,610
Rentals from Parks	255,721	-
Notice Of Marriage	3,565,953	3,573,610
Abattoir/Meat Inspection Fees	397,851	50,666
Communication Mast Levy	-	211,960
Sales At Parks	-	-
Billboards And Banners	20,311,033	39,433,591
Penalties	2,062,915	1,081,327
Ground Rent/Site Rent	-	3,590,519
Change Of Ownership/plot	-	127,183
Subtotal	75,350,650	78,976,037

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	2024	2023
	Kwacha	Kwacha
Other Fees And Charges		
a) Consent Fees	420,537	
b) Registration of Clubs & societies	220,743	
c) Repairs of cars	30,906	
d) Site Rent	3,404	
e) Land Record	488	
f) Refuse Disposal	4,176	
g) Ground Rent	6,591,756	
h) Change of Ownership	133,193	
i) Charcoal Levy	1,971,493	
j) Communication Mast Levy	2,071,016	
k) Farm Produce	4,730,714	
l) Hire of Chairs	793,368	
m) Hire of Grounds/Stadia	2,947,263	
n) Hire of Halls	2,598,821	
o) Illegal Parking of Vehicles	3,249,658	
p) Other fees and charges	-	41,623,210
Subtotal	<u>25,767,535</u>	<u>41,623,210</u>

b. Land Development Charges

The Council collected the following land development related charges:

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Service Charges	15,853,496	13,180,044
Total	<u>15,853,496</u>	<u>13,180,044</u>

4. Licenses

A total generated cash receipts from issuance of various licenses as follows:

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License Type	31.12.2024	31.12.2023
	Kwacha	Kwacha
Liquor licence	2,523,746	2,433,097
Firearm and ammunition licence	1,166,082	610,429
Dog licence	48,540	9,126
Occupancy licence	272,516	332,962
Petroleum licence	1,609,055	982,384
Other Licenses	68,023	
	<u>5,687,962</u>	<u>4,367,999</u>

5. Levies

The Council generated cash receipts by charging levies as follows:

Type of Levy	31.12.2024	31.12.2023
	Kwacha	Kwacha
Pole Levy	-	-
Business Levy	53,605,233	42,514,418
Total	<u>53,605,233</u>	<u>42,514,418</u>

6. Permits

The Council generated cash receipts from issuing various permits as follows:

Type of Permit	31.12.2024	31.12.2023
	Kwacha	Kwacha
Health Permit	44,734,803	32,443,910
Herbalist permits	12,861	10,552
Transportation of meat products	-	-
Burial Permits and Grave sites	924,581	304,294
Fire Certificates	33,656,419	29,722,492
Extension of business hours permits	-	-
Public permits (social gatherings, etc)	117,124	213,409
Other Permits		
a) Opaque beer Permits	2,514	2,514
b) Transportation of milk products	1,612	1,612
c) Transportation of Opaque beer	1,832	1,832
d) Nursery, Pre - School permits	25,126	6,904
Total	<u>79,476,872</u>	<u>62,707,521</u>

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7. Local Government Equalization Fund (LGEF)

a. Funding

	31.12.2024	31.12.2023
Funding	Kwacha	Kwacha
1st Funding	2,618,567	3,451,090
2nd Funding	2,536,250	2,951,871
3rd Funding	2,634,766	3,187,717
4th Funding	2,572,970	3,290,724
5th Funding	2,609,851	3,291,554
6th Funding	2,363,866	3,274,623
7th Funding	2,248,566	3,327,259
8th Funding	2,572,970	3,315,275
9th Funding	2,359,140	3,291,275
10th Funding	2,295,482	3,291,275
11th Funding	2,318,203	3,237,767
12th Funding	2,322,785	
Total	<u>29,453,419</u>	<u>35,910,430</u>

b. Operational Expenditure

The Council applied amounts totalling K20,937,673 of LGEF receipts towards meeting operational expenses representing 71% of the total LGEF funding for the reporting period. These expenses are included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

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	2024	2023
Operational Expenditure Payments:	Kwacha	Kwacha
a) Personal Emoluments 7b		
i) Salaries and Wages	-	19,273,241
ii) Terminal Benefits	3,326,418	955,536
iii) Statutory Contributions	4,439,762	-
iv) Long Service Bonus	1,513,681	-
v) Leave Pay Benefits	377,713	-
v) Councilor's Allowances	2,459,000	1,168,000
b) Utility bills		
i) Electricity expenses	975,120	350,647
ii) Water and sanitation charges	365,000	175,000
c) Goods and Services		
i) Hire of plant and equipment	1,874,477	2,120,875
ii) Petrol, Oils & Lubricants	1,226,842	2,894,940
iii) Insurance of Properties	321,168	665,200
iv) Legal Costs	2,488,541	3,782,616
v) Protective Clothings	292,925	480,325
vi) Security & Care Taking Charge	296,155	346,211
vii) Waste Collection	95,500	1,798,117
viii) Cholera Prevention	743,792	
ix) Sanitary Items	141,580	553,254
Sub-Total	<u>20,937,673</u>	<u>34,563,962</u>

c. Capital Expenditure

The Council applied amounts totalling K8,515,746 of LGEF receipts towards meeting capital expenditure representing 29% of the total LGEF funding for the reporting period. This expenditure is included in the amounts disclosed in notes accompanying the Statement of Cash Receipts and Payments.

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	Note	2024 Kwacha	2023 Kwacha
Capital Expenditure Payments:	7c		
a) Infrastructure Development			
i) Construction of Mini Civic Centres		1,272,065	1,005,895
b) Rehabilitation Works			
i) Rehabilitation of Council Police Offices		-	484,554
c) Service Delivery (Capital)			
i) Valuation of Properties		6,556,051	1,650,100
ii) Rehabilitation of Market Structures		52,565	478,274
iii) installation of Street lights		200,000	280,500
ii) Construction of market wall fence		62,815	
d) Asset Acquisition			
i) Other Machinery, Plant and Equipment		172,250	
ii) Office Equipment		200,000	586,250

8. Constituency Development Fund (CDF)

The various elements constituting Statement of Cash Receipts and Payments for CDF are analysed as follows:

CDF Receipts/Income

a) CDF Funding

	31.12.2024 Kwacha	31.12.2023 Kwacha
Funding		
2024 Funding	53,781,268	190,589,326
Total	53,781,268	190,589,326

b) Other Sources of CDF Funding

	31.12.2024 Kwacha	31.12.2023 Kwacha
Funding		
Interest on Empowerment Loans	363,843	-
Interest Received on CDF Revolving	1,879,404	4,388,152
Empowerment Loan Repayments	3,701,411	-
Total	5,944,658	4,388,152

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CDF Funding per Constituency

Constituency	31.12.2024	31.12.2023
	Kwacha	Kwacha
Chawama	5,000,000	28,198,221
Kabwata	21,983,047	28,198,221
Kanyama	5,000,000	28,198,221
Lusaka Central	5,000,000	28,198,221
Mandevu	5,000,000	28,198,221
Matero	6,798,221	21,400,000
Munali	5,000,000	28,198,221
Total Funding	<u>53,781,268</u>	<u>190,589,326</u>

Other CDF Sources of Funding

i) Interest Received on Empowerment Loans per Constituency

Constituency	31.12.2024	31.12.2023
	Kwacha	Kwacha
Chawama	68,414	-
Kabwata	131,332	-
Kanyama	55,815	-
Lusaka Central	17,099	-
Mandevu	33,787	-
Matero	-	-
Munali	57,396	-
Total Loan Repayments	<u>363,843</u>	<u>-</u>

ii) Interest Received on CDF Revolving Accounts

Constituency	31.12.2024	31.12.2023
	Kwacha	Kwacha
Chawama	260,076	700,613
Kabwata	260,847	624,467
Kanyama	246,919	539,461
Lusaka Central	372,219	718,035
Mandevu	228,480	569,026
Matero	272,334	690,706
Munali	238,529	545,844
Total Other Sources	<u>1,879,404</u>	<u>4,388,152</u>

LUSAKA CITY COUNCIL**ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024****iii) Empowerment Loan Repayments**

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	853,682	-
Kabwata	552,992	-
Kanyama	440,889	-
Lusaka Central	518,539	-
Mandevu	661,963	-
Matero	431,817	-
Munali	241,530	-
Total Loan Repayments	3,701,411	-

Other CDF sources of funding consisted of interest earned on the amounts held in CDF bank accounts.

Payments/Expenditure**c) Infrastructure Development**

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	14,401,275	2,598,256
Kabwata	16,929,238	6,381,382
Kanyama	8,011,061	2,529,920
Lusaka Central	13,228,998	3,082,526
Mandevu	3,374,662	2,382,761
Matero	10,114,734	2,449,488
Munali	4,031,935	3,867,161
Total infrastructure development cost	70,091,902	23,291,494

Infrastructure development cost included construction of clinics/hospitals, skills centers, primary and secondary Schools police posts, play grounds, community halls, drilling of boreholes and installation of streetlights and solar lighting systems.

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d) Rehabilitation Works

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	1,229,278	2,256,903
Kabwata	3,570,015	1,039,543
Kanyama	6,528,642	3,091,844
Lusaka Central	637,428	205,610
Mandevu	4,109,474	1,143,261
Matero	684,944	989,859
Munali	10,843,212	5,229,222
Total Rehabilitation payments	<u>27,602,992</u>	<u>13,956,242</u>

Total Rehabilitation costs included rehabilitation of roads, drainages and culverts, clinics/hospitals, police posts markets, play grounds, street lights, primary and secondary schools.

e) Asset Acquisition

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	1,882,189	225,405
Kabwata	1,830,380	296,641
Kanyama	486,357	1,339,172
Lusaka Central	5,193,601	1,923,487
Mandevu	680,894	2,319,687
Matero	4,567,302	2,532,857
Munali	304,314	175,950
Total Asset acquisition cost	<u>14,945,037</u>	<u>8,813,200</u>

Total asset acquisition costs included the acquisition of school desks, office furniture, Plant, Machinery and equipment as well as Motor vehicles

f) Empowerment Grants

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	2,320,000	2,186,204
Kabwata	3,015,000	2,241,560
Kanyama	2,691,260	2,295,240
Lusaka Central	2,093,500	2,140,000
Mandevu	2,360,533	2,386,793
Matero	2,056,116	2,089,433
Munali	1,500,000	1,990,000
Total Contingent cost	<u>16,036,409</u>	<u>15,329,230</u>

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g) Empowerment (Soft) Loans

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	7,675,600	2,277,187
Kabwata	3,825,973	2,226,200
Kanyama	6,247,275	2,962,135
Lusaka Central	3,895,400	1,237,425
Mandevu	5,594,237	1,727,785
Matero	6,381,814	1,434,350
Munali	4,670,500	-
Sub - Total Soft Loans	<u>38,290,799</u>	<u>11,865,081</u>

h) Secondary Boarding Schools and Skills Development Bursaries

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	6,401,633	1,124,634
Kabwata	8,176,139	4,493,572
Kanyama	3,794,185	6,996,785
Lusaka Central	4,468,569	992,488
Mandevu	4,565,904	4,367,259
Matero	4,218,345	2,531,145
Munali	5,304,994	5,742,109
Total Bursaries cost	<u>36,929,767</u>	<u>26,247,991</u>

i) Administrative Costs

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	2,183,293	816,054
Kabwata	2,698,642	1,312,746
Kanyama	2,020,390	864,572
Lusaka Central	1,111,216	1,072,685
Mandevu	1,625,202	1,113,781
Matero	2,190,653	1,258,371
Munali	1,186,509	816,887
Sub - Total	<u>13,015,906</u>	<u>7,255,196</u>

Administrative Costs include monitoring of projects and meetings.

j) Other Payments (Mopped up funds)

	31.12.2024	31.12.2023
Constituency	Kwacha	Kwacha
Chawama	-	-
Kabwata	-	-
Kanyama	-	-
Lusaka Central	-	-
Mandevu	200	-
Matero	7,111,668	-
Munali	81,297	-
Total Mopped up funds	7,193,166	-

9. Other Grants

During the year, the Council received K5,984,679 as other grants to support other functions of the Council as follows:

Revenue Source	31.12.2024	31.12.2023
	Kwacha	Kwacha
a) Grants for Construction of Sub Fire Stations	-	6,967,563
b) Grants in Lieu of Rates	100,000	-
c) Other Grants:		
i) Youth Climate Project Grant	1,309,600	-
ii) UNICEF Grant	4,575,079	-
Total	5,984,679	6,967,563

Note

The Council did not receive the Zambia Devolution Support Programme (ZDSP) Capital Grant from World Bank.

10. Borrowings

The Council did not obtain any borrowing during the year.

11. Council Commercial Venture

Council had four (4) semi – autonomous institutions that operated as commercial ventures during the year.

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	Income Kwacha	Expenditure Kwacha	Surplus/ (Deficit) Kwacha	Contributions	Retained Income
1. Intercity Bus Station	20,332,515	14,332,585	5,999,930	6,000,000	- 70
2. City Market	15,986,355	10,105,253	5,881,102	300,000	5,581,102
3. Kulima Tower	7,261,695	5,076,091	2,185,604		2,185,604
4. New Soweto Market	7,535,921	6,539,925	995,996		995,996
	51,116,486	36,053,855	15,062,631	6,300,000	8,762,631

	31.12.2024 Kwacha	31.12.2023 Kwacha
Receipts		
Others	51,116,486	61,380,098
Total	51,116,486	61,380,098
Payments		
i) Expenditure	36,053,855	58,680,098
ii) Contributions to council	6,300,000	2,700,000
Total	42,353,855	61,380,098
Surplus/(deficit)	8,762,631	-

Note

K6,300,000 that Council received from commercial ventures went towards general operations of day to day activities. Contributions are as a result of council's investment in infrastructure that the same ventures are using.

12. Sector Grants (Devolved Functions)

The Council received Sector Grant totaling K54,155,042 from the Treasury for the Devolved Functions of the Central Government broken down as follows:

S/No	Details	2024 Kwacha	2023 Kwacha
a)	Sector Grants (Devolved Functions)	49,839,186	-
b)	Other Sources	4,315,856	-
	Total	54,155,042	-

a) Sector Grants (Devolved Functions)

Funding

The Council received Grants totaling K49,839,186 from the Treasury for the Devolved Functions of the Central Government broken down as follows:

Revenue Source	31.12.2024 Kwacha	31.12.2023 Kwacha
Devolved Functions Grants		
i) Primary Health Care Services	3,630,146	-
ii) Community Development Services	44,443,666	-
iii) District Agricultural Services	939,694	-
iv) Forestry Services	825,680	-
Total	49,839,186	-

b) Other Sources

The Council received deposits amounting K4,315,856 from National Road Fund Agency (NRFA) during the year.

Payments/Expenditure under Sector Grants

c) Goods and Services

	31.12.2024 Kwacha	31.12.2023 Kwacha
Office Costs	181,981	-
Motor Vehicle Running Costs	526,814	-
Staff Welfare and recreation	10,951	-
Waste Collection	250,000	-
Cashfor Work	44,984,614	-
Bank Charges	1,448,488	-
Sub Total	47,402,848	-

LUSAKA CITY COUNCIL**ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024****d) Non-financial Assets Acquisition**

	31.12.2024	31.12.2023
	Kwacha	Kwacha
Road Marking Machine	403,740	-
Loose Tools	1,087,354	-
Industrial Lawn mower	163,857	-
Sub Total	<u>1,654,951</u>	<u>-</u>

e) Infrastructure Development

The Council did not incur any expenditure on infrastructure development during the period under review.

f) Rehabilitation Works

The Council did not incur any expenditure on rehabilitation works during the period under review.

13. Other Receipts

Council received K126,172 as contributions towards the 2025 budget hearing program from five (5) Councils in Lusaka Province during the year under review.

Revenue Source	31.12.2024	31.12.2023
	Kwacha	Kwacha
Commission on Withholding Tax		2,438,962
Contributions towards 2025 Budget Hearing	<u>126,172</u>	
Total	<u>126,172</u>	<u>2,438,962</u>

14. Personal Emoluments

Personal Emoluments consist of actual amounts of salaries and wages paid to council staff. The Council had categories of staff that were paid as follows.

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Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Salaries F1	275,272	
Salaries - Div I	32,203,640	34,956,587
Salaries - Div II	49,653,830	72,966,055
Salaries - Div III	61,213,333	95,555,488
Leave Pay Benefits	294,807	-
Wages - Division IV	89,651,277	122,665,509
Representation Allowances	2,489,000	1,341,000
NAPSA	23,230,046	-
NHIMA Contributions	3,354,211	-
Madison Funeral Scheme Cc	1,265,005	-
ZRA - PAYE	-	-
Zulawu	1,137,840	648,840
Total	<u>264,768,261</u>	<u>328,133,478</u>

15. Use of Goods and Services

Use of Good and services consist of expenditure incurred on administrative activities.

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Office Costs	13,142,538	5,101,624
Building, Repair and Maintenance Costs	7,001,887	3,341,255
Plant, Machinery, Vehicle Running and Maintenance Co.	15,289,328	10,556,965
Other Administrative operating costs	9,010,843	1,117,060
Requisites	7,908,464	6,693,775
Services	131,186,924	57,881,145
Travel expenses	2,011,653	1,419,785
Training expenses	5,432,623	1,644,705
Legal costs	115,593	6,134,628
Total	<u>191,099,853</u>	<u>93,890,942</u>

16. Financial Charges

The Council did not pay any amounts as financial charges during the year.

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Interest on Internal Debt		70,906
Total	<u>-</u>	<u>70,906</u>

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17. Social Benefits

Social benefits include payments towards empowerment grants and Secondary School and Skills Development Bursaries. During the year, the Council made payments towards social benefits as below:

Details	31.12.2024 Kwacha	31.12.2023 Kwacha
a) Empowerment Grants	16,036,409	15,329,230
b) Secondary School and Skills Bursaries	<u>36,929,767</u>	<u>26,247,991</u>
Total	<u>52,966,176</u>	<u>41,577,221</u>

a) Empowerment Grants

Constituency	31.12.2024 Kwacha	31.12.2023 Kwacha
Chawama	2,320,000	2,186,204
Kabwata	3,015,000	2,241,560
Kanyama	2,691,260	2,295,240
Lusaka Central	2,093,500	2,140,000
Mandevu	2,360,533	2,386,793
Matero	2,056,116	2,089,433
Munali	<u>1,500,000</u>	<u>1,990,000</u>
Total Contingent cost	<u>16,036,409</u>	<u>15,329,230</u>

b) Secondary Boarding Schools and Skills Development Bursaries

Constituency	31.12.2024 Kwacha	31.12.2023 Kwacha
Chawama	6,401,633	1,124,634
Kabwata	8,176,139	4,493,572
Kanyama	3,794,185	6,996,785
Lusaka Central	4,468,569	992,488
Mandevu	4,565,904	4,367,259
Matero	4,218,345	2,531,145
Munali	<u>5,304,994</u>	<u>5,742,109</u>
Total Bursaries cost	<u>36,929,767</u>	<u>26,247,991</u>

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18. Non-Financial Asset Acquisition

Acquisition of assets during the year involved the following in amounts totalling K57,023,837.

a) Council Assets

Details	Bank account	Amount K	Remarks
Constituency Development Funds	Lusaka Central	1,989,400	Water Bowser
Constituency Development Funds	Matero CDF a/c	1,800,000	Vibratory Soil Roller Compactor
Constituency Development Funds	Matero CDF a/c	1,775,000	Tractor
Constituency Development Funds	Matero CDF a/c	626,368	Tipper Truck
Constituency Development Funds	CDF a/cs	2,097,922	Office Equipment
Constituency Development Funds	CDF a/cs	861,729	Office Furniture
General Operations	NRB a/c	172,250	Mini Vibration Roller Compact
General Operations	Devolved Sector a/c	403,740	Road Marking Machine
General Operations	Devolved Sector a/c	163,857	Industrial Mower
General Operations	Council	1,087,354	Loose tools
General Operations	LDF a/c	48,500	Vehicle Diagnosis Machine
Local Govt Equalisation Funds	Project Alc	1,566,501	Office Buildings
Total		12,592,621	

b) Other Buildings and Furniture

Details	31.12.2024 Kwacha	31.12.2023 Kwacha
i) Buildings and structures		
a) CDF Community projects	37,979,780	6,867,103
b) Council projects	1,566,501	-
ii) Plant, machinery and equipment		
a) Council Equipment		104,010
iii) Office equipment		1,436,815
iv) Other assets		
a) Office Furniture	861,729	289,764
b) School Desks	4,426,946	-
v) Vehicles and motor cycles		
a) CDF Motor vehicles		13,720,624
vi) Specialised Vehicles		
a) CDF CDF Specialised vehicles		3,910,440
Total	44,834,956	26,328,756
Grand Total	57,427,577	26,328,756

c) Intangible Fixed Assets Acquisition

The Council did not acquire any Intangible Fixed Assets during the year under review.

LUSAKA CITY COUNCIL**ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024****19. Financial Assets**

The Council acquired financial assets amounting to K38,948,727 during the year as shown in the table below.

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
a. Empowerment Loans (Debtors)	38,290,799	11,865,081
b. Staff Debtors	301,500	-
c. Prepayments	356,428	-
Total	<u>38,948,727</u>	<u>11,865,081</u>

a) CDF Empowerment Loans

Council gave out amounts totalling K38,290,799 to CDF Empowerment loan recipients during the year under review.

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Chawama	7,675,600	2,277,187
Kabwata	3,825,973	2,226,200
Kanyama	6,247,275	2,962,135
Lusaka Central	3,895,400	1,237,425
Mandevu	5,594,237	1,727,785
Matero	6,381,814	1,434,350
Munali	4,670,500	-
Total	<u>38,290,799</u>	<u>11,865,081</u>

b) Staff Debtors

K301,500 was still outstanding as salary advances at the end of the year under review.

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Salary Advances	301,500	-
Total	<u>301,500</u>	-

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c) Prepayments

K356,428 was paid out to 38 contractual workers whose contracts were terminated during the year under review.

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Gratuity	<u>356,428</u>	-
Total	<u>356,428</u>	-

Note:

Gratuity was paid to officers whose contracts were terminated during the year under review. This was before their mandate expired in February 2025.

20. Loan Repayments

Council did not make any payments towards settlements of principal amounts of loans during the year under review.

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Repayment of Indo Zambia Bank loan		1,095,423
Repayment of Indo Zambia Bank loan refinancing loan	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>1,095,423</u>

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21. Other Payments

These relate to sundry items such as Pay As You Earn Local Authorities Superannuation Fund, Other Deductions from Employees (Third party), Terminal Benefits, Long Service Bonus, Leave Travel Benefits, Other creditors.

Details	31.12.2024 Kwacha	31.12.2023 Kwacha
Suppliers of Goods and Services		-
i) Hire of Plant & Equipment	2,293,643	
ii) Legal Costs	7,299,062	
iii) Waste Collection	85,500	
iv) Consultancy, Fees, Technical Assistance	125,610	
iv) Insurance of Properties	400,000	
v) Madison Funeral Scheme	600,000	
vi) Motor vehicles	484,680	
Zambia Revenue Authority - PAYE	3,054,023	
National Health Insurance Management Authority	1,447,941	-
Bank Overdraft	-	522,985
Compensation and Awards	217,000	
Terminal Benefits	26,843,303	1,592,850
Long Service Bonus	1,751,741	556,296
Leave Travel Benefits	1,126,663	118,567
Mopped up funds	7,193,166	
Others	32,012,955	30,000
Total	84,935,287	2,820,698

Note:

Payments towards Other Creditors involved offsetting of arrears towards, Terminal benefits, Long Service Bonuses and Leave Pay Benefits.

22. Foreign Exchange Losses

Council did not have any foreign exchange transactions.

25. Cash Resources

The Council's Cash resources consisted of demand deposits:

Details	31.12.2021 Kwacha	31.12.2020 Kwacha
Cash on hand	-	-
Demand Deposits	117,719,577	252,286,196
Cash Equivalents	-	-
Total	117,719,577	252,286,196

a. Cash on Hand

The Council did not have cash on hand due to the fact that cash is not handled by any council employee as all clients are asked to deposit and present deposit slips for receipting purposes.

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ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024

b. Demand Deposits – Bank Balances

The Council had the following reconciled bank account balances as at the 31st December 2024:

Bank Account Name		31.12.2024	31.12.2023
Atlas Mara	3015413441016	1,110,289	371,902
ABSA	.0171349125.	927,509	-
UBA	9010160030729	31,935	491,472
First Alliance Bank	.0050600103008.		79,762
FNB - E-Wallet	62560364904	25	1,075
FNB - Swipe	62495364764	4,358,467	108,084
Indo Zambia Bank - Revenue	0132030000194	7,964,885	3,167,321
Indo Zambia Bank - Operations	2080131481401	4,074,361	783,681
Indo Zambia Bank - Ground Rent	0132030000216	274,164	131,595
Stanbic - LUSWI	9130001787245	5,441	-
Zanaco Bank - Grants	0020733500123	2,192,330	-
Zanaco Bank - General Revenue Fu	0020801500153	2,805,846	1,002,863
Zanaco - Rates and Revenue	0581630500122	2,805,846	1,300,998
Zanco Bank - Salaries & Wages	0053020000009	15,030,375	-
Zanaco - Devolved Sector Account	0244345500172	1,403,365	-
Zanaco - Markets Projects Account	1052318300167	704,770	383,289
Zanaco - Chawama CDF	02045300171	9,548,902	35,563,881
Zanaco - Kabwata CDF	0020750300119	14,559,095	30,656,082
Zanaco - Kanyama CDF	0020743300153	5,935,613	26,661,870
Zanaco - Lusaka Central CDF	0207463001801	9,889,206	37,103,758
Zanaco - Mandevu CDF	0020747300189	5,014,047	28,645,928
ZICB - Mandevu CDF	0020747300189	6,909,702	-
Zanaco - Matero CDF	0020748500101	22,885	29,921,336
Zanaco - Munali CDF	0020742300144	4,784,837	29,550,429
Lusaka City Council Roads	0244345500172	8,105,676	9,905,157
Lusaka City Council Project Accou	0584323500109	279,150	1,238,297
LCC - Land Development Account	0020834500159	425,578	-
FNB UNAIDS - Dollar account	62560365001	7,196	7,256
FNB - Dollar account	62582803592	19	19
Stanbic-Revenue Account	9130001669536	506,601	2,409,143
Indo - Chawama CDF	0132020000003	619,637	3,301,782
Indo - Kabwata CDF	0042020000003	1,792,588	1,223,399
Zanaco - Kanyama CDF	0020743300254	606,961	3,597,235
Zanaco - Lusaka Central CDF	0020746300281	331,057	337,752
ZICB - Mandevu CDF	1010049661028	1,224,844	3,383,239
Natsave - Matero - CDF	2098874002902	662,279	326,120
Zanaco - Munali CDF	0020742300245.	2,804,143	631,474
Total		117,719,577	252,286,196

c. Cash Equivalents

The Council did not have cash equivalents such as treasury bills as at 31st December 2024.

24. Budget Adjustments and Variances

a. Budget Adjustments

The original budget was approved by the Minister responsible for Local Government and Rural Development on 22nd February 2024 and there were no subsequent approved adjustments to the budgets consisting of approved supplementary provisions and approved budget reallocations.

b. Budget Variances

• **Local Government Equalization Fund (LGEF)**

The Council planned to receive K41,307,058 as Local Government Equalization Funds but only received K29,453,419 resulting in a negative variance of K11,853,639 representing 29%. This was due to not enough funds being released by the Treasury.

• **Constituency Development Fund (CDF)**

The Council planned to receive K214,449,494 from the Ministry of Finance and National Planning but only received K59,725,936 resulting in an adverse variance of K154,723,568 representing 72%. The variance was because of the delay by the ministry in releasing the funds.

• **Other Grants**

The Council budgeted to receive K52,645,905 but received K5,984,679 resulting in an adverse variance of K46,661,226 representing 89%. The variance was a result of not receiving all the budgeted for funds in the period under review.

• **Commercial Venture**

Council planned to receive K11,160,000 as contributions from Commercial Ventures but only received K6,300,000 resulting in an adverse variance of K4,860,000 representing 44%. This was due to challenges of street vending that affected the performance of Markets and Bus Stations which prevented them to make the contributions at the level planned in the Budget.

• **Sector Grants (Devolved Functions)**

The Council planned to receive K26,387,188 as Sector Grants in form of Health Grants, Cash for Work and Roads Grant etc but received K54,155,042 resulting in

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a positive variance of K27,767,854 representing 105%. This was due to grants received for Cash for Work program and NRFA among others.

- **Other Receipts**

The Council budgeted to receive K900,000 but received K126,172 resulting in an adverse variance of K4773,828 representing 86%. The variance was a result of not receiving all the budgeted for funds in the period under review.

- **Non-financial Assets Acquisition**

The Council planned to spend K71,063,400 towards infrastructure development but managed to spend K57,023,837 during the year under review resulting in a negative variance of 20%. This was a result of the fact that projects that were being implemented could not be completed during the year and hence carried forward in 2025.

- **Financial Assets**

The Council planned to spend K24,447,242 on CDF Empowerment Loans, but spent K38,948,727 resulting in a positive variance of 59%. This was due to loans issued from the 2023 CDF allocation during the year under review.

- **Other Payments**

The Council planned to spend K124,725,859 on loan repayment but spent K84,935,287 resulting in a negative variance of 32%. This was due to inadequate funds raised during the financial year.

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The City Council incurs expenditure to offering services it is mandated to provide to the residents of the District.

Type of Services	31.12.2024 Kwacha	31.12.2023 Kwacha
Consultancy, Studies, Fees, Technical Assistance	796,320	405,000
Printing	3,630	302,500
Ward Development Fund	11,300	
Advertising and Publicity	645,690	165,719
Public Functions and Ceremonies	2,663,622	655,221
Transportation	374,904	235,557
Conferences, Seminars and Workshops	958,619	379,133
Shows and Exhibits	760,487	553,938
Boards, Councils and Committees' Expenses	5,255,532	542,894
Relief, Repatriation and Burial of Destitutes	-	64,975
Staff Welfare and Recreation	5,736,944	2,800,820
Research and Feasibility Studies	1,545	-
Valuation of properties	6,558,411	-
Labour Day Expenses and Awards	373,741	73,175
Hire of Plant and Equipment	-	2,153,166
Waste and Refuse Collection	2,324,240	516,960
Bank Charges		182,858
Other Services	<u>105,125,677</u>	<u>119,922,593</u>
Total	<u>131,590,664</u>	<u>128,954,510</u>

Note:

(i) The above amounts have been included in the various payments recognized in the Statement of Cash Receipts and Payments.

(ii) The above listed accounts do not include those for Intercity Bus Terminus, City Market, Kulima Tower Bus Station and New Soweto Market.

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26. Property, Plant and Equipment

The Council had property, plant and Equipment valued at K629,195,575 as at 31st December 2024.

	Office Equipment	Office Furniture	Land and Buildings	Plant, Machinery & Equipment	Motor vehicles	Total
	Kwacha		Kwacha	Kwacha	Kwacha	Kwacha
Opening balance	-	-	501,646,342	16,727,616	46,659,615	572,171,678
Additions	2,097,922	6,150,404	41,112,782	8,017,969	48,500	57,427,577
Revaluation	-	-	-	-	-	-
Re - classification	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Closing balance	2,097,922	6,150,404	542,759,124	24,745,585	46,708,115	629,599,255

27. Investments in Other Entities

The Council held shares in the following entities:

Name of Entity	Activity	Shareholding
Lusaka Water Supply & Sewerage Company	Water supply & sewerage services	43%

The Council did not receive any dividends from its investments during the period under review.

28. Administered Transactions

The Council did not administer any tax collection on behalf of Zambia Revenue Authority.

29. Related Party Disclosures

The following disclosures are made in the financial statements of Lusaka City Council:

a. Fringe Benefits Disclosures
The Mayor was provided with a personal-to-holder car, an office and Personal Secretary.

b. Remuneration of the Councillors

The aggregate remuneration of members of the Council and the number of individuals determined on a full-time equivalent basis receiving remuneration from Lusaka City Council are:

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Aggregate Remuneration	K2,736,000
Number of Persons	38

None of the councillors acquired loans from the Council during the period under review nor did they have any outstanding loans.

c. Remuneration of Senior Management

The aggregate remuneration of members of the Senior Management and the number of individuals determined on a full-time equivalent basis receiving remuneration from the Local Authority are:

Aggregate Remuneration	K19,938,556
Number of persons	27

None of the members of senior management acquired loans from the Council during the period under review nor had any outstanding loans.

d. Payment to ZRA – PAYE

The Council made payments amounting to K3,054,023.23 towards Pay As You Earn (PAYE) during the year under review. The payments were done through garnish order arrangement between Council and the Zambia Revenue Authority.

e. Payment to NAPSA outstanding Contributions

- i) NAPSA agreed to waive K760,243,596 as penalties and interests from the historical debt of K1,040,963,747 for the period 1st January 2000 to 31st December 2023.
- ii) During the year under review, NAPSA waived K98,217,537 as outstanding penalties and interests.
- iii) The Council and NAPSA agreed to a debt swap amounting to K13,126,742 towards the outstanding contributions, thus leaving a balance of K170,153,932 as at 31st December 2024

f. Payments towards LASF

- 1) Council made payments amounting to K4,606,789 towards current contributions for the year under review. The Payments were done at source from the Local Government Equalisation Funds allocation for 2024.
- 2) Council made payments amounting to K3,030,000 towards current contributions for the year under review. The Payments were done at source from the Local Government Equalisation Funds allocation for 2024.

g. Payments towards Union Contributions

- 1) Payments amounting to K1,758,499 were made to Zulawu and ZCTU towards the current contributions during the year under review. The payments were made at source from the Local Government Equalisation Fund allocations
- 2) Payments amounting to K165,474 was made at source from the Local Government Equalisation Fund allocation towards Firesuz

h. Other Grants

Youth Climate Project Fund

- 1) The Council received K1,309,600 from Bloomberg Philanthropies as Youth Climate Project Fund in Zambia.
- 2) The Council received K4,575,079 from the United Nations Children's Emergency Fund to support various activities under UNICEF programs.

i. Interest received on Loans

The Council received K363,842.52 as Interest on Loans that were given out to loan recipients during the year under review.

j. Mopping up of 2023 CDF funds

The Ministry of Finance mopped up CDF funds amounting to K146,947,343.17 from the seven constituencies of the district. K139,754,177.49 was reimbursed during the year under review, thus leaving a balance of K7,193,165.68.

k. Loan Repayments from Clients

Council received K3,701,682 as loan repayments during the year under review.

30. External Assistance

The council did not receive any external assistance during the year under review.

31. Third Party Payments

Lusaka City Council did not benefit from payments made by third parties during the year under review.

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APPENDICES

The following supplementary information formed part of the Annual Financial Statements:

Appendix A – List of Creditors

Appendix A: List of Payables

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
1 Total suppliers of goods & services	0	805,575
2 Bank loans		1,221,060
3 Litigation costs/judgements	745,517	5,819,535
4 Utilities (water, electricity & telephones)	20,780,130	7,897,193
5 ZISC	11,067,039	11,467,039
6 Long Service Bonus	10,561,349	12,313,090
7 Leave & Travel Benefits		-
8 Salaries/Wages/Allowances		
9 Terminal Benefits	14,305,559	19,163,657
10 Gratuity		
11 LASF	50,193,174	39,456,974
12 NAPSA	170,153,932	1,040,963,747
13 ZRA (PAYE)	122,230,219	105,944,858
14 ZULAWU	1,322,373	196,814
15 FIRESUZ	- 137,462	-
16 Funeral Scheme	5,527,347	5,110,524

Appendix B – List of Receivables

Details	31.12.2024	31.12.2023
	Kwacha	Kwacha
Rates	27,214,997	215,894,672
Commercial properties	43,956,576	16,879,055
Ground rent	303,235,951	14,347,343
Billboards management	35,149,789	22,739,427
Solid waste		920,658
Total	409,557,313	270,781,155

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Assets Acquired

a) Council Assets

Details	Bank account	Amount K	Remarks
Constituency Development Funds	Lusaka Central	1,989,400	Water Bowser
Constituency Development Funds	Matero CDF a/c	1,800,000	Vibratory Soil Roller Compactor
Constituency Development Funds	Matero CDF a/c	1,775,000	Tractor
Constituency Development Funds	Matero CDF a/c	626,368	Tipper Truck
Constituency Development Funds	CDF a/cs	2,097,922	Office Equipment
Constituency Development Funds	CDF a/cs	861,729	Office Furniture
General Operations	NRB a/c	172,250	Mini Vibration Roller Compactor
General Operations	Devolved Sector a/c	403,740	Road Marking Mach
General Operations	Devolved Sector a/c	163,857	Industrial Mower
General Operations	Council	1,087,354	Loose tools
General Operations	LDF a/c	48,500	Vehicle Diagnosis Machine
Local Govt Equalisation Funds	Project Alc	1,566,501	Office Buildings
Total		<u>12,592,621</u>	

b) Other Buildings and Furniture

Details	31.12.2024 Kwacha	31.12.2023 Kwacha
i) Buildings and structures		
a) CDF Community projects	37,979,780	6,867,103
b) Council projects	1,566,501	
ii) Plant, machinery and equipment		
a) Council Equipment		104,010
iii) Office equipment		1,436,814
iv) Other assets		
a) Office Furniture	861,729	289,764
b) School Desks	4,426,946	
v) Vehicles and motor cycles		
a) CDF Motor vehicles		13,720,624
vi) Specialised Vehicles		
a) CDF CDF Specialised vehicles		3,910,440
Total	<u>44,834,956</u>	<u>26,328,755</u>

c) Intangible Fixed Assets Acquisition

The Council did not acquire any Intangible Fixed Assets during the year under review.