



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Regional Office No. VII
Cebu City

ANNUAL AUDIT REPORT

ON THE

MUNICIPALITY OF SIBULAN
Province of Negros Oriental

For the Year Ended December 31, 2024



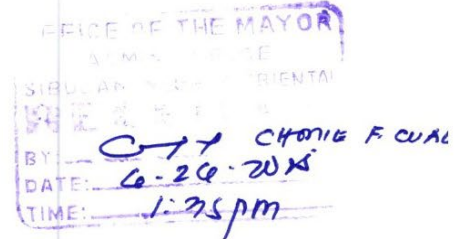
REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
PROVINCIAL SATELLITE AUDIT OFFICE
NEGROS ORIENTAL & SIQUIJOR
 E.J. Blanco Drive, Daro, Dumaguete City



LOCAL GOVERNMENT AUDIT SECTOR
AUDIT GROUP LGAS – F (NEGROS ORIENTAL 1)
OFFICE OF THE SUPERVISING AUDITOR

June 19, 2025

HONORABLE JOSE A. ABIERA
 Municipal Mayor
 Municipality of Sibulan
 Province of Negros Oriental



Dear Mayor Abiera:

We are pleased to transmit the Annual Audit Report (AAR) of the Municipality of Sibulan, for the calendar year (CY) 2024 pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of the Presidential Decree (PD) No. 1445, otherwise known as the Government Auditing Code of the Philippines.

The audit was conducted to (a) ascertain the fairness of the presentation of the financial statements; (b) ascertain the propriety of financial transactions and compliance with prescribed rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

We conducted the audit in accordance with applicable International Standards of Supreme Audit Institutions (ISSAIs), and we believe that it provides a reasonable basis for our opinion.

We rendered a qualified opinion on the fairness of the presentation of the financial statements (FS) for the year then ended.

The audit observations, together with the recommended courses of action, which were discussed by the Audit Team with you and your staff in an exit conference on June 9, 2025, are discussed in detail in Part II of the report. Likewise, Management's comments are also incorporated in Part II, where appropriate. The Status of Implementation of Prior Years' Audit Recommendations is discussed in Part III of this report.

We request that the recommendations be immediately implemented, and we would appreciate being informed of the action(s) taken thereon by submitting the attached duly accomplished Agency Action Plan and Status of Implementation (AAPSI) within 60 days from receipt of this report.

We express our appreciation for the valuable support and cooperation extended by the officials and staff of the Municipality of Sibulan.

Very truly yours,



KATHERINE Z. VELEZ
State Auditor V
Supervising Auditor

Copy furnished:

1. The Honorable Sangguniang Bayan
Members Thru: The Secretary,
Sangguniang Bayan
Municipality of Sibulan, Province of Negros Oriental
2. The Regional Director
Department of Interior and Local Government
Region VII
3. The Regional Director
Bureau of Local Government Finance
Region VII
4. National Library (Soft Copy)
5. University of the Philippines (UP) Law Center (Soft Copy)
6. COA Commission Central Library (Soft Copy)

MUNICIPALITY OF SIBULAN
Province of Negros Oriental

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2024
As of _____

Ref.	Audit Observation	Audit Recommendation	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be taken
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			

Prepared by:

Municipal Treasurer

Municipal Accountant

Noted by:

Local Chief Executive

Note: Status of Implementation may either be (a) Fully Implemented (b) Ongoing (c) Not Implemented (d) Partially Implemented (e) Delayed



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
PROVINCIAL SATELLITE AUDITING
OFFICE, NEGROS ORIENTAL

OFFICE OF THE AUDITOR
Audit Team R7-04, LGAS-F Province of Negros Oriental 1

June 19, 2025

KATHERINE Z. VELEZ

Supervising Auditor

LGAS F – Province of Negros Oriental 1

Dumaguete City

Madam:

In compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of the Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we conducted Financial and Compliance Audit on the accounts and operations of the Municipality of Sibulan, Province of Negros Oriental, for the year ended December 31, 2024.

The audit was conducted to: (a) ascertain the fairness of presentation of the financial statements (FS); (b) ascertain the propriety of financial transactions and compliance with prescribed rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

Our attached Report consists of four (4) parts: Part I - Audited Financial Statements, Part II - Audit Observations and Recommendations, Part III - Status of Implementation of Prior Years' Audit Recommendations, and Part IV - Appendices.

Our comments and observations were communicated to Management through Audit Observation Memoranda and were discussed with agency personnel in an exit conference conducted on June 09, 2025. Their comments were incorporated in this Report, where appropriate.

We have looked into the audit areas which resulted from our risk assessments during the year as well as those contained in the General Audit Instructions (GAIs) dated 30 October 2024 of the Office of the Assistant Commissioner, Corporate Government Sector and in the Specific Audit Instructions (SAIs) of the Office of the Regional Director, Local Government Sector. Attached is the Status of Implementation of the GAIs and SAIs as of November 11, 2024, for reference on the areas audited.

GAI/SAI Focus Area	Remarks
A. Financial Audit	
1. Cash in Bank	With audit finding – AO No. 3
2. Cash Local Treasury	With audit finding – AO No. 5
3. Investment Property, Buildings	N/A
4. Inventories (Inventory Held for Distribution: i) Welfare Goods for Distribution; Inventory Held for Consumption: i) Drugs and Medicines Inventory, ii) Medical, Dental and Laboratory Supplies Inventory, iii) Office Supplies Inventory, iv) Accountable Forms, Plates and Stickers, v) Other Supplies and Materials Inventory)	With audit finding – AO No. 7
5. PPE: (Land; Other Land Improvements; Infrastructure Assets: i) Road Networks, ii) Water Supply Systems, iii) Power Supply Systems, iv) Flood Control Systems, v) Parks, Plazas, and Monuments, vi) Other Infrastructure Assets; CIP – Buildings and Other Structures, CIP – Infrastructure Assets, Buildings and Other Structures; Buildings and Other Structures: i) Buildings, ii) School Buildings, iii) Hospitals and Health Centers, iv) Markets, v) Slaughterhouses, vi) Other Structures; Machinery and Equipment: Machinery and Equipment: i) Machinery, ii) Office Equipment, iii) Construction and Heavy Equipment, iv) ICT Equipment, v) DRRM Equipment, vi) Medical Equipment, vii) Communication Equipment, viii) Agri and Forestry Equipment, ix) Sports Equipment, x) Military, Police, and Security Equipment, xi) Technical and Scientific Equipment, xii) Other Machinery and Equipment; Transportation Equipment: i) Motor Vehicles, ii) Watercraft, iii) Other Transportation Equipment; Furniture and Fixtures; Other PPE	With audit finding – AO No. 1 and 8
6. Books	No sufficient and competent evidence to warrant inclusion of audit observation
7. Receivables (Loans and Receivable Accounts: i) Real Property Tax Receivable, ii) Special Education Tax Receivable)	With audit finding – AO No. 2 and 6
8. Advances (i) Advances to Officers and Employees, ii) Advances to Special Disbursing Officer, iii) Advances for Payroll)	With audit finding – AO No. 5
9. Other Receivables (i) Due from Officers and Employees, ii) Due from NGOs / Pos)	No sufficient and competent evidence to warrant inclusion of audit observation

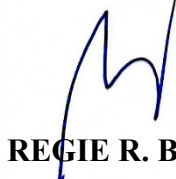
GAI/SAI Focus Area	Remarks
10. Breeding Stocks	No sufficient and competent evidence to warrant inclusion of audit observation
11. Financial Liabilities (Accounts Payable: Bills / Bonds / Loans Payable, Loans Payable – Domestic; Inter-Agency Payables, i) Due to NGAs, ii) Due to LGUs)	No sufficient and competent evidence to warrant inclusion of audit observation
12. Trust Liabilities	With audit finding – AO No. 4
13. Drugs and Medicines Expenses	No sufficient and competent evidence to warrant inclusion of audit observation
14. Other MOOE	With audit finding – AO No. 7 and 8
E. Non-Financial Audit Issues for Mandatory Reporting in the AAR	
15. Remittance to the Bureau of Internal Revenue (BIR) on taxes withheld from employees and suppliers in accordance with RA No. 8424 and its IRR under BIR RR No. 02-98	No sufficient and competent evidence to warrant inclusion of audit observation
16. Premium contributions and loan amortization to the Government Service Insurance System (GSIS) and Home Development Mutual Fund in accordance with RA No. 8291 and RA No. 9679, respectively	No sufficient and competent evidence to warrant inclusion of audit observation
17. Premium contributions and remittance to PhilHealth in accordance with RA No. 7875, as amended	No sufficient and competent evidence to warrant inclusion of audit observation
18. Audit of Official Development Assistance (ODA)	The Municipality did not receive any ODA Funds in CY 2024.
19. LGSF – Support to the Barangay Development Program of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC)	The Municipality did not receive any funds in CY 2024.
20. Twenty percent Development Fund <ul style="list-style-type: none"> • Projects completed but not yet recorded • Expenses not related to 20% Development Fund 	No sufficient and competent evidence to warrant inclusion of audit observation
21. Payments to Casuals, Job Order, Contractuals and Consultants vis-à-vis the requirements of COA Memorandum No. 2012-010 dated December 28, 2021	No sufficient and competent evidence to warrant inclusion of audit observation
22. DRRM Funds/QRF – Projects completed but not yet recorded and expenses not related to DRRM Funds	No sufficient and competent evidence to warrant inclusion of audit observation
23. Gender and Development (GAD) Funds – Expenses not related to GAD programs, projects and activities per approved GAD Plan and Budget	No sufficient and competent evidence to warrant inclusion of audit observation
24. National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) Funds	No sufficient and competent evidence to warrant inclusion of audit observation

GAI/SAI Focus Area	Remarks
F. Other Accounts/Thrusts area not included in the GAI/SAI	
1. Submission of FS within the reglementary period	With audit finding – AO No. 9
2. Collection of delinquent real property taxes	With audit finding – AO No. 10
3. Non-conduct of public bidding and lack of documentation for some disbursements	With audit finding – AO No. 11 and 13 (lack of documentation only)
4. BGCM Unutilized funds still not remitted to the National Treasury	With audit finding – AO No. 12
5. Non-collection of long outstanding receivables from officers and employees	With audit finding – AO No. 14
6. LGSEF- unreverted and unutilized	With audit finding – AO No. 15
7. Collections not deposited intact at the end of the business day or on the next banking day	With audit finding – AO No. 16

We rendered a qualified opinion on the fairness of presentation of the FS for the year then ended.

We conducted the audit in accordance with applicable International Standards of Supreme Audit Institutions, and we believe that it provides a reasonable basis for our opinion.

Very truly yours,



REGIE R. BAOY

State Auditor II

OIC-Audit Team Leader

EXECUTIVE SUMMARY

Introduction

The Municipality of Sibulan is a 2nd class Municipality and is among the 19 towns of the Province of Negros Oriental. On April 2, 1903, by virtue of Republic Act (RA) No. 715, Sibulan was merged with Dumaguete, which was then a Municipality. On January 31, 1910, through the passage of RA No. 52, it was separated from Dumaguete and was officially recognized as a Municipality. Based on the CY 2020 census, it has a population of 64,343 people.

As of December 31, 2024, it had a personnel complement of 363, as shown below:

<i>Nature of Appointment to Office</i>	<i>Quantity</i>
Elective Officials	12
Permanent Positions	100
Casuals	41
Job Orders/Co-terminus/Contract of Service	210
Total	363

Audit Objectives

The objectives of the audit were to (a) ascertain the level of assurance that may be placed on management assertions on the financial statements; (b) determine compliance of management with laws, rules, and regulations on the pre-identified audit thrusts/areas and recommend agency improvement opportunities thereon; and (c) determine the extent of implementation of prior years' audit recommendations.

Audit Methodology

The Commission has been implementing a risk-based audit in the conduct of its audit services. However, to meet the evolving developments in public governance and fund management, the results-based approach in the audit was incorporated.

Scope of Audit

An audit was conducted on the accounts and operations of the Municipal Government of Sibulan for CY 2024. The audit consisted of a review of operating procedures, evaluation of the LGU's programs and projects, interviews of concerned government officials and employees, verification, reconciliation, confirmation, inspection, and analysis of accounts, and such other procedures as considered necessary.

Financial Highlights

A comparative analysis of the Statement of Financial Position, as illustrated below, showed increases in assets, liabilities, and equity:

Accounts	2024 (in ₱)	2023 (in ₱)	Increase (Decrease)
Statement of Financial Position			
Assets	828,312,033.32	774,542,306.85	53,769,726.47
Liabilities	83,267,835.86	78,872,254.13	4,395,581.73
Government Equity	745,044,197.46	695,670,052.72	49,374,144.74

On the other hand, the Statement of Financial Performance reflects an increase in revenue and expenses and a decrease in surplus, as shown below:

Accounts	2024 (in ₱)	2023 (in ₱)	Increase (Decrease)
Results of Operations			
Revenue	325,532,688.84	303,883,593.58	21,649,095.26
Personnel Services	95,632,616.70	85,954,730.44	9,677,886.26
Maintenance and Other Operating Expenses	148,522,271.73	128,653,265.25	19,869,006.48
Financial Expenses	0.00	0.00	0.00
Non-cash Expenses	28,921,210.25	23,963,215.69	4,957,994.56
Net Financial Assistance/ Subsidy	(1,513,000.00)	(1,367,660.00)	(145,340.00)
Net Surplus (Deficit)	50,943,590.16	63,944,722.20	(13,001,132.04)

The following table illustrates increases in the final budget or appropriations and actual amounts or obligations during the year:

Particulars	2024 (in ₱)	2023 (in ₱)	Increase (Decrease)
Final Budget	435,467,471.77	431,645,250.53	3,822,221.24
Actual Amounts	311,198,038.37	268,881,805.37	42,316,233.00

Independent Auditor's Report on the Financial Statements

We rendered a qualified opinion on the fairness of the presentation of the financial statements for the year ended, taking exceptions to the effects of the following:

1. The Local Government Unit did not take advantage of the guidelines and procedures on the one-time cleansing of Property, Plant, and Equipment (PPE), thus affecting the fairness of presentation of the financial position in the financial statements and depriving the government of reliable and useful information in decision-making and accountability for these assets.
2. The Real Property Tax (RPT) and Special Education Tax (SET) receivables were not properly set up and maintained, thus showing nil balances instead of ₱34,098,709.48, thereby understating the RPT and SET receivables by the same amount.
3. The transfer of the unexpended balance of the LDRRMF- Quick Response Fund (QRF) and the Maintenance and Other Operating Expenses (MOOE) of the Mitigation Fund (MF) was not recorded in the Trust Fund books during the year, contrary to Items 5.1.10 and 5.1.12 of COA Circular No. 2012-02 dated September 12, 2012, resulting in the understatement of the receivable and trust liability accounts by ₱5,512,645.49.

Significant Observations and Recommendations

The following are the significant audit observations and recommendations in the audit and/or evaluation of the operations of the Municipal Government for CY 2024. These, and other audit observations discussed by the Audit Team with Management in an exit conference on June 9, 2025, are fully presented in Part II of this Report.

- a. **The Cash in Bank balances showed a discrepancy of ₱(3,068,540.08), net of outstanding checks, compared to the confirmed balances from the depository bank, which remained unadjusted because book reconciling items in the Bank Reconciliation Statements (BRS) were not recorded during the year, thus presenting an inaccurate and unreliable balance in the financial statements.**

We recommended that the Municipal Accountant:

- a. Immediately complete the reconciliation of all bank accounts and ensure that all valid reconciling items identified in the BRS are properly adjusted in the Municipality's books;
- b. Strictly comply with Sections 3.2 and 3.3 of COA Circular No. 96-011, which require timely reconciliation and adjustment of the General Ledger within 10 days from receipt of the bank statements;
- c. Establish and enforce internal control procedures, including setting fixed monthly deadlines for the preparation and review of BRS and requiring prompt investigation and resolution of all reconciling items; and

d. Coordinate with the concerned offices to expedite the retrieval of supporting documents and perform the necessary analyses to validate and clear long-standing reconciling items.

- b. **The accounts Cash Local Treasury, Advances for Operating Expenses and Advances for Payroll accounts showed unreconciled difference of ₱(1,202,851.92), ₱(167,591.72), and ₱(907,644.16), respectively, against the cashbook balances, thus the reliability of the cashbook and General Ledger (GL) balances could not be relied upon.**

We recommended and the Municipal Treasurer and Municipal Accountant agreed to trace the differences between the cashbook and the General Ledgers of the Cash Local Treasury, Advances for Operating Expenses, and Advances for Payroll accounts. We further recommended that, henceforth, Management require the Municipal Treasurer and Municipal Accountant to properly conduct the quarterly reconciliation between the treasury records and accounting records in compliance with Section 143 (A.7) of the LTOM.

- c. **The Municipality did not implement the procedures on the proper disposition and cleansing of dormant accounts totaling ₱2,108,562.90, resulting in the continued recognition of unsupported balances in the financial records and impairing the fair and faithful presentation of the Municipality's financial statements.**

We recommended that the Local Chief Executive direct the Municipal Accountant to:

- a. Review and analyze all dormant accounts to determine their validity and secure/gather all available documents related to these accounts;
- b. If a complete review and analysis cannot be performed due to missing documents and records, he shall then prepare a list of available records pertaining to the dormant account, indicate the extent of validation conducted, and attach all documents to the list. A detailed list of all lost documents or records must be included; and
- c. Prepare and submit a detailed report to the Head of Agency recommending an investigation to determine the cause/s of the missing documents and identify the official/s and employee/s responsible for the loss.

We further recommended that if the investigation results warrant a request for authority to write-off from the Commission, the Head of the Accounting Unit, through the HoA, should file with or through the ATL and/or SA, depending on the jurisdictional amount, a request for the approval of COA to write-off or derecognize the dormant accounts from the books. The request shall be supported by the documents listed in Annex 8 of the Circular.

Summary of Total Suspensions, Disallowances, and Charges as of Year-End

The reported audit suspensions, disallowances, and charges of the LGU as at December 31, 2024, were as follows:

	Beginning Balance (As of 1/1/2024)	This Period January 1 to December 31, 2024		Ending Balance (As of 12/31/24)
		NS/ND/NC	NSSDC	
Notice of Suspension	₱ 0.00	₱ 0.00	₱ 0.00	₱ 0.00
Notice of Disallowance	4,003,000.00	0.00	0.00	4,003,000.00
Notice of Charge	0.00	0.00	0.00	0.00

Status of Implementation of Prior Years' Recommendations

Of the 45 audit recommendations contained in the CY 2023 and prior years' Annual Audit Reports, eight were implemented and 37 were unimplemented. Of the eight implemented recommendations, two were closed due to changes in conditions. Meanwhile, of the 37 unimplemented recommendations, three were reiterated and included in audit observation numbers 1 and 9, while eight were restated in audit observation numbers 1, 2, 3, 5, and 6 in Part II of this report, in view of the similarity of the issues involved.

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PART I
AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

HONORABLE JOSE A. ABIERA

Municipal Mayor
Municipality of Sibulan
Province of Negros Oriental

Qualified Opinion

We have audited the financial statements of the Municipality of Sibulan, Province of Negros Oriental, which comprise the statement of financial position as at December 31, 2024, and the statement of financial performance, statement of changes in net assets/equity, statement of cash flows, and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Bases of Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality of Sibulan as of December 31, 2024, and its financial performance, its cash flows, and its comparison of budget and actual amounts for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Bases for Qualified Opinion

As discussed in Part II of this Report:

1. The Local Government Unit did not take advantage of the guidelines and procedures on the one-time cleansing of Property, Plant and Equipment (PPE), thus affecting the fairness of presentation of the financial position in the financial statements and depriving the government of reliable and useful information in decision-making and accountability for these assets;
2. The Real Property Tax (RPT) and Special Education Tax (SET) receivables were not properly set up and maintained, thus, showing nil balances instead of ₱34,098,709.48, thereby understating the RPT and SET receivables by the same amount; and
3. The transfer of the unexpended balance of the LDRRMF- Quick Response Fund (QRF) and the Maintenance and Other Operating Expenses (MOOE) of the Mitigation Fund (MF) was not recorded in the Trust Fund books during the year, contrary to Items 5.1.10 and 5.1.12 of COA Circular No. 2012-02 dated September 12, 2012, resulting in the understatement of the receivable and trust liability accounts by ₱5,512,645.49.

We have conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our qualified opinion.

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 IPSASs, and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the LGU's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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.

COMMISSION ON AUDIT

By



REGIE R. BAOY
State Auditor II
OIC-Audit Team Leader

June 09, 2025



Republic of the Philippines
Municipality of Sibulan
Province of Negros Oriental

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of the Municipality of Sibulan is responsible for all information and representation contained in the accompanying Statement of Financial Position as of December 31, 2024 (With comparative figures for 2023) and the related Statement of Financial Performance and Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity for the then ended and the summary of significant accounting policies and other explanative information. The financial statements have been prepared in conformity with the International Public Sector Accounting Standards (IPSAS) and reflect amounts that are based on best estimates and informed judgment of management with an appropriate consideration of materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recognized, assets are safeguarded against unauthorized use or disposition and liabilities recognized.

ANDRIAN ROLPH P. DESPI, CPA
Accountant / Head of the Finance Dept.

April 16, 2025
Date Signed

ATTY. JOSE A. ARIERA
Head of Agency / Chief Executive

April 16, 2025
Date Signed

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF FINANCIAL POSITION
As of December 31, 2024
(With Comparative Figures for CY 2023)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	4	₱ 381,290,927.15	₱ 364,737,033.07
Investments	5	1,622.65	1,622.65
Receivables	6	5,307,712.46	7,103,357.17
Inventories	7	3,178,505.69	1,903,658.10
Prepayments and Deferred Charges	8	1,101,234.10	-
Total Current Assets		₱ 390,880,002.05	₱ 373,745,670.99
<i>Non-Current Assets</i>			
Investments		-	-
Receivables		-	-
Investment Property		-	-
Property, Plant and Equipment	9	436,697,315.77	400,139,420.36
Biological Assets	10	657,947.00	580,447.00
Intangible Assets	11	76,768.50	76,768.50
Total Non-Current Assets		₱ 437,432,031.27	₱ 400,796,635.86
Total Assets		₱ 828,312,033.32	₱ 774,542,306.85
LIABILITIES			
<i>Current Liabilities</i>			
Financial Liabilities	12	₱ 10,558,021.00	₱ 8,739,680.06
Inter-Agency Payables	13	12,796,529.69	19,367,595.47
Intra-Agency Payables	14	1,770,945.35	1,547,086.63
Trust Liabilities	15	21,846,271.08	16,926,426.20
Deferred Credits/Unearned Income	16	7,834,255.66	6,860,031.24
Provisions		-	-
Other Payables	17	28,461,813.08	25,431,434.53
Total Current Liabilities		₱ 83,267,835.86	₱ 78,872,254.13
<i>Non-Current Liabilities</i>			
Financial Liabilities		-	-
Deferred Credits/Unearned Income		-	-
Provisions		-	-
Other Payables		-	-
Total Non-Current Liabilities		₱ -	₱ -
Total Liabilities		₱ 83,267,835.86	₱ 78,872,254.13
NET ASSETS/EQUITY			
Government Equity		₱ 745,044,197.46	₱ 695,670,052.72
Total Liabilities and Net Assets/Equity		₱ 828,312,033.32	₱ 774,542,306.85

See accompanying Notes to Financial Statements.

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Revenue			
Tax Revenue	18	₱ 57,086,202.09	₱ 50,245,634.94
Share from Internal Revenue Collections	19	238,180,268.00	224,122,774.00
Other Share from National Taxes		-	-
Service and Business Income	20	24,850,424.07	24,313,676.49
Shares, Grants and Donations	21	4,471,531.04	4,200,341.85
Gains		-	-
Miscellaneous Income	22	944,263.64	1,001,166.30
Total Revenue		<u>325,532,688.84</u>	<u>303,883,593.58</u>
Less: Current Operating Expenses			
Personnel Services	23	95,632,616.70	85,954,730.44
Maintenance and Other Operating Expenses	24	148,522,271.73	128,653,265.25
Financial Expenses		-	-
Non-cash Expenses	25	28,921,210.25	23,963,215.69
Loss on Sale of Biological Assets			
Current Operating Expenses		<u>273,076,098.68</u>	<u>238,571,211.38</u>
Surplus (Deficit) from Current Operation		52,456,590.16	65,312,382.20
Add (Deduct):			
Transfers, Assistance and Subsidy From		-	-
Transfers, Assistance and Subsidy To	26	1,513,000.00	1,367,660.00
Net Financial Assistance/Subsidy		<u>(1,513,000.00)</u>	<u>(1,367,660.00)</u>
Surplus (Deficit) for the period		<u>₱ 50,943,590.16</u>	<u>₱ 63,944,722.20</u>

See accompanying Notes to Financial Statements.

Province of Negros Oriental
Municipality of Sibulan
Statement of Changes in Net Assets/Equity
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	Note	<u>2024</u>	<u>2023</u>
Balance, January 1		₱ 695,670,052.72	₱ 630,789,074.25
Add (Deduct)			
Change in Accounting Policy			1,650,762.12
Prior Period Errors		<u>(2,867,239.15)</u>	<u>(5,192,656.78)</u>
Restated Balance		₱ <u>692,802,813.57</u>	₱ <u>627,247,179.59</u>
Add (Deduct) Changes in Net Assets/Equity during the year			
Adjustments recognized directly in Net Assets/Equity	27	1,297,793.73	4,478,150.93
Surplus (Deficit) for the period		<u>50,943,590.16</u>	<u>63,944,722.20</u>
Total reconized revenue and expenses for the period		₱ <u>52,241,383.89</u>	₱ <u>68,422,873.13</u>
Balance, December 31		₱ <u><u>745,044,197.46</u></u>	₱ <u><u>695,670,052.72</u></u>

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:			
Cash Inflows:			
Collection from Taxpayers		₱ 67,175,035.03	₱ 61,729,619.47
Share from Internal Revenue Allotment		238,180,268.00	224,122,774.00
Receipts from business/service income		26,399,094.48	25,228,278.23
Interest Income		103,987.54	31,196.66
Dividend Income		-	-
Other Receipts		<u>175,605,714.49</u>	<u>49,655,265.20</u>
Total Cash Inflow		₱ <u>507,464,099.54</u>	₱ <u>360,767,133.56</u>
Cash Outflows:			
Payment of expenses		₱ 133,546,252.08	₱ 128,026,706.52
Payments to suppliers and creditors		14,243,977.17	19,606,211.00
Payments to employees		92,127,314.78	83,828,134.64
Interest Expenses		-	-
Other Expenses		<u>181,638,694.93</u>	<u>38,182,036.64</u>
Total Cash Outflow		₱ <u>421,556,238.96</u>	₱ <u>269,643,088.80</u>
Net Cash from Operating Activities	28	₱ <u>85,907,860.58</u>	₱ <u>91,124,044.76</u>
Cash Flows from Investing Activities:			
Cash Inflows:			
Proceeds from Sale of Investment Property		₱ -	₱ -
Proceeds from Sale/Disposal of Property, Plant & Equipment		-	-
Proceeds from Sale of Non-Current Investments		-	-
Collection of Principal on loans to other entities		-	-
Total Cash Inflow		₱ <u>-</u>	₱ <u>-</u>
Cash Outflows:			
Purchase/Construction of Investment Property		₱ -	₱ -
Purchase/Construction of Property, Plant & Equipment		69,353,966.50	53,911,742.62
Investment		-	-
Purchase of Bearer Biological Assets		-	-
Purchase of Intangible Assets		-	-
Grant of Loans		-	-
Total Cash Outflow		₱ <u>69,353,966.50</u>	₱ <u>53,911,742.62</u>
Net Cash from Investing Activities		₱ <u>(69,353,966.50)</u>	₱ <u>(53,911,742.62)</u>
Cash Flows from Financing Activities:			
Cash Inflows:			
Proceeds from issuance of bonds		₱ -	₱ -
Proceeds from Loans		-	-
Total Cash Inflow		₱ <u>-</u>	₱ <u>-</u>
Cash Outflows:			
Payment of Long-Term Liabilities		₱ -	₱ -
Retirement/Redemption of Debt Securities		-	-
Payment of Loan Amortization		-	-
Total Cash Outflow		₱ <u>-</u>	₱ <u>-</u>
Net Cash from Financing Activities		₱ <u>-</u>	₱ <u>-</u>
Total Cash Provided by Operating, Investing & Financing Activities		₱ <u>16,553,894.08</u>	₱ <u>37,212,302.14</u>
Cash, Beginning of the Period		<u>364,737,033.07</u>	<u>327,524,730.93</u>
Cash, at the end of the Period	4	₱ <u>381,290,927.15</u>	₱ <u>364,737,033.07</u>

See accompanying Notes to Financial Statements.

Municipality of Sibulan, Negros Oriental
Statement of Comparison of Budget and Actual Amounts
All Funds
For the Year Ended December 31, 2024
(With comparative figures for CY 2023)

Particulars	Budgeted Amounts					Difference		Actual Amounts		Difference	
	Original		Final		Original and Final Budget		2024	2023	Final Budget and Actual		
	2024	2023	2024	2023	2024	2023			2024	2023	
Revenue											
A. Local Sources											
1. Tax Revenue											
a. Tax Revenue - Property	9,781,631.00	10,052,190.00	9,781,631.00	10,052,190.00	-	-	13,669,968.12	13,091,831.07	(3,888,337.12)	(3,039,641.07)	
b. Tax Revenue - Goods and Services	34,408,331.00	25,255,710.00	34,408,331.00	25,255,710.00	-	-	41,069,894.06	34,753,925.24	(6,661,563.06)	(9,498,215.24)	
c. Other Local Taxes	1,847,707.78	2,158,242.00	1,847,707.78	2,158,242.00	-	-	2,296,515.91	2,399,878.63	(448,808.13)	(241,636.63)	
Total Tax Revenue	46,037,669.78	37,466,142.00	46,037,669.78	37,466,142.00	-	-	57,036,378.09	50,245,634.94	(10,998,708.31)	(12,779,492.94)	
2. Non-Tax Revenue											
a. Service Income	7,417,949.00	5,740,571.00	7,417,949.00	5,740,571.00	-	-	10,591,266.94	9,703,144.89	(3,173,317.94)	(3,962,573.89)	
b. Business Income	1,007,284.22	345,000.00	1,007,284.22	345,000.00	-	-	1,702,799.74	1,019,938.96	(695,515.52)	(674,938.96)	
c. Other Income and Receipts	10,142,556.00	7,060,262.00	10,142,556.00	7,060,262.00	-	-	13,415,428.96	14,591,758.94	(3,272,872.96)	(7,531,496.94)	
Total Non-Tax Revenue	18,567,789.22	13,145,833.00	18,567,789.22	13,145,833.00	-	-	25,709,495.64	25,314,842.79	(7,141,706.42)	(12,169,009.79)	
B. External Sources											
1. Share from the National Internal Revenue Taxes	238,126,777.00	224,129,365.00	238,126,777.00	224,129,365.00	-	-	238,180,268.00	224,122,774.00	(53,491.00)	6,591.00	
2. Share from GOCCs	-	-	-	-	-	-	-	-	-	-	
3. Other Shares from National Tax Collections	-	-	-	-	-	-	-	-	-	-	
a. Share from Ecozone	-	-	-	-	-	-	-	-	-	-	
b. Share from EVAT	-	-	-	-	-	-	-	-	-	-	
c. Share from National Wealth	-	-	-	-	-	-	-	-	-	-	
d. Share from Tobacco Excise Tax	-	-	-	-	-	-	-	-	-	-	
4. Other Receipts	-	-	-	-	-	-	-	-	-	-	
a. Grants and Donations	-	-	-	-	-	-	-	-	-	-	
b. Other Subsidy Income	-	-	-	-	-	-	-	-	-	-	
5. Inter-local Transfer	-	-	-	-	-	-	-	-	-	-	
6. Capital/Investment Receipts	-	-	-	-	-	-	-	-	-	-	
a. Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	
b. Sale of Investments	-	-	-	-	-	-	-	-	-	-	
c. Proceeds from Collections of Loan Receivables	-	-	-	-	-	-	-	-	-	-	
C. Receipts from Borrowings	-	-	-	-	-	-	-	-	-	-	
Total Revenue and Receipts	302,732,236.00	274,741,340.00	302,732,236.00	274,741,340.00	-	-	320,926,141.73	299,683,251.73	(18,193,905.73)	(24,941,911.73)	
Expenditures											
Current Appropriations											
General Public Services											
Personal Services	63,218,845.00	62,133,072.00	72,711,806.14	65,522,746.56	(9,492,961.14)	(3,389,674.56)	66,574,544.28	60,416,617.63	6,137,261.86	5,106,128.93	
Maintenance and Other Operating Expenses	65,880,262.58	58,026,092.32	76,176,511.80	70,173,241.57	(10,296,249.22)	(12,147,149.25)	65,490,925.44	61,543,146.23	10,685,586.36	8,630,095.34	
Capital Outlay	580,000.00	4,915,000.00	3,490,000.00	20,849,053.93	(2,910,000.00)	(15,934,053.93)	350,425.00	4,127,403.85	3,139,575.00	16,721,650.08	
Education											
Personal Services	656,400.00	570,240.00	570,745.10	547,384.00	85,654.90	22,856.00	539,972.30	539,384.00	30,772.80	8,000.00	
Maintenance and Other Operating Expenses	5,206,591.56	4,026,942.36	5,207,246.46	3,928,818.13	(654.90)	98,124.23	4,868,307.60	3,850,646.26	338,938.86	78,171.87	
Capital Outlay	306,500.00	179,117.64	551,500.00	300,097.87	(245,000.00)	(120,980.23)	361,572.00	123,654.00	189,928.00	176,443.87	
Health, Nutrition and Population Control											
Personal Services	13,404,092.00	12,532,017.00	14,315,967.06	12,594,976.71	(911,875.06)	(62,959.71)	13,991,516.26	12,178,434.93	324,450.80	416,541.78	
Maintenance and Other Operating Expenses	13,663,200.00	10,506,300.00	15,024,242.00	12,200,156.00	(1,361,042.00)	(1,693,856.00)	13,123,399.45	10,234,434.15	1,900,842.55	1,965,721.85	
Capital Outlay	-	-	200,000.00	-	(200,000.00)	-	-	-	200,000.00	-	
Labor and Employment											
Personal Services	-	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Housing and Community Development											
Personal Services	-	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Social Services and Social Welfare											
Personal Services	3,961,493.00	3,927,422.00	4,588,807.59	4,143,934.45	(627,314.59)	(216,512.45)	4,477,833.69	3,992,220.70	110,973.90	151,713.75	
Maintenance and Other Operating Expenses	37,322,641.31	30,021,076.90	37,629,026.03	34,979,396.08	(306,384.72)	(4,958,319.18)	30,108,030.21	28,991,942.05	7,520,995.82	5,987,454.03	
Capital Outlay	1,000,074.76	2,030,000.00	1,000,074.76	2,065,000.00	-	(35,000.00)	595,175.00	1,421,229.00	404,899.76	643,771.00	
Economic Services											
Personal Services	8,877,315.00	9,813,964.00	10,532,585.94	9,370,211.78	(1,655,270.94)	443,752.22	10,067,297.71	8,828,073.18	465,288.23	542,138.60	
Maintenance and Other Operating Expenses	25,541,305.00	15,882,175.00	30,007,831.30	19,662,498.65	(4,466,526.30)	(3,780,323.65)	25,598,631.49	16,693,851.87	4,409,199.81	2,968,646.78	
Capital Outlay	600,000.00	850,000.00	1,275,000.00	1,200,015.00	(675,000.00)	(350,015.00)	201,195.00	508,625.00	1,073,805.00	691,390.00	
Other Purposes:											
Debt Service	-	-	-	-	-	-	-	-	-	-	
Financial Expense	-	-	-	-	-	-	-	-	-	-	
Amortization	-	-	-	-	-	-	-	-	-	-	
LDRRMF											
Maintenance and Other Operating Expenses	6,363,234.49	5,952,693.25	6,658,731.49	6,283,836.81	(295,497.00)	(331,143.56)	6,658,731.49	6,283,836.81	-	-	
Capital Outlay	8,014,213.81	7,150,000.00	8,014,213.81	13,674,511.01	-	(6,524,511.01)	717,908.40	659,138.36	7,296,305.41	13,015,372.65	
20% Development Fund											
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	47,625,355.40	44,825,873.00	64,294,686.03	64,095,280.43	(16,669,330.63)	(19,269,407.43)	15,795,669.16	13,623,475.44	48,499,016.87	50,471,804.99	

Particulars	Budgeted Amounts					Difference		Actual Amounts		Difference	
	Original		Final		Original and Final Budget				Final Budget and Actual		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Share from National Wealth											
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Allocation for Senior Citizens and PWD											
Maintenance and Other Operating Expenses	1,412,738.65	1,399,354.53	1,412,738.65	1,399,354.53	-	-	697,396.25	121,531.00	715,342.40	1,277,823.53	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Others											
Personal Services	-	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Current Appropriations	303,634,262.56	274,741,340.00	353,661,714.16	342,990,513.51	(50,027,451.60)	(68,249,173.51)	260,218,530.73	234,137,644.46	93,443,183.43	108,852,869.05	
Continuing Appropriations											
General Public Services											
Capital Outlay	26,158,134.68	13,326,788.31	26,158,134.68	12,059,321.50	-	1,267,466.81	12,080,032.38	1,619,831.90	14,078,102.30	10,439,489.60	-
Education											
Capital Outlay	176,443.87	944,387.56	176,443.87	944,387.56	-	-	-	42,360.00	176,443.87	902,027.56	-
Health, Nutrition and Population Control											
Capital Outlay	1,020,005.00	1,292,806.80	1,020,005.00	1,020,005.00	-	272,801.80	37,562.50	-	982,442.50	1,020,005.00	-
Labor and Employment											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Housing and Community Development											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Social Services and Social Welfare											
Capital Outlay	20,227,631.40	19,375,191.61	20,227,631.40	12,206,181.60	-	7,169,010.01	4,638,370.10	5,637,693.85	15,589,261.30	6,568,487.75	-
Economic Services											
Capital Outlay	65,625,777.78	82,449,111.70	34,223,542.66	62,424,841.36	31,402,235.12	20,024,270.34	34,223,542.66	27,444,275.16	-	34,980,566.20	-
Other Purposes:											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Continuing Appropriations	113,207,992.73	117,388,285.98	81,805,757.61	88,654,737.02	31,402,235.12	28,733,548.96	50,979,507.64	34,744,160.91	30,826,249.97	53,910,576.11	
Total Appropriations	416,842,255.29	392,129,625.98	435,467,471.77	431,645,250.53	(18,625,216.48)	(39,515,624.55)	311,198,038.37	268,881,805.37	124,269,433.40	162,763,445.16	

Notes to Financial Statements

(All amounts in Philippine Peso unless otherwise stated)

Note 1. General Agency Profile

1.1 The Municipality of Sibulan is among the 19 towns of the Province of Negros Oriental. On April 2, 1903, by virtue of Republic Act No. 715, Sibulan was fused with Dumaguete which was then still a Municipality. Seven years later, on January 31, 1910, through the passage of Republic Act No. 52, Sibulan was separated from Dumaguete and officially recognized as a Municipality.

The Municipality of Sibulan serves primarily as a general purpose government for the coordinated delivery of basic, regular and direct services and effective governance of the inhabitants within its territorial jurisdiction. Like other government units, it enjoys total independence in managing, deciding and planning its own administrative fiscal and development affairs in conformity with the national government's thrust for sustainable and socio-economic growth.

1.2 Pursuant to Republic Act No. 7160, the Local Government Code of 1991, LGUs have the following goals:

- a. To improve the quality of life of the constituents and alleviate poverty through sustainable activities to meet the minimum basic needs;
- b. To attain economic growth and social equity through agricultural development with a balanced ecology;
- c. To maximize the development of business and industry to generate employment and increase income and purchasing power of the constituents;
- d. To provide infrastructures and utilities in support of the people's economic, social, political and ecological, activities as well as develop and create a climate favorable to industrialization;
- e. To ensure effective governance through responsive fiscal and administrative management;
- f. To encourage active participation of Non-governmental Organization/Private Organizations (NGOs/POs) and special bodies in the planning and implementation of community programs and projects;
and
- g. To provide livelihood and employment opportunities.

Note 2. Basis of Financial Statement Preparation

The financial statements are prepared in accordance with and in compliance with the International Public Sector Accounting Standards (IPSAS) per COA Circular No. 2021-004 dated July 1, 2021. The financial statements are presented in pesos, which is the functional and reporting currency of the Municipality. The accounting policies have been applied starting from the year 2015.

Note 3. Summary of Significant Accounting Policies

3.1 Basis of accounting

The financial statements are prepared on an accrual basis in accordance with IPSAS.

3.2 Consolidation

The controlled funds are all those over which the controlling entity has the power to govern the financial and operating policies. Intra-agency transactions and balances between entities and funds are eliminated in full. The LGU maintains special accounts under the General Fund for the following economic enterprises and/or special accounts:

- General Fund Proper;
- Market Operations;
- Port Terminal Operations;
- Slaughterhouse Operations;
- 20% Development Fund; and
- Bayanihan Grant to Cities and Municipalities (BGCM).

These are the accounts that are eliminated as a result of intra-agency transactions:

Receivables:	
20% EDF	1,265,606.03
Market	(2,920,961.67)
Port	5,677,322.04
Slaughterhouse	888,314.34
Due from Local Economic Enterprise	2,801,908.98
Proper	34,210.81
Total	<u><u>7,746,400.53</u></u>

Payables:	
Payable to 20% EDF	1,265,606.03
Market	2,200,000.00
Port	300,408.80
Slaughterhouse	335,710.99
Proper	3,644,674.71
Total	<u><u>7,746,400.53</u></u>

3.3 Revenue recognition

Revenue from non-exchange transactions

Taxes, fees, and fines

The LGU recognizes revenues from taxes and fines when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, a liability is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefit or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the LGU and can be measured reliably.

The LGU availed of the five-year transitional provision for the recognition of Tax Revenue- Real Property and Special Education Tax. For the two-year period (2017 and 2016), there will be no change in policy for the recognition of the aforementioned tax revenue.

Revenue from exchange transactions

Rendering of services

The LGU recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses are incurred.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and included in revenue.

3.4 Property, Plant, and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the LGU recognizes such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset.

Depreciation is charged at rates calculated to allocate cost or valuation of the asset less any estimated residual value over its remaining useful life.

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount. The LGU derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

Public Infrastructure was not previously recognized in the books. The LGU availed of the 5-year transitional provision for the recognition of the public infrastructure. For the first year of implementation of the PPSAS (2015), the LGU did not recognize the public infrastructure in the books of accounts.

3.5 Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditures are reflected in surplus or deficit in the period in which the expenditures are incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over its useful life. Software is amortized for 10-20 years.

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

3.6 Impairment of non-financial assets

Impairment of cash-generating assets

At each reporting date, the LGU assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the LGU estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the LGU estimates the asset's cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

Impairment of non-cash-generating assets

The LGU assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the LGU estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the LGU adopted the depreciated replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset. In determining fair value less costs to sell, the price

of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the LGU determines fair value less cost to sell based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the LGU estimates the asset's recoverable service amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

3.7 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables, as appropriate. The LGU determines the classification of its financial assets at initial recognition.

The LGU financial assets include: cash and short-term deposits; trade and other receivables; loans and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The LGU determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings.

The LGU's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.9 Changes in accounting policies and estimates

The LGU recognizes the effects of changes in accounting policies retrospectively. The effects of changes in accounting policies are applied prospectively if retrospective application is impractical.

The LGU recognizes the effects of changes in accounting estimates prospectively by including them in the surplus or deficit.

3.10 Related parties

The LGU regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the LGU, or vice versa. Members of key management personnel are regarded as related parties and comprise the Governor, Mayors, Vice-Governors and Vice-Mayors, Sanggunian Members, Committee Officials and Members, Accountants, Treasurers, Budget Officers, General Services and all Chiefs of Departments/Divisions.

3.11 Budget information

The annual budget is prepared on a modified cash basis, that is, all planned costs and income are presented in a single statement to determine the needs of the LGU. As a result of the adoption of the modified cash basis for budgeting purposes, there are basis, timing, or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on line items.

3.12 Significant judgments and sources of estimation uncertainty

Judgments

In the process of applying the LGUs' accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Operating lease commitments – LGU as lessor

The LGU has entered into property leases of certain of its properties. The LGU has determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of

the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts as operating leases

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The LGU based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the LGU. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the LGU;
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- c) The nature of the processes in which the asset is deployed; and
- d) Changes in the market in relation to the asset

Impairment of non-financial assets – cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher between value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact management's estimations and require a material adjustment to the carrying value of tangible assets.

The LGU reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Cash-generating assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates of expected future cash flows are prepared for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Impairment of non-financial assets – non-cash-generating assets

The LGU reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that there may be a reduction in the future service potential that can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the LGU undertakes impairment tests, which require the determination of the fair value of the asset and its recoverable service amount. The estimation of these inputs into the calculation relies on the use estimates and assumptions.

Any subsequent changes to the factors supporting these estimates and assumptions may have an impact on the reported carrying amount of the related asset.

3.13 Impairment Loss

For the year ended December 31, 2015, as the transition period of converting accounting policies from New Government Accounting System (NGAS) to IPSAS there was no recorded provision for impairment of any assets.

Note 4. Cash and Cash Equivalents

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
Cash on Hand		
Cash in Local Treasury	₱ 3,962,560.90	₱ 3,923,748.13
Petty Cash	8,418.53	12,148.53
Cash in Bank – Local Currency		
Cash in Bank – Local, Currency, Current Account	371,276,634.22	354,822,151.08
Cash in Bank – Local, Currency, Savings Account	6,043,313.50	5,978,985.33
Total Cash and Cash Equivalents	₱ 381,290,927.15	₱ 364,737,033.07

Cash in banks earns interest at prevailing bank deposit rates.

Note 5. Investments*Current Investments*

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
Financial Assets -Others		
Deposits on Letters of Credit	₱ 1,622.65	₱ 1,622.65
Total Current Investments	₱ 1,622.65	₱ 1,622.65

Note 6. Receivables, Net

This account is composed of the following:

Current Receivables, Net

Loans and Receivable Accounts		
Accounts Receivable	₱ 0.00	₱ 4,098.45
Loans Receivable – Others	40,650.00	42,650.00
Inter-Agency Receivables		
Due from NGAs	99,770.82	99,770.82
Due from GOCCs	6,228.19	6,228.19
Due from LGUs	826,000.07	1,059,333.34
Intra-Agency Receivables		
Due from Other Funds	5,168,977.94	61,286,414.02
Due from Local Economic Enterprise	2,801,908.98	2,985,100.00
Advances		
Advances for Operating Expenses	355,171.72	2,031,011.82
Advances for Payroll	907,644.16	912,371.16
Advances to Officers and Employees	521,005.00	500,000.00
Other Receivables		
Receivables – Disallowances/Charges	106,900.00	106,900.00
Due from Officers and Employees	142,292.22	165,940.83
Other Receivables	2,077,563.89	1,984,637.80
Total Current Receivables	13,054,112.99	71,184,456.43
Elimination of reciprocal accounts	(7,746,400.53)	(64,081,099.26)
Total Current Receivables, Net	₱ 5,307,712.46	₱ 7,103,357.17

Note 7. Inventories

This account is composed of the following:

Inventory Held for Consumption		
Office Supplies Inventory	₱ 600,786.93	₱ 384,225.65

	2024	2023
Accountable Forms, Plates and Stickers	129,412.40	0.00
Animal/Zoological Supplies Inventory	668,790.00	48,080.00
Drugs and Medicines Inventory	682,768.04	358,736.80
Medical, Dental and Laboratory Supplies Inventory	194,727.18	89,110.00
Agricultural and Marine Supplies Inventory	362,390.00	55,000.00
Other Supplies and Materials Inventory	539,631.14	968,505.65
Total Inventories	₱ 3,178,505.69	₱ 1,903,658.10

	As at 01/01/24	Additions	Expensed	Transfers/ Adjustments	As at 12/31/24
Office Supplies Inventory	384,225.65	1,548,960.15	(1,332,398.87)	0.00	600,786.93
Accountable Forms, Plates, and Stickers Inventory	0.00	436,681.40	(307,269.00)	0.00	129,412.40
Animal/ Zoological Supplies Inventory	48,080.00	827,516.00	(206,806.00)	0.00	668,790.00
Drugs and Medicines Inventory	358,736.80	4,929,911.68	(4,605,880.44)	0.00	682,768.04
Medical, Dental and Laboratory Supplies Inventory	89,110.00	639,262.25	(533,645.07)	0.00	194,727.18
Agricultural and Marine Supplies Inventory	55,000.00	307,390.00	0.00	0.00	362,390.00
Other Supplies and Materials Inventory	968,505.65	2,788,126.53	(3,217,001.04)	0.00	539,631.14
Total	1,903,658.10	11,477,848.01	(10,203,000.42)	0.00	3,178,505.69

Office Supplies Inventory - This account is used to recognize the cost or value of purchased/acquired office supplies such as bond papers, inks, and small tangible items like staple wire removers, punchers, staplers, and other similar items for government operations.

Animal/ Zoological Supplies Inventory - This account is used to recognize the cost of food, medicines, veterinary and other maintenance needs of animals for use/consumption in government parks, zoos, wildlife sanctuaries and botanical gardens. This also includes supplies for zoological researches, preservations and the like.

Drugs and Medicines Inventory - This account is used to recognize the cost of drugs and medicines purchased/received for government operations.

- Medical, Dental and Laboratory Supplies Inventory - This account is used to recognize the cost of medical, dental and laboratory supplies purchased/received for government operations.
- Agricultural and Marine Supplies Inventory - This account is used to recognize the cost of fertilizers, pesticides and other marine and agricultural supplies for use in government operations. This includes supplies for aquaculture researches, environment protection/preservations and the like.
- Other Supplies and Materials Inventory - This account is used to recognize the cost of purchased/acquired supplies and materials not falling under any of the specific inventory accounts held for consumption.

Note 8. Prepayments and Deferred Charges

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
Prepayments		
Advances to Contractors	₱ 1,101,234.10	₱ 0.00
Total Prepayments and Deferred Charges	₱ 1,101,234.10	₱ 0.00

Note 9. Property, Plant and Equipment (PPE), Net

This account is composed of the following:

Land	₱ 27,315,417.33	₱ 27,315,417.33
Land Improvements		
Other Land Improvements	3,818,303.60	3,818,303.60
<i>Accumulated Depreciation – Other Land Improvements</i>	(2,051,582.95)	(1,952,117.60)
Total Land Improvements, Net	1,766,720.65	1,866,186.00
Infrastructure Assets		
Road Networks	129,300,006.52	97,899,920.72
<i>Accumulated Depreciation – Road Networks</i>	(35,601,553.54)	(25,849,044.66)
Flood Control Systems	46,218,941.30	24,501,015.52
<i>Accumulated Depreciation – Flood Control Systems</i>	(7,675,875.16)	(3,993,687.68)
Water Supply Systems	4,075,342.94	4,075,342.94
<i>Accumulated Depreciation – Water Supply Systems</i>	(1,288,854.64)	(1,004,293.24)
Power Supply Systems	375,000.00	279,000.00
<i>Accumulated Depreciation – Power Supply Systems</i>	(150,266.25)	(119,533.75)

	<u>2024</u>	<u>2023</u>
Communication Networks	0.00	12,000.00
<i>Accumulated Depreciation – Communication Networks</i>	0.00	(9,500.00)
Seaport Systems	1,123,638.21	1,123,638.21
<i>Accumulated Depreciation – Seaport Systems</i>	(948,024.69)	(948,024.69)
Parks, Plazas, and Monuments	3,497,093.38	950,750.50
<i>Accumulated Depreciation, – Parks, Plazas, and Monuments</i>	(368,226.52)	(90,321.24)
Other Infrastructure Assets	17,979,506.37	16,699,064.95
<i>Accumulated Depreciation – Other Infrastructure Assets</i>	(5,859,814.19)	(4,686,550.14)
<i>Total Infrastructure Assets, Net</i>	150,676,913.73	108,839,777.44
Buildings and Other Structures		
Buildings	72,162,294.83	38,892,528.45
<i>Accumulated Depreciation – Buildings</i>	(16,356,022.91)	(13,308,449.39)
School Buildings	6,932,537.98	5,854,394.98
<i>Accumulated Depreciation – School Buildings</i>	(3,333,994.10)	(3,190,286.74)
Hospitals and Health Centers	1,979,699.08	1,979,699.08
<i>Accumulated Depreciation- Hospitals and Health Centers</i>	(978,005.62)	(978,005.62)
Markets	21,150,396.53	21,150,396.53
<i>Accumulated Depreciation – Markets</i>	(5,260,030.72)	(5,260,030.72)
Slaughterhouses	2,606,313.86	2,606,313.86
<i>Accumulated Depreciation – Slaughterhouses</i>	(1,983,029.27)	(1,983,029.27)
Other Structures	8,563,522.02	7,943,458.48
<i>Accumulated Depreciation – Other Structures</i>	(4,407,135.73)	(4,237,018.81)
<i>Total Buildings and Other Structures, Net</i>	81,076,545.95	49,469,970.83
Machinery and Equipment		
Machinery	10,522,630.00	10,542,610.00
<i>Accumulated Depreciation – Machinery</i>	(3,045,143.86)	(2,232,742.27)
Office Equipment	5,551,626.75	6,366,990.90
<i>Accumulated Depreciation – Office Equipment</i>	(2,876,464.77)	(3,133,067.82)
Information and Communication Technology Equipment	7,357,349.00	11,590,514.00
<i>Accumulated Depreciation - Information and Communication Technology Equipment</i>	(5,756,904.90)	(7,562,091.93)
Agricultural and Forestry Equipment	1,066,399.00	1,066,399.00
<i>Accumulated Deprecation – Agricultural and Forestry Equipment</i>	(730,774.31)	(633,082.61)
Marine and Fishery Equipment	119,000.00	119,000.00
<i>Accumulated Depreciation – Marine and Fishery Equipment</i>	(58,409.27)	(43,335.91)
Communication Equipment	403,090.00	403,090.00
<i>Accumulated Depreciation – Communication Equipment</i>	(368,984.75)	(358,430.50)

	<u>2024</u>	<u>2023</u>
Construction and Heavy Equipment	61,051,244.50	49,522,244.50
<i>Accumulated Depreciation – Construction and Heavy Equipment</i>	(27,021,624.21)	(22,684,644.45)
Disaster Response and Rescue Equipment	12,736,213.17	11,208,168.17
<i>Accumulated Depreciation – Disaster Response and Rescue Equipment</i>	(7,168,256.92)	(5,852,812.30)
Military, Police and Security Equipment	837,660.00	837,660.00
<i>Accumulated Depreciation – Military, Police and Security Equipment</i>	(479,508.45)	(446,297.37)
Medical Equipment	1,389,427.00	1,389,427.00
<i>Accumulated Depreciation – Medical Equipment</i>	(1,220,582.88)	(1,033,086.30)
Printing Equipment	170,000.00	170,000.00
<i>Accumulated Depreciation – Printing Equipment</i>	(114,000.12)	(96,900.12)
Sports Equipment	304,406.10	304,406.10
<i>Accumulated Depreciation – Sports Equipment</i>	(289,185.60)	(289,185.60)
Technical and Scientific Equipment	341,740.00	341,740.00
<i>Accumulated Depreciation – Technical and Scientific Equipment</i>	(161,095.49)	(120,316.69)
Other Machinery and Equipment	6,006,612.70	6,351,176.25
<i>Accumulated Depreciation – Other Machinery and Equipment</i>	(4,548,338.68)	(4,274,038.98)
<i>Total Machinery and Equipment, Net</i>	54,018,124.01	51,453,393.07
Transportation Equipment		
Motor Vehicles	23,276,236.60	20,131,236.60
<i>Accumulated Depreciation – Motor Vehicles</i>	(9,739,086.97)	(8,361,702.83)
Watercrafts	264,755.24	264,755.24
<i>Accumulated Depreciation – Watercrafts</i>	(221,709.34)	(221,709.34)
Other Transportation Equipment	2,650,000.00	2,650,000.00
<i>Accumulated Depreciation – Other Transportation Equipment</i>	(482,520.91)	(230,770.87)
<i>Total Transportation Equipment, Net</i>	15,747,674.62	14,231,808.80
Furniture, Fixtures, and Books		
Furniture and Fixtures	3,302,803.47	4,417,154.47
<i>Accumulated Depreciation – Furniture and Fixtures</i>	(1,959,740.72)	(2,394,226.44)
Books	57,886.85	57,886.85
<i>Accumulated Depreciation – Books</i>	0.00	0.00
<i>Total Furniture, Fixtures, and Books, Net</i>	1,400,949.60	2,080,814.88
Construction in Progress		
CIP – Land Improvements	553,570.60	553,570.60
CIP – Infrastructure Assets	60,923,451.68	86,250,085.20
CIP – Buildings and Other Structures	42,901,086.06	57,728,124.44
<i>Total Construction in Progress</i>	104,378,108.34	144,531,780.24

	<u>2024</u>	<u>2023</u>
Other Property, Plant, and Equipment		
Other Property, Plant and Equipment	1,412,332.46	1,447,632.46
<i>Accumulated Depreciation – Other Property, Plant and Equipment</i>	(1,095,470.92)	(1,097,360.69)
Total Other Property, Plant and Equipment, Net	316,861.54	350,271.77
Total Property, Plant, and Equipment, Net	₱ 436,697,315.77	₱ 400,139,420.36

Cost	Land	Other Land Improvements	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment
As at 12/31/23	₱ 27,315,417.33	₱ 3,818,303.60	₱ 145,540,732.84	₱ 78,426,791.38	₱ 100,213,425.92
Additions			57,028,795.88	34,967,972.92	12,279,423.25
Disposals			-	-	-
Transfers/Adjustments			-	-	(4,635,450.95)
As at 12/31/24	₱ 27,315,417.33	₱ 3,818,303.60	₱ 202,569,528.72	₱ 113,394,764.30	₱ 107,857,398.22
Accumulated Depreciation					
As at 12/31/23	-	₱ 1,952,117.60	₱ 36,700,955.40	₱ 28,956,820.55	₱ 48,760,032.85
Depreciation Expense		99,465.35	15,191,659.59	3,361,397.80	5,834,257.82
Transfers/Adjustments					(755,016.46)
As at 12/31/24	-	₱ 2,051,582.95	₱ 51,892,614.99	₱ 32,318,218.35	₱ 53,839,274.21
Net Book Values					
As at 12/31/23	₱ 27,315,417.33	₱ 1,866,186.00	₱ 108,839,777.44	₱ 49,469,970.83	₱ 51,453,393.07
As at 12/31/24	₱ 27,315,417.33	₱ 1,766,720.65	₱ 150,676,913.73	₱ 81,076,545.95	₱ 54,018,124.01

Cost	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress	Other Property Plant and Equipment	Total
As at 12/31/23	₱ 23,045,991.84	₱ 4,475,041.32	₱ 144,531,780.24	₱ 1,447,632.46	₱ 528,815,116.93
Additions	3,145,000.00	-	51,759,096.90	-	159,180,288.95
Disposals	-	-	-	-	-
Transfers/Adjustments	-	(1,114,351.00)	(91,912,768.80)	(35,300.00)	(97,697,870.75)
As at 12/31/24	₱ 26,190,991.84	₱ 3,360,690.32	₱ 104,378,108.34	₱ 1,412,332.46	₱ 590,297,535.13
Accumulated Depreciation					
As at 12/31/23	₱ 8,814,183.04	₱ 2,394,226.44	-	₱ 1,097,360.69	₱ 128,675,696.57
Depreciation Expense	1,629,134.18	200,710.68		8,174.35	26,324,799.77
Transfers/Adjustments		(635,196.40)		(10,064.12)	(1,400,276.98)
As at 12/31/24	₱ 10,443,317.22	₱ 1,959,740.72	-	₱ 1,095,470.92	₱ 153,600,219.36
Net Book Values					
As at 12/31/23	₱ 14,231,808.80	₱ 2,080,814.88	₱ 144,531,780.24	₱ 350,271.77	₱ 400,139,420.36
As at 12/31/24	₱ 15,747,674.62	₱ 1,400,949.60	₱ 104,378,108.34	₱ 316,861.54	₱ 436,697,315.77

Note 10. Biological Assets

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
Bearer Biological Assets		
Breeding Stocks	₱ 657,947.00	₱ 580,447.00
Total Biological Assets	₱ 657,947.00	₱ 580,447.00

Note 11. Intangible Assets

This account is composed of the following:

Computer Software	₱ 837,628.00	₱ 837,628.00
<i>Accumulated Amortization – Computer Software</i>	(760,859.50)	(760,859.50)
Total Intangible Assets, net	₱ 76,768.50	₱ 76,768.50

Note 12. Financial Liabilities*Current Financial Liabilities*

This account is composed of the following:

Payables		
Accounts Payable	₱ 10,439,596.61	₱ 6,587,995.99
Due to Officers and Employees	118,424.39	2,151,684.07
Total Financial Liabilities	₱ 10,558,021.00	₱ 8,739,680.06

Trade payables are non-interest bearing and are normally settled upon receipt of the items purchased and/or services rendered upon completeness of all supporting documents relating to the procurement.

Note 13. Inter-Agency Payables

This account is composed of the following:

Due to BIR	₱ 0.00	₱ 20,420.00
Due to GSIS	63,194.80	46,671.13
Due to Pag-IBIG	122,316.33	69,791.19
Due to PhilHealth	259,229.07	6,793.64
Due to NGAs	5,577,165.77	10,656,455.42
Due to LGUs	6,774,623.72	8,567,464.09
Total Inter-Agency Payables	₱ 12,796,529.69	₱ 19,367,595.47

The first four accounts represent the amount deducted from the salaries of officials and employees and are remitted to the respective government agencies immediately in the month following the month for which these were deducted. While the remaining accounts represent balances of funds received by the LGU for specific purposes.

Note 14. Intra – Agency Payables

This account is composed of the following:

	2024	2023
Due to Other Funds	₱ 5,851,234.74	₱ 62,023,619.18
Due to Special Accounts	21,436.43	21,436.43
Due to Local Economic Enterprises	3,644,674.71	3,583,130.28
Total Intra-Agency Payables	₱ 9,517,345.88	₱ 65,628,185.89
Less: Elimination of reciprocal accounts	(7,746,400.53)	(64,081,099.26)
Total Intra-Agency Payables	₱ 1,770,945.35	₱ 1,547,086.63

Note 15. Trust Liabilities

This account is composed of the following:

Trust Liabilities	₱ 1,332,360.43	0.00
Trust Liabilities – Disaster Risk Reduction and Management Fund	17,777,672.88	₱ 15,513,505.89
Guaranty/Security Deposits Payable	2,736,237.77	1,412,920.31
Total Trust Liabilities	₱ 21,846,271.08	₱ 16,926,426.20

Note 16. Deferred Credits/Unearned Income

This account is composed of the following:

Current Deferred Credits/Unearned Income

Deferred Credits/Unearned Income		
Other Deferred Credits	₱ 7,834,255.66	₱ 6,860,031.24
Total Deferred Credits/Unearned Income	₱ 7,834,255.66	₱ 6,860,031.24

Note 17. Other Payables

This account is composed of the following:

Other Payables	₱ 28,461,813.08	₱ 25,431,434.53
Total Other Payables	₱ 28,461,813.08	₱ 25,431,434.53

Note 18. Tax Revenue

This account is composed of the following:

	2024	2023
Tax Revenue – Individual and Corporation		
Professional Tax	₱ 0.00	₱ 0.00
Community Tax	1,608,545.33	1,467,702.82
Tax Revenue – Property		
Real Property Tax – Basic	7,222,291.08	7,209,128.94
Discount on Real Property Tax – Basic	(1,627,469.31)	(1,727,737.19)
Special Education Tax	8,617,754.10	8,805,200.54
Discount on Special Education Tax	(1,627,047.42)	(1,797,302.03)
Tax Revenue – Goods and Services		
Business Tax	40,572,264.86	34,349,792.24
Tax on Sand, Gravel, & Other Quarry Products	377,366.70	170,220.00
Amusement Tax	200,362.50	188,643.00
Franchise Tax	48,422.00	45,270.00
Tax Revenue – Fines and Penalties		
Tax Revenue – Fines & Penalties – Taxes on Individual and Corporation	32,713.68	41,553.19
Tax Revenue – Fines & Penalties – Property Taxes	1,084,439.67	1,084,111.41
Tax Revenue – Fines & Penalties – Taxes on Goods and Services	576,558.90	409,052.02
Total Tax Revenue	₱ 57,086,202.09	₱ 50,245,634.94

Note 19. Share from National Taxes

The account represents the share of the LGU from Internal Revenue Collections as shown below:

Share from Internal Revenue Collections (IRA)	₱ 238,180,268.00	₱ 224,122,774.00
Total Share from National Taxes	₱ 238,180,268.00	₱ 224,122,774.00

Note 20. Service and Business Income

This account is composed of the following:

Service Income		
Permit Fees	₱ 6,169,333.32	₱ 5,457,083.92
Registration Fees	265,577.27	300,770.80
Registration Plates, Tags and Stickers Fees	32,082.75	37,241.00
Clearance and Certificate Fees	1,289,997.00	1,425,983.00
Supervision and Regulation Enforcement Fees	564,575.00	372,822.00
Inspection Fees	1,442,758.00	1,213,865.50

	2024	2023
Verification and Authentication Fees	339,479.00	370,374.22
Occupation Fees	381,621.00	288,866.00
Other Service Income	340,096.25	236,138.45
Business Income		
Rent Income	167,204.00	326,333.60
Seaport System Fees	8,180,679.40	7,427,420.00
Parking Fees	203,675.00	235,510.00
Receipt from Market Operations	2,208,573.95	3,653,789.53
Receipt from Slaughterhouse Operations	2,642,663.03	2,509,383.11
Receipt from Cemetery Operations	54,900.00	95,914.00
Garbage Fees	371,043.60	330,984.70
Interest Income	196,165.50	31,196.66
Total Service and Business Income	₱ 24,850,424.07	₱ 24,313,676.49

Note 21. Shares, Grants, and Donations

This account is composed of the following:

Grants and Donation in Cash	₱ 4,471,531.04	₱ 4,200,341.85
Grants and Donation in Kind	0.00	0.00
Total Grants and Donations	₱ 4,471,531.04	₱ 4,200,341.85

Note 22. Other Income

This account is composed of the following:

Miscellaneous Income	₱ 944,263.64	₱ 1,001,166.30
Total Other Income	₱ 944,263.64	₱ 1,001,166.30

Note 23. Personnel Services

This account is composed of the following:

Salaries and Wages		
Salaries and Wages – Regular	₱ 48,848,741.26	₱ 42,845,968.21
Salaries and Wages - Casual/Contractual	5,878,215.82	4,627,608.55
Other Compensation		
Personal Economic Relief Allowance (PERA)	3,390,549.16	3,117,958.04
Representation Allowance (RA)	2,080,800.00	1,817,406.25
Transportation Allowance (TA)	1,881,900.00	1,677,156.25
Clothing/Uniform Allowance	994,000.00	786,000.00
Subsistence Allowance	416,050.00	404,425.00
Laundry Allowance	38,625.00	37,725.00

	2024	2023
Honoraria	234,000.00	240,000.00
Hazard Pay	2,108,619.28	1,902,480.14
Longevity Pay	55,000.00	70,000.00
Overtime and Night Pay	1,353,806.38	1,280,647.39
Year End Bonus	9,078,314.00	7,826,512.60
Cash Gift	730,750.00	675,500.00
Personnel Benefits Contributions		
Retirement and Life Insurance Premiums	6,225,214.71	5,441,057.03
Pag-IBIG Contributions	331,400.00	159,000.00
PhilHealth Contributions	1,350,863.53	928,912.14
Employees Compensation Insurance Premiums	170,200.00	157,300.00
Other Personnel Benefits		
Terminal Leave Benefits	1,472,751.68	3,815,942.65
Other Personnel Benefits	8,992,815.88	8,143,131.19
Total Personnel Services	₱ 95,632,616.70	₱ 85,954,730.44

Note 24. Maintenance and Other Operating Expenses (MOOE)

This account is composed of the following:

Traveling expenses		
Traveling Expenses – Local	₱ 1,275,053.34	₱ 1,139,256.35
Training and Scholarship Expenses		
Training Expenses	3,435,931.75	2,462,640.60
Supplies and Material Expenses		
Office Supplies Expenses	1,296,166.78	745,401.65
Accountable Forms Expenses	307,269.00	384,063.00
Animal/Zoological Supplies Expenses	811,106.00	661,635.00
Food Supplies Expenses	57,761.80	208,500.00
Drugs and Medicines Expenses	4,130,795.18	1,931,899.22
Medical, Dental & Laboratory Supplies Expenses	604,048.32	277,555.22
Fuel, Oil and Lubricants Expenses	3,565,675.82	3,702,833.81
Agricultural and Marine Supplies Expenses	249,200.00	462,252.00
Military, Police and Traffic Supplies Expenses	41,312.00	0.00
Semi-Expendable Machinery and Equipment Expenses	2,020,083.60	0.00
Semi-Expendable Furniture, Fixtures and Books Expenses	155,633.00	0.00
Other Supplies and Materials Expenses	6,026,180.13	5,032,208.25
Utility Expenses		
Water Expenses	529,264.50	407,009.25
Electricity Expenses	8,337,915.11	7,580,391.61
Communication Expenses		
Postage and Courier Services	23,242.00	20,995.00

	2024	2023
Telephone Expenses	323,935.60	335,224.00
Internet Subscription Expenses	641,826.36	599,970.58
Cable, Satellite, Telegraph and Radio Expenses	4,920.00	4,689.66
Survey, Research, Exploration and Development Expenses		
Survey Expenses	206,000.00	58,000.00
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	59,611.50	111,000.00
Professional Services		
Auditing Services	35,847.17	37,510.25
Other Professional Services	2,540,531.07	2,387,998.92
Repair and Maintenance -		
Infrastructure Assets	19,000.00	93,087.00
Buildings and Other Structures	2,779,060.59	2,763,690.73
Machinery and Equipment	2,847,907.77	2,369,625.70
Transportation Equipment	1,019,326.15	1,158,714.60
Taxes, Insurance Premiums and Other Fees		
Fidelity Bond Premiums	22,417.50	16,852.50
Insurance Expenses	748,533.65	762,344.93
Other Maintenance and Operating Expenses		
Advertising expenses	75,000.00	88,000.00
Printing and Publication Expenses	5,850.00	25,000.00
Rent Expenses	0.00	0.00
Membership Dues and Contributions to Organization	165,200.00	150,000.00
Donations	29,605,970.25	26,590,206.50
Other Maintenance and Operating Expenses	74,554,695.79	66,084,708.92
Total Maintenance and Other Operating Expenses	₱ 148,522,271.73	₱ 128,653,265.25

Note 25. Non – Cash Expenses

This account is composed of the following:

Depreciation -		
Land Improvements	₱ 99,465.35	₱ 100,057.08
Infrastructure Assets	15,201,159.59	10,148,653.44
Building and Other Structures	3,361,397.80	2,080,054.86
Machinery and Equipment	8,421,168.30	9,525,836.05
Transportation Equipment	1,629,134.18	1,318,706.65
Furniture, Fixtures and Books	200,710.68	421,184.24
Other Property, Plant and Equipment	8,174.35	368,723.37
Total Non – Cash Expenses	₱ 28,921,210.25	₱ 23,963,215.69

Note 26. Transfers, Assistance, and Subsidy To

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
Financial Assistance/Subsidy to		
Subsidy to Other Local Government Units	₱ 513,000.00	₱ 0.00
Subsidy to Other Funds	1,000,000.00	1,000,000.00
Subsidy – Others	0.00	217,660.00
Transfers to		
Transfer for Project Equity Share/LGU Counterpart	0.00	150,000.00
Total Transfers Assistance and Subsidy to	₱ 1,513,000.00	₱ 1,367,660.00

Note 27. Adjustment of net revenue recognized directly in net assets/equity

This account is composed of the following:

Collection on Transfer from TF to GF (70% of 5% LDRRMF-CY 2014-2015)	₱ 0.00	₱ 4,138,150.93
Transfer of Equipment from Trust to GF Disaster Response and Rescue Equipment	1,298,000.00	340,000.00
Prior year adjustment	(206.27)	0.00
Total Adjustment of net revenue recognized directly in net assets/equity	₱ 1,297,793.73	₱ 4,478,150.93

Note 28. Reconciliation of Net Cash Flow from Operating Activities to Surplus/Deficit

This account is composed of the following:

Surplus/Deficit	50,943,590.16	63,944,722.20
Depreciation	28,921,210.25	23,963,215.69
(Increase)/Decrease in Receivables	694,410.61	8,887,074.42
(Increase)/Decrease in Inventory	(1,274,847.59)	(1,903,658.10)
Increase/(Decrease) in Payables	4,395,581.73	(7,481,917.86)
Prior Period Adjustments	2,227,915.42	3,714,608.41
Net Cash Flow from Operating Activities	85,907,860.58	91,124,044.76

Note 29. Reconciliation between actual amounts in a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts and in the Statement of Financial Performance

Particulars	Income	Personal Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlay
Comparison Statement of Budget and Actual	320,926,141.73	95,651,164.24	146,545,421.93		69,001,452.20
Entity Differences					
Basis Differences	135,015.27	(18,547.54)	1,976,849.80	0.00	(69,001,452.20)
Income/Expenses not considered budgetary items	196,165.50				
Non-cash Expenses					
Interest Income on deposits	196,165.50				
Budgetary items not considered as expenses	0.00	0.00	687,360.00	0.00	(69,001,452.20)
Capital Expenditures			705,860.00		(69,001,452.20)
Budgetary adjustments (cancelled checks, erroneous OBR, and etc)			(18,500.00)		
Timing Differences:	(61,150.23)	(18,547.54)	1,289,489.80	0.00	0.00
Unconsumed Inventories charged to current appropriations			(3,178,505.69)		
Consumed Inventories and deferred charges charged to prior period appropriations			1,903,658.10		
Unliquidated Advances and Prepayments charged to current appropriations			(321,005.00)		

Particulars	Income	Personal Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlay
Other Adjustments (Erroneous entry and etc.)	(61,150.23)	(18,547.54)	2,885,342.39		
Commitments (Obligated but not delivered/billed)					
Per Statement of Fin. Performance	321,061,157.00	95,632,616.70	148,522,271.73	0.00	0.00

Note 30. Local Disaster Risk Reduction Management Fund (LDRRMF)

The LDRRMF represents the amount set aside by the LGU to support its disaster risk management activities pursuant to RA No. 10121 otherwise known as the “Philippine Disaster Risk Reduction and Management Act of 2010”. The available and utilized balances during the year 2024 totaled ₱53,561,758.68 and ₱9,582,308.75, respectively, which are broken down as follows:

Particulars	Amount		
	Available	Utilized	Balance
Current Year Appropriation:			
Quick Response Fund (QRF)	4,401,883.59	0.00	4,401,883.59
Mitigation Fund (MF)			
MOOE	2,256,847.90	1,146,086.00	1,110,761.90
Capital Outlay	8,014,213.81	5,342,178.50	2,672,035.31
Subtotal	14,672,945.30	6,488,264.50	8,184,680.80
Continuing Appropriation:	17,939,396.25	0.00	17,939,396.25
Special Trust Fund			
CY 2020	798,440.88		798,440.88
CY 2021	665,693.95		665,693.95
CY 2022	4,472,833.39		4,472,833.39
CY 2023	15,012,448.91	3,094,044.25	11,918,404.66
Subtotal	20,949,417.13	3,094,044.25	17,855,372.88
Total	53,561,758.68	9,582,308.75	43,979,449.93

PART II
AUDIT OBSERVATIONS AND
RECOMMENDATIONS

AUDIT OBSERVATIONS AND RECOMMENDATIONS

FINANCIAL AUDIT

Property, Plant, and Equipment (PPE)

1. **The Local Government Unit did not take advantage of the guidelines and procedures of COA Circular No. 2020-006 dated January 31, 2020 on the one-time cleansing of Property, Plant and Equipment (PPE), thus affecting the fairness of presentation of the financial position in the financial statements and depriving the government of reliable and useful information in decision-making and accountability for these assets.**

- 1.1 COA Circular No. 2020-006 dated January 31, 2020 was issued to prescribe the guidelines and procedures on inventory taking, recognition of those found at station and disposition for missing PPE items for the one-time cleansing of PPE accounts of government agencies to establish PPE balances that are verifiable as to existence, condition and accountability.

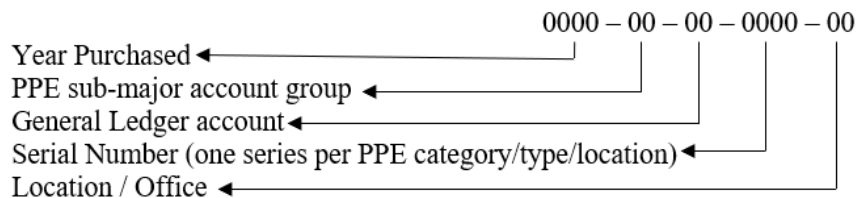
- 1.2 Review of the compliance of the Agency with the said circular revealed that they have not taken advantage of the various guidelines and procedures to cleanse their PPE accounts balances as discussed below:

a. Non-conduct of a complete physical count of all its PPE

- 1.3 We interviewed the Municipal Treasurer and Municipal Accountant to inquire about compliance with the requirement to conduct a physical count of all its PPE, whether acquired through purchase or donation, including those constructed by administration and found at the station. The Municipal Treasurer and Municipal Accountant explained that the activity was not carried out because the Inventory Committee was unable to mobilize due to a shortage of manpower and insufficient time to fulfill its responsibilities.

b. Non-adoption of unique property number for each PPE and absence of property stickers placed on each PPE.

- 1.4 Section 5.6 of the Circular provides that each government agency shall adopt a uniform property identification system for PPE wherein a unique Property Number shall be assigned for each PPE item, using the following numbering system:



- 1.5 The codes for the PPE sub-major account group and General Ledger account correspond to those provided in the Revised Chart of Accounts prescribed under the Accounting Manuals of the respective Sectors (National, Local and Corporate). Additional digits may be used for serial number and location/office, as necessary.
- 1.6 However, we observed that the unique Property Number for each PPE item was not adopted and no property stickers were tagged on each PPE, thus accountability and control for the custody/use of its PPE cannot be clearly established, hence the existence, completeness and conditions of all PPEs owned by the Agency cannot be ascertained.
- 1.7 Section 7 of the Circular further provides that for easy identification, the Property Number shall be prominently shown in the property sticker, in addition to the following vital information on the PPE item:
 - a. Description of the property;
 - b. Model Number;
 - c. Serial Number;
 - d. Acquisition Date/Cost;
 - e. Person Accountable; and
 - f. Space for the validation/signature of the Inventory Committee.

c. Non-submission of the approved PIP

- 1.8 Sections 5.9, 5.10, and 5.11 of the Circular require that, in coordination with the Property Division/Unit, the Inventory Committee shall plan/strategize on how to conduct and complete the physical inventory within the prescribed period. It shall prepare a Physical Inventory Plan (PIP) containing, at the least, the specific assignments/duties of the Committee members, the cut-off date, and a schedule specifying the dates and locations of the inventory taking activities from start up to the targeted completion of the physical inventory. The PIP, which shall be approved by the Head of the Agency, is required to be submitted to the COA Audit Team by the Inventory Committee at least ten (10) calendar days before the scheduled start of inventory activities.
- 1.9 The Agency, however, was not able to submit the approved PIP despite the audit team's written request.

d. Non-conduct of preliminary activities prior to inventory taking

- 1.10 Item 6.1 of COA Circular No. 2020-006 dated January 31, 2020, provides for the preliminary activities required before conducting inventory taking. However, upon our inquiry with Management and subsequent verification, the Agency did not perform these preliminary activities prior to inventory taking due to a lack of manpower.

- 1.11 **We recommended and Management agreed to adhere to the guidelines and procedures provided in COA Circular No. 2020-006 dated January 31, 2020, for the one-time cleansing of PPE account balances to ensure reliable PPE balances that are verifiable as to existence, condition, and accountability as follows:**
- a. **Strictly follow the guidelines and procedures in the conduct of physical count of PPE, recognition of PPE items found at the station, and disposition for non-existing/missing PPE items, and require the Accountant and Property Officer to reconcile their records based on the results of the actual physical inventory and effect necessary adjustments;**
 - b. **Adopt the uniform numbering system for property numbers of PPE and require the Property Unit to update the property stickers based on the prescribed format and to include the required information under Sections 5.6 and 5.7 of COA Circular No. 2020-006 dated January 31, 2020;**
 - c. **Submit the approved PIP to the COA Audit Team within the prescribed period;**
 - d. **Conduct the required preliminary activities prior to inventory taking;**
 - e. **Record the physical count daily in a standard ICF prescribed in Annex A of COA Circular No. 2020-006 dated January 31, 2020; and**
 - f. **Undertake collaborative procedures to ensure that all PPEs in the RPCPPE are duly recorded in their respective records and that the Property Cards (PCs) maintained by the Property Unit and the PPELCs (PPE Ledger Cards) maintained by the Accounting Unit are reconciled.**
- 1.12 The Municipal Treasurer further stated that the full implementation of the PPE cleansing is targeted for completion by December 2025. A draft Inventory Plan has already been prepared and is currently under review by the Inventory Committee, pending final approval by the Local Chief Executive (LCE). With this initiative, the agency is expected to capitalize on the opportunity to fully comply with the provisions of the circular mandating a one-time PPE cleansing.

RPT and SET Receivables not properly set-up and maintained - ₱34,098,709.48

2. **The Real Property Tax (RPT) and Special Education Tax (SET) Receivables were not properly set-up and maintained, contrary to Sections 19(b), 20 and 84, and 36 of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs), Volume I, thus, showing nil balances instead of ₱34,098,709.48, thereby understating the RPT and SET Receivables by the same amount.**

- 2.1 Section 19 of the NGAS Manual for LGUSs, Volume I, requires the Modified accrual method of accounting to be used for real property taxes. At the beginning of the year, Real Property Tax Receivable and Special Education Tax Receivable must be established. This approach acknowledges the need to record in the books not just income estimates from real property taxes but also actual receivables from those taxes. However, to avoid appropriating uncollected revenues, which could lead to a significant cash overdraft, these amounts shall be credited to Deferred Real Property Taxes Income/Deferred Special Education Tax Income. Real Property Tax Income/Special Education Tax Income will be recognized upon receipt of collection.
- 2.2 Furthermore, Sections 20 and 84 thereof provide that the Real Property Tax Receivables/Special Education Tax Receivables shall be established at the beginning of the year based on the Real Property Tax Account Register/Taxpayer's index card. At the beginning of the year, the Treasurer shall furnish the Chief Accountant with a duly certified list showing the name of taxpayers and the amount due and collectible for the year. Based on the list, the Chief Accountant shall draw a Journal Entry Voucher (JEV) to record the debit to Real Property Tax Receivable/Special Education Tax Receivable and credit to the Deferred Real Property Tax Income/Deferred Special Education Tax Income.
- 2.3 Upon collection of Real Property Taxes during the year, income is recognized by crediting Real Property Tax Income while the Deferred Real Property Tax Income/Deferred Special Education Tax Income is debited. The share of the Province and Barangay shall also be credited to Due to LGUs.
- 2.4 Moreover, Sections 36 and 93 of the Manual provide pro-forma accounting entries in setting up RPT and SET receivables, respectively, receipt of payment, and distribution of collection, among others, as shown below:

Real Property Tax – Basic and Special Education Tax

a. Setting-up of RPT and SET Receivable

Ex. RPT = P1, RPT Sharing:

Municipal - 40%

Province - 35%

Barangay - 25%

Account Title	Debit	Credit
Real Property Tax Receivable	1,000.00	
Deferred Real Property Tax Income		1,000.00

Ex. SET

Total Receivables= P500,000

Provincial Share = P250,000 (50%)

Special Education Tax Receivable	500,000.00	
Deferred Special Education Tax Income		500,000.00

b. Receipt of Payment

Account Title	Debit	Credit
Cash in Treasury	100.00	
Real Property Tax Receivable		100.00
Cash in Treasury	200,000.00	
Special Education Tax Receivable		200,000.00

c. Distribution of Collection

Account Title	Debit	Credit
Deferred Real Property Tax Income	100.00	
Real Property Tax		40.00
Due to LGUs		60.00
Deferred Special Education Tax Income	200,000.00	
Special Education Tax		100,000.00
Due to LGUs		100,000.00

2.5 Review of the transactions posted under the General Ledger (GL) of the RPT and SET Receivables account, however, revealed non-compliance with the prescribed provisions on the proper setup and maintenance of these accounts as discussed below:

a. Set-up of RPT and SET receivables was not properly performed.

2.6 While Sections 20 and 84 of the NGAS Manual, as mentioned earlier, state that the RPT and SET Receivables shall be established at the beginning of the year, the Municipality's eNGAS or electronic accounting system's journal entries showed that the RPT and SET receivables were set up on April 10, 2024, and approved on April 12, 2024, through JEV Nos. 2024-01-001637 and 2024-01-000105 amounting to ₱18,428,826.20 each for a total of ₱36,857,652.40.

2.7 Additionally, the amount set-up did not coincide with the Certified List of Taxpayers and the Corresponding Amount Due and Demandable for CY 2024 provided to the Audit Team by the Office of the Municipal Treasurer, which showed a total tax collectible of ₱43,640,510.00 or ₱21,820,255.00 each for Real Property Tax and Special Education Tax.

2.8 There is a difference of ₱6,782,857.60 between the amount in the Certified List of Taxpayers and the Corresponding Amount Due and Demandable for CY 2024 and the amount recorded in the journal entries. An inquiry with the Office of the Municipal Accountant revealed that their basis for the amount set-up as receivable came from a Certification from the Municipal Treasurer dated March 20, 2024,

stating that the total receivables for the year 2024 is ₱36,857,652.40 for Real Property Tax for BASIC and SEF. Further inquiry with the Municipal Treasurer revealed that the figures in the certification came from the Municipal Assessor.

b. RPT and SET receivables are not properly maintained.

- 2.9 Verification of JEV Nos. 2024-12-007252 and 2024-12-000458 showed that the same RPT and SET Receivables totalling ₱18,428,826.20 each, respectively, set up on April 12, 2024, were simply reversed at year-end with a debit to Deferred Real Property Tax and a credit to Real Property Tax Receivable. Hence, the financial statements reflected zero year-end balances.
- 2.10 Meanwhile, the journal entries for receipt of payment and distribution of collection did not conform to the prescribed entries in the NGAS Manual. Collections during the year were recorded as debits to *Cash Local Treasury* and *Discount on RPT – Basic* and credits to *Due to LGUs* and *Real Property Tax-Basic*.
- 2.11 Furthermore, the *RPT Receivable* and *Deferred Real Property Tax Income* accounts were not adjusted to reflect their collection. Inquiry with the Accounting Staff revealed that they were unaware of the prescribed journal entries for maintaining the RPT and SET receivable accounts.
- 2.12 The list of Real Property Tax delinquencies as of December 31, 2024, from the Municipal Treasurer disclosed a total collectible amount of ₱34,098,709.48. This reflects the collectible accounts from both the current and prior years. Therefore, the year-end balances were understated by the same amount.
- 2.13 It is important to note that recording RPT and SET receivables is essential because they serve as references for decision-makers and users of financial statements in determining the amounts still collectible and assessing the collection efficiency of the Municipal Treasurer. This information also enables the Local Chief Executive (LCE) to develop effective strategies to enhance RPT and collections. Additionally, it aids in reconciling records between the Treasurer, Assessor, and Accounting Offices.
- 2.14 Consequently, the financial statements did not accurately reflect the correct balances of the RPT/SET Receivables.
- 2.15 **We recommended and the Municipal Treasurer agreed to provide the Municipal Accountant with a copy of the RPT records for CY 2024 and prior years to establish the beginning balance for CY 2025. The Municipal Treasurer also agreed to henceforth, furnish the Municipal Accountant at the beginning of each year with a certified list of taxpayers with amounts due and collectible for the current year as their basis for recording the RPT and SET Receivables in compliance with Sections 19(b) and 20 of the NGAS Manual for LGUs, Volume 1.**

Non-recording in the Trust Fund books of the transfer of unexpended balance of the LDRRMF-QRF and MF-MOOE - ₱5,512,645.49

3. The transfer of the unexpended balance of the LDRRMF- Quick Response Fund (QRF) and the Maintenance and Other Operating Expenses (MOOE) of the Mitigation Fund (MF) was not recorded in the Trust Fund books during the year, contrary to Items 5.1.10 and 5.1.12 of COA Circular No. 2012-02 dated September 12, 2012, resulting in the understatement of the receivable and trust liability accounts by ₱5,512,645.49.

- 3.1 COA Circular No. 2012-02 dated September 12, 2012, provides guidelines on the accounting and reporting of LDRRMF of Local Government Units (LGUs). Item 5.1.10 thereof states that all unexpended/unobligated balance of the QRF and the DRRMF-MOOE shall be transferred to the Special Trust Fund under the account “Trust Liability- DRRMF”. Furthermore, Item 5.1.12 of the same circular requires that the account Trust Liability- DRRMF shall be used to record transfers of the agency’s unutilized QRF and the LDRRMF-MOOE under the MF. Annex C of the circular provides the illustrative accounting entries for the transfer of the unexpended QRF and MOOE of the MF.
- 3.2 A review of Journal Entry Voucher (JEV) No. 2024-12-006798 dated December 27, 2024, under the General Fund (GF) books disclosed that ₱5,512,645.49 was recorded to transfer the unexpended QRF and MOOE for the LDRRMF of CY 2024. The Other Payables account was used to obligate the amount in the GF at the end of the year.
- 3.3 An examination of the General Ledger for Trust Liabilities—DRRMF under the Trust Fund (TF) books from December 27, 2024, to January 15, 2025, revealed that a journal entry to record the transfer of the unexpended QRF and MF-MOOE of the LDRRMF 2024 was made only on January 15, 2025. Under JEV No. 2024-1-000022, dated January 15, 2025, the Municipality debited “Other Receivables” and credited “Trust Liabilities—DRRMF.” On the same date, the actual transfer of cash from the General Fund (GF) to the Trust Fund (TF) was executed, as documented in Disbursement Voucher (DV) No. 101-01-0148, recorded under JEV No. 2025-01-000164.
- 3.4 As previously discussed, the amount of ₱5,512,645.49 had not yet been recorded as Trust Liabilities—DRRMF in the Trust Fund (TF) as of December 31, 2024. In an interview, the Municipal Accountant stated that his staff may have overlooked the transaction and forgotten to record an entry in the TF books as of December 27, 2024. Consequently, the assets and liabilities under the TF were understated by the same amount.

- 3.5 We recommended and the Municipal Accountant agreed to ensure that the unexpended balance of the LDRRMF—QRF and MOOE of the MF is properly recorded in the Trust Fund books at year-end to reflect accurate financial reporting pursuant to COA Circular 2012-02 dated September 12, 2012.
- 3.6 We further recommended and the Municipal Accountant agreed to conduct training sessions for accounting personnel to emphasize the importance of timely and accurate journal entries related to LDRRMF transfers and compliance with regulatory guidelines.

Non-recording of book reconciling items-

4. The Cash in Bank balances showed a discrepancy of ₱(3,068,540.08), net of outstanding checks, compared to the confirmed balances from the depository bank, which remained unadjusted because book reconciling items in the Bank Reconciliation Statements (BRS) were not recorded during the year, inconsistent with Sections 3.2 and 3.3 of COA Circular No. 96-011 dated October 2, 1996, thus presenting an inaccurate and unreliable balance in the financial statements.

- 4.1 Sections 3.2 and 3.3 of COA Circular No. 96-011 dated October 2, 1996, state that the Local Accountant shall reconcile the Bank Statements (BS) with the General Ledgers (GL) within ten days of their receipt and prepare the BRS. He is also required to issue journal vouchers to record all valid reconciling items that necessitate adjustments and corrections in the GL.
- 4.2 Our audit of the Municipality’s cash and cash equivalents account as of December 31, 2024, uncovered several discrepancies between the Cash in Bank account book and the bank balances. Confirmations received from the Municipality’s Authorized Government Depository Banks (AGDBs) indicated a total discrepancy of ₱(7,448,051.04), as detailed in the table below:

Bank Name	Account No.	Balance Per Books	Balance Per Bank Confirmation	Difference
General Fund (GF)				
LBP	0292-1037-60	₱ 217,813,224.46	₱ 223,761,219.35	₱ (5,947,994.89)
DBP	7400-12624-030	991,775.57	991,775.57	0.00
LBP	0292-1107-40	2,001,849.66	3,179,822.50	(1,177,972.84)
LBP	0292-1107-66	13,830,290.29	13,736,483.44	93,806.85
LBP	0292-1107-58	1,465,895.26	1,038,645.09	427,250.17
DBP	0740-012626-160	6,043,313.50	6,043,313.50	0.00
LBP	0292-1135-95	73,846,495.01	73,971,626.88	(125,131.87)
Trust Fund (TF)				
DBP	000014557404	29,571,656.87	31,081,819.51	(1,510,162.64)
DBP	000003987408	3,163,088.91	1,897,861.63	1,265,227.28
LBP	0292-1095-20	306,132.44	303,403.71	2,728.73

Bank Name	Account No.	Balance Per Books	Balance Per Bank Confirmation	Difference
LBP	0292-1095-39	46,581.27	46,404.57	176.70
LBP	0292-1132-42	1,393,022.56	1,396,217.56	(3,195.00)
LBP	0292-1132-50	0.00	10,000.00	(10,000.00)
Special Education Fund (SEF)				
LBP	0292-1036-38	26,869,271.24	27,332,054.77	(462,783.53)
Total		₱ 377,342,597.04	₱ 384,790,648.08	₱ (7,448,051.04)

4.3 Of the total discrepancies computed above, outstanding checks totaling ₱4,379,510.24 shall be deducted from the balance reflected in the Bank Confirmation, resulting in a net amount of ₱(3,068,540.80).

4.4 Review of the BRS submitted by the Municipal Accountant showed that the Cash in Bank balances were adjusted to reflect the correct amount. However, our verification of the Cash in Bank account's Subsidiary Ledger (SL) balances revealed that not all book reconciling items presented in the BRS were recorded as adjustments during the year, as shown below:

Book Reconciling Items	GF	TF	SEF	Total
Additions to Cash in Bank Balance	₱5,544,064.43	₱18,691.55	₱308,751.27	₱5,871,507.25
Deductions from Cash in Bank Balance	4,851,216.42	3,738.31	0.00	4,854,954.73
Book Reconciling Items Recorded				
Additions to Cash in Bank Balance	71,086.58	0.00	308,751.27	379,837.85
Deductions from Cash in Bank Balance	₱ 930,008.93	₱ 0.00	₱ 0.00	₱ 930,008.93

4.5 As shown in the table above, only ₱379,837.85 worth of book reconciling items were recorded as debits to the Cash in Bank balance, out of the ₱5,871,507.25 listed as additions in the BRS for the year. Additionally, only ₱930,008.93 were recorded as credits to the Cash in Bank balance, out of the ₱4,854,954.73 reported as deductions in the BRS for the same period.

4.6 Our interview with the Municipal Accountant revealed that not all reconciling items requiring adjusting entries in the Municipality's books were recorded during the year because they are still tracing the amounts and retrieving the supporting documents for the reconciling items.

4.7 As a result of the foregoing, the Cash in Bank balance presented in the financial statements is inaccurate and unreliable.

- 4.8 **We recommended and the Municipal Accountant agreed to:**
- a. **Immediately complete the reconciliation of all bank accounts and ensure that all valid reconciling items identified in the BRS are properly adjusted in the Municipality's books;**
 - b. **Strictly comply with Sections 3.2 and 3.3 of COA Circular No. 96-011, which require timely reconciliation and adjustment of the General Ledger within 10 days from receipt of the bank statements;**
 - c. **Establish and enforce internal control procedures, including setting fixed monthly deadlines for the preparation and review of BRS and requiring prompt investigation and resolution of all reconciling items; and**
 - d. **Coordinate with the concerned offices to expedite the retrieval of supporting documents and perform the necessary analyses to validate and clear long-standing reconciling items.**
- 4.9 The Municipal Accountant mentioned that Management had already assigned personnel from both the Municipal Accountant's Office and the Municipal Treasurer's Office to reconcile their records. The primary discrepancies seemed to be related to receipt transactions and bank memo entries.

Unreconciled difference between Cash Local Treasury account against cashbook balance

5. **The accounts Cash Local Treasury, Advances for Operating Expenses and Advances for Payroll accounts showed unreconciled difference of ₱(1,202,851.92), ₱(167,591.72), and ₱(907,644.16), respectively, against the cashbook balance, inconsistent with Section 143 (A.7) of the Local Treasury Operations Manual (LTOM), 2nd Edition, thus reliability of the cashbook and General Ledger (GL) balances could not be relied upon.**
- 5.1 Section 143 (A.7) of the LTOM, 2nd Edition states that an accountable officer shall maintain his/her cashbook and such other records, or their equivalents as may be prescribed by the agency's operating procedures and reconcile with the accounting records at least quarterly, unless the agency requires a more frequent reconciliation.
- 5.2 A review of the Municipality's accounts as of December 31, 2024, revealed that there was no proper reconciliation between the cashbook and the balance recorded in the Cash Local Treasury, Advances for Operating Expenses, and Advances for Payroll ledgers maintained by the Municipal Accountant. This discrepancy resulted in differences amounting to ₱(1,202,851.92), ₱(167,591.72), and ₱(907,644.16), respectively. The details are as follows:

PARTICULARS	Balances as of 12/31/24		NET DIFFERENCE (A)-(B)
	PER CASHBOOK (A)	PER GENERAL /SUBDIARY LEDGER (B)	
<i>Cash Local Treasury</i>			
<i>General Fund</i>	₱1,518,372.66	₱2,670,177.68	₱(1,151,805.02)
<i>Special Education Fund</i>	354,590.75	365,256.35	(10,665.60)
<i>Trust Fund</i>	886,745.57	927,126.87	(40,381.30)
Total	₱2,759,708.98	₱3,962,560.90	₱(1,202,851.92)
<i>Advances for Operating Expenses</i>			
<i>General Fund</i>	₱ 187,580.00	₱ 355,171.72	₱ (167,591.72)
<i>Advances for Payroll</i>			
<i>General Fund</i>	₱ 0.00	₱ 907,644.16	₱ (907,644.16)

- 5.3 This is a reiteration of the previous year’s audit observation on the Cash Local Treasury account, which noted a difference of ₱(2,973,348.49). An interview with the Municipal Accountant and the Municipal Treasurer disclosed that an attempt was made to reconcile the Cashbook and General Ledger balances during the first semester of CY 2024. However, it was not pursued because the focal persons were unable to allocate sufficient time for it due to their numerous work responsibilities.
- 5.4 We want to highlight the significance of effective internal controls and meticulous accounting practices in ensuring reliable and accurate accounts. This necessitates that relevant records, including the cashbook and the Cash Local Treasury, as well as Advances for Operating Expenses and Advances for Payroll ledgers, align to validate the account balances shown in the financial statements. Additionally, conducting regular and proper reconciliations of these records is essential to maintain the accuracy of the accounts and to uphold the accountability of the Municipal Treasurer.
- 5.5 The discrepancies noted above indicate a lack of adherence to these practices, as there was no proper periodic reconciliation between the records of the Municipal Treasurer and the Municipal Accountant. These unreconciled discrepancies between the cashbook and the accounting records raise concerns about the reliability of the Cash Local Treasury, Advances for Operating Expenses, and Advances for Payroll balances reported in the cashbook and financial statement as of December 31, 2024.

- 5.6 **We recommended and the Municipal Treasurer and Municipal Accountant agreed to trace the differences between the cashbook and the General Ledgers of the Cash Local Treasury, Advances for Operating Expenses, and Advances for Payroll accounts. We further recommended that, henceforth, Management require the Municipal Treasurer and Municipal Accountant to properly conduct the quarterly reconciliation between the treasury records and accounting records in compliance with Section 143 (A.7) of the LTOM.**

Dormant receivable accounts - ₱2,108,562.90

6. **The Municipality did not implement the procedures prescribed under COA Circular No. 2023-008 dated August 17, 2023, on the proper disposition and cleansing of dormant accounts totaling ₱2,108,562.90, resulting in the continued recognition of unsupported balances in the financial records and impairing the fair and faithful presentation of the Municipality's financial statements.**

- 6.1 COA Circular No. 2023-008 dated August 17, 2023, establishes guidelines for the proper disposition of dormant accounts held by local government units (LGUs) that are not governed by specific laws, rules, or regulations. It also aims to expedite the cleansing of dormant accounts across government agencies, ensuring the fair presentation of financial statements. This circular amends COA Circular No. 2016-005, dated December 19, 2016. Under the new circular, dormant accounts—defined as those that have remained inactive in the books of accounts for ten (10) years or more—may only be derecognized upon the grant of specific authority by the Commission on Audit (COA).
- 6.2 The Circular provides for the procedures for the proper disposition of dormant accounts, derecognition of dormant accounts, journal entries, and monitoring and reporting. However, it expressly states that its provisions should not be interpreted as condoning the write-off of these accounts or extinguishing existing obligations. Furthermore, the Circular does not serve as grounds for exonerating officers or employees from liability in cases of infidelity in the custody of official documents. It reinforces the principle that accountability and proper stewardship of government records remain imperative, even in the process of addressing dormant accounts.
- 6.3 Item 7.0 of the Circular requires the Head of the Accounting Unit to review and analyze the existence of all dormant accounts and secure all available documents relative to said accounts. However, if the review and analysis is not possible due to the absence of records and documents, or when original documents are lost or destroyed, or cannot be produced, the Head of the Accounting Unit shall prepare a list of available records relative to the dormant account and indicate the extent of validation made thereof and attach all documents to the list. Additionally, a detailed list of all the lost documents or records must be included. He shall then prepare and submit a detailed report to the Head of Agency recommending the conduct of an investigation to determine the cause/s of the loss of documents and pinpoint the official/s and employee/s liable for the loss.

- 6.4 The Head of Agency (HoA) shall establish an Investigation Committee tasked with conducting a thorough review of dormant accounts. The Committee shall prepare an Investigation Report, which will be submitted to the HoA for approval. Based on the findings, the HoA shall then render a final decision and provide a copy of the report to the Accountant for proper documentation.
- 6.5 Within one (1) year from the Circular’s effectivity, the Head of the Accounting Unit, through the HoA, shall submit a request to the Audit Team Leader (ATL) and/or Supervising Auditor (SA)—depending on the jurisdictional amount—for COA’s approval to write off or derecognize dormant accounts from the books. This request must be accompanied by the supporting documents specified in Annex 8 of the Circular.
- 6.6 Verification of the General Ledger (GL) revealed that the *Other Receivables* account in the General Fund included an amount of ₱1,907,679.50. The amount was set up in CY 2018 as a beginning balance when the Municipality migrated to the Electronic New Government Accounting System (eNGAS). Inquiry with the Municipal Accountant disclosed that the balance pertains to assistance to individuals that were granted in CY 2010. However, there are no schedules or documents present to warrant the collection of such, although effort was expended before to produce schedules and search for the supporting documents.
- 6.7 Meanwhile, the accounts *Due from Government Owned and Controlled Corporations (GOCCs)* and *Due from National Government Agencies (NGAs)* are also composed of beginning balances set up in CY 2018:

Account	Amount
Due from GOCCs	
GSIS/EC Contributions	₱ 6,228.19
Due from NGAs	
Bureau of Post	136.00
COMELEC	5,491.73
DOH	400.00
Ministry of Budget	566.68
Ministry of Public Highways	17,500.00
Supreme Court	<u>676.41</u>
	₱ 24,770.82

- 6.8 An interview with the Office of the Municipal Accountant disclosed that the balances mentioned were already recorded in the books prior to the Municipal Accountant’s employment with the Municipality in CY 2016, and there were no documents to support the claim.

- 6.9 The continued recognition of unsupported dormant accounts totaling ₱2,108,562.90 in the Municipality's books affects the fair and faithful presentation of its financial statements, which could mislead users regarding the Municipality's true financial condition.
- 6.10 **We recommended and the Local Chief Executive agreed to direct the Municipal Accountant to:**
- a. **Review and analyze all dormant accounts to determine their validity and secure/gather all available documents related to these accounts;**
 - b. **If a complete review and analysis cannot be performed due to missing documents and records, he shall then prepare a list of available records pertaining to the dormant account, indicate the extent of validation conducted, and attach all documents to the list. A detailed list of all lost documents or records must be included; and**
 - c. **Prepare and submit a detailed report to the Head of Agency recommending an investigation to determine the cause/s of the missing documents and identify the official/s and employee/s responsible for the loss.**
- 6.11 **We further recommended and it was agreed that if the investigation results warrant request for authority to write-off from the Commission, the Head of the Accounting Unit, through the HoA, should file with or through the ATL and/or SA, depending on the jurisdictional amount, a request for the approval of COA to write-off or derecognize the dormant accounts from the books. The request shall be supported by the documents listed in Annex 8 of the Circular.**

Misclassification of expenses

7. **Purchases of inventory items and the incurrence of various expenses totaling ₱1,006,552.50 were erroneously recorded under "Other Maintenance and Operating Expenses" account instead of their appropriate accounts, contrary to COA Circular No. 2015-009 dated December 1, 2015, thereby resulting in inaccurate financial reporting.**
- 7.1 COA Circular No. 2015-009 dated December 1, 2015, prescribes the Revised Chart of Accounts for Local Government Units (LGUs). Item 4.1 thereof requires that all LGUs record their financial transactions in accordance with the prescribed Chart of Accounts, effective January 1, 2015. Annex B of the Circular provides the following account descriptions:
1. **Drugs and Medicines Inventory.** This account is used to record the cost of drugs and medicines purchased/received for government operations.

2. **Medical, Dental and Laboratory Supplies Inventory.** This account is used to record the cost of medical, dental, and laboratory supplies purchased/received for government operations.
3. **Agricultural and Marine Supplies Inventory.** This account is used to record the cost of fertilizers, pesticides, and other marine and agricultural supplies for use in government operations. This includes supplies for aquaculture research, environmental protection/preservation, and the like.
4. **Prizes.** This account is used to record the amount paid to winners of competitive and promotional activities.
5. **Training Expenses.** This account is used to record the costs incurred for the participation/ attendance in and conduct of trainings, conventions, and seminars/workshops. It includes training fees, honoraria of lecturers, cost of handouts, supplies, materials, meals, snacks, and all other expenses related to training.
6. **Other Maintenance and Operating Expenses.** This account is used to record expenses that do not fall under any of the specific maintenance and other operating expense accounts.

7.2 Our examination of the Journal Entry Vouchers (JEVs) and Disbursements Vouchers (DVs) revealed that from January to December 2024, the Municipal Accountant's Office incorrectly recorded various transactions totaling ₱1,006,552.50 under Other Maintenance and Operating Expenses that should have been charged to specific inventory or expense accounts, as shown below:

Date	JEV #	Particulars	Appropriate Account	Amount
08/14/24	003897	Vegetable Seeds Use for Agriculture's Office	Agricultural and Marine Supplies for Distribution	₱ 186,650.00
07/29/24	003291	Foliar fertilizer	Agricultural and Marine Supplies Inventory	99,600.00
02/23/24	000627	Medicines to be used for Rescue Operation	Drugs and Medicines Inventory	14,900.00
03/05/24	000779	Dengue NS1 Kits and Reagents	Drugs and Medicines Inventory	90,000.00
Total- Drugs and Medicines Inventory				₱ 104,900.00
04/16/24	001716	HIV Testing use for Health Office.	Medical, Dental and Laboratory Supplies Inventory	38,903.50
06/10/24	002632	Medicine supplies used for Rescue Operations at DRRM Office.	Medical, Dental and Laboratory Supplies Inventory	39,395.00

Date	JEV #	Particulars	Appropriate Account	Amount
07/30/24	003514	Medical supplies to be used for rescue operations at DRRM Office.	Medical, Dental and Laboratory Supplies Inventory	49,350.00
08/07/24	003632	Medical supplies to be used for rescue operations at DRRM Office.	Medical, Dental and Laboratory Supplies Inventory	49,939.00
10/10/24	004877	Laboratory reagents in processing patients request	Medical, Dental and Laboratory Supplies Inventory	45,600.00
10/10/24	004909	Medical supplies to be used for rescue operations.	Medical, Dental and Laboratory Supplies Inventory	38,465.00
Total- Medical, Dental and Laboratory Supplies Inventory				₱ 261,652.50
07/31/24	003650	Prizes of 3rd mayor's cup motorcross.	Prizes	35,100.00
07/31/24	003645	Prizes for Bugtawan 2024	Prizes	61,000.00
08/14/24	004088	Prizes of the inter-barangay 21 under and open age basketball tournament.	Prizes	52,000.00
Total- Prizes				₱ 148,100.00
09/30/24	004685	Catering for Two-Day Seminar Workshop on the Function, Core, Values of BPAT's, Basic Investigation and Intelligence	Training Expenses	52,500.00
10/22/24	005154	Catering services for the three-day fire safety seminar and fire drill	Training Expenses	60,000.00
12/16/24	005908	Catering for (2) Two Days Seminar Workshop of Basic Law Enforcement and Defense Tactics	Training Expenses	93,150.00
Total- Training Expenses				₱ 205,650.00
Total Overstatement of Other MOOE				₱ 1,006,552.50

- 7.3 Our interview with the municipal accounting personnel revealed that the misclassification resulted from an **oversight** in reviewing the nature of the transactions during the preparation and approval of the related JEVs.
- 7.4 Such misclassification of expenses contradicts COA Circular No. 2015-009, dated December 1, 2015, and leads to inaccurate financial reporting because recorded transactions do not accurately reflect their true nature, which can potentially mislead decision-makers, auditors, and stakeholders.
- 7.5 As a result of the foregoing, the Other MOOE account was overstated by ₱1,006,552.50, while the Prizes and Training Expenses accounts were understated by ₱148,100.00 and ₱205,650.00. On the other hand, the balances of the inventory account and the related expense account are misstated by an undetermined amount due to the non-submission of the inventory of supplies held in stock at the end of the year.
- 7.6 **We recommended and the Municipal Accountant agreed to ensure that only transactions not falling under any of the specific maintenance and operating expense accounts are recorded under the Other MOOE account. Furthermore, we recommended and it was agreed that personnel authorized to prepare and approve the JEVs be properly instructed to ensure that the accounts used align with COA Circular No. 2015-009, dated December 1, 2015.**
- 7.7 The Municipal Accountant further explained that the transactions intended to be recorded under specific inventory accounts were initially categorized as disbursements under Other MOOE for the GAD, LDRRM, and Special Purpose Appropriation, as reflected in the records of the Municipal Budget Officer.
8. **Taxes totaling ₱480,012.50 paid for the processing of land title acquisition were incorrectly recorded as expenses under “Other Maintenance and Operating Expenses” instead of being capitalized as part of the cost of the land, contrary to Paragraph 30 of IPSAS 17, resulting in the understatement of the Property, Plant, and Equipment (PPE) account and the overstatement of expenses by the same amount.**
- 8.1 Paragraph 30 of International Public Sector Accounting Standard (IPSAS) 17 identifies the elements of the cost of an item of PPE. It provides that the cost of an item of PPE comprises:
- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

8.2 Our post-audit of Disbursement Vouchers (DVs) revealed that the Municipality paid a total of ₱480,012.50 for capital gains tax, documentary stamp tax, and transfer tax to process the title of the lot acquired by the Municipality. The details of these transactions are presented below:

Date	DV #	Particulars	Amount
9/03/24	101-24-09-3763	Payment for Documentary Stamp Tax for the purchase of lot	₱ 87,750.00
9/03/24	101-24-09-3764	Payment for Capital Gains Tax for the purchase of lot	351,000.00
9/27/24	101-24-09-4113	Payment for Transfer Tax for the purchase of lot	41,262.50
Total			₱ 480,012.50

- 8.3 A review of the Journal Entry Vouchers (JEVs) for the above transactions revealed that they were recorded under the "Other Maintenance and Operating Expenses" account rather than the "Land" account. During an interview, the Municipal Accountant acknowledged that these transactions were classified as expenses because, according to the Municipality's budget structure, they fall under Maintenance and Operating Expenses.
- 8.4 In IPSAS 17, capital gains tax paid by the buyer isn't explicitly recognized as an element of cost for PPE. This is because capital gains tax is generally a tax on the seller, not the buyer. However, if the tax is imposed directly on the buyer as an unavoidable cost of acquiring the asset, similar to a property transfer tax or documentary stamp tax, it should be classified as a non-refundable tax and included in the asset's cost.
- 8.5 Moreover, the capital gains tax, documentary stamp tax, and property transfer tax constitute directly attributable costs associated with the acquisition of the land. These taxes are mandatory payments required to transfer the property title to the Municipality. Additionally, as non-refundable levies, they cannot be recovered at a later stage. Therefore, in the subject transactions, these taxes should be recognized as part of the land's acquisition cost.

- 8.6 Due to the incorrect classification of the capital gains tax, documentary stamp tax, and property transfer tax as expenses instead of capitalizing them as part of the land's cost, the PPE account was understated, while expenses were overstated by ₱480,012.50
- 8.7 **We recommended and the Municipal Accountant agreed to prepare an appropriate journal entry to reclassify the taxes as part of the cost of land to ensure proper asset valuation and compliance with IPSAS 17.**
- 8.8 On May 19, 2025, the Municipal Accountant submitted Journal Entry Voucher (JEV) No. 2025-01-002040, which reclassified the taxes paid as part of the cost of land.

Late submission of year-end financial statements

9. **The Municipal Accountant was unable to submit the year-end financial statements (FS) of the Municipality for CY 2024 within the prescribed period, contrary to Section 41(2) of PD No. 1445 and Section 4.1 of COA Circular No. 2010-01 dated March 2, 2010, thus preventing municipal officials concerned from utilizing timely financial information, which is essential for making informed decisions.**
 - 9.1 Section 41(2) of Presidential Decree (PD) No. 1445, or the Government Auditing Code of the Philippines provides that the chief accountant or the official in charge of keeping the accounts of a government agency shall submit to the Commission year-end trial balances and such other supporting or subsidiary statements as may be required by the Commission not later than the fourteenth day of February.
 - 9.2 Moreover, the same provision is found in Section 4.1 of COA Circular No. 2010-01 dated March 2, 2010, which states that the accountant shall submit the year-end FS and schedules to the auditor on or before February 14 of each year. This amends the provisions in Sec. 3.1 of COA Accounting Circular Letter No. 2007-002 dated January 19, 2007, which provides that year-end FS shall be submitted within 60 days after December 31 of each year.
 - 9.3 Consistent with the adoption of the Philippine Sector Accounting Standards (PPSAS) in the LGUs, Section 3.4 of COA Circular 2016-004 dated September 30, 2016, prescribed the presentation of the financial statements as follows:
 - a. Statement of Financial Position;
 - b. Statement of Financial Performance;
 - c. Statement of Changes in Net Assets/Equity;
 - d. Cash Flow Statement;
 - e. Comparison Statement of Budget and Actual Amounts (SCBAA); and
 - f. Notes to Financial Statements.

- 9.4 On January 22, 2025, the Audit Team requested the submission of the FS, including schedules of subsidiary ledger balances of the controlling accounts in the general ledger (GL) as of December 31, 2024. However, the Municipal Accountant was only able to submit the FS for Trust Fund on February 2, 2025.
- 9.5 Due to the non-submission of the remaining financial statements, on February 14, 2025, we issued a demand letter on February 17, 2025, requesting that the Municipal Accountant promptly submit the year-end financial statements. However, the Municipal Accountant submitted the FS for the Special Education Fund on March 21, 2025, while the FS for the General Fund was submitted later, on April 4, 2025.
- 9.6 Our interview with the Municipal Accountant revealed that the delayed preparation and submission of the FS was due to the late submission of required documents from various departments. He mentioned that they established a cut-off date of December 27, 2024, for submitting the financial transaction documents to the Municipal Accountant. However, this cut-off date was not adhered to, and the volume of documents was submitted after that date.
- 9.7 The Municipal Accountant further added that the FS rely on accurate and complete data of financial transactions from all departments, and any delay in receiving these documents can significantly impact the overall timeline. He stated that each document needs to be verified for accuracy and completeness, and late submissions disrupt this process, creating bottlenecks.
- 9.8 The delayed submission of the FS hindered timely audits and reviews, the outcomes of which are necessary for Management to make informed and intelligent decisions in their daily operations. Additionally, the late submission affected their usefulness in providing relevant and timely information vital to decision-making by Management and higher authorities.
- 9.9 **We recommended and the Department Heads of the Municipality agreed to enhance their monitoring processes for financial transactions to ensure documents are submitted promptly to the Municipal Accountant for the preparation and submission of the required financial reports to the audit team.**

COMPLIANCE AUDIT

Low collection of delinquent real property taxes

10. **The Municipality did not follow the procedure prescribed in Section 254 of Republic Act (R.A) No. 7160, which has led to increases in delinquent real property taxes (RPT) amounting to ₱34,098,709.48 as of December 31, 2024. Consequently, the Municipality risks losing potential revenue that could be used to finance development projects programs and activities (PPAs).**

- 10.1 Section 254 of R.A No. 7160, also known as the Local Government Code, provides that when the real property tax or any other tax imposed under this code becomes delinquent, the provincial, city or municipal treasurer must immediately ensure that a notice of the delinquency is posted at the main entrance of the provincial capitol, or city or municipal hall and in a publicly accessible and conspicuous place in each barangay of the local government unit concerned. The notice of delinquency must also be published once a week for two consecutive weeks, in a newspaper of general circulation in the province, city, or municipality.
- 10.2 It further states that the notice must specify the date on which the tax became delinquent and indicate that personal property may be distrained to effect payment. Additionally, it shall state that at any time before the distraint of personal property, the payment of the tax, along with surcharges, interests, and penalties, may be made in accordance with the following section. Unless the tax, surcharges and penalties are paid before the expiration of the year for which the tax is due, except when the notice of assessment or special levy is contested administratively or judicially pursuant to the provisions of Chapter 3, Title II, Book II of this Code, the delinquent real property will be sold at public auction, and the title to the property will be vested in the purchaser, subject, however, to the right of the delinquent owner of the property or any person having legal interest therein to redeem the property within one (1) year from the date of sale.
- 10.3 Our review of the Certified List of All Real Property Tax Delinquencies as of December 31, 2024, indicated that delinquencies had increased from CY 2021 to CY 2024, as shown on the table below:

Year	Delinquent Taxes	Percentage of Increase from Previous Year
2021	₱18,854,237.80	-
2022	₱22,974,942.36	22%
2023	₱27,197,805.92	18%
2024	₱34,098,709.48	25%

- 10.4 The table above includes amounts dating back to CY 1980, allowing corresponding penalties and charges to continue accruing. An inquiry with the Municipal Treasurer disclosed that Statements of Delinquencies were sent to the property owners to enhance the collection of tax delinquencies. During the four-year period, the following statements were sent:

Year	No. of Statements Issued	Amount
2021	2,036	₱ 24,980,245.18
2022	2,228	₱ 44,434,554.17
2023	805	₱ 24,396,677.14

Year	No. of Statements Issued	Amount
2024	1,512	₱ 38,980,803.45

- 10.5 We also inquired about the total amount collected as a result of the statements issued, however, the Office of the Municipal Treasurer has not been monitoring such data.
- 10.6 In an interview, the Municipal Treasurer revealed that they did not post the notice of delinquency as required under Section 254 of R.A. No. 7160 at the main entrance of the municipal hall and in publicly accessible and conspicuous places in each barangay of the Municipality because this practice has not been implemented in the Municipality, even before he assumed the role of Municipal Treasurer.
- 10.7 Consequently, the amount of delinquent RPT has been on a continuous rise. Over the past four years, it has nearly doubled, putting the Municipality at risk of losing potential revenue that could otherwise fund development PPAs.
- 10.8 **We recommended and the Municipal Treasurer agreed to post the Notice of Delinquency in the Payment of RPT at the main entrance of the municipal hall and in publicly accessible and conspicuous places in each barangay of the Municipality pursuant to Section 254 of R.A 7160.**
- 10.9 **We further recommended and Management agreed that once the Notice of Delinquency for the Payment of RPT is posted, they should utilize the remedies provided under R.A. No. 7160 to recover delinquent taxes.**

Lack of public bidding and documentation for some disbursements

11. Disbursements totaling ₱563,304.91 from the ₱800,000.00 allocated to the Philippine Councilor's League (PCL) under the Municipality's Trust Fund did not undergo public bidding and lacked complete documentation, contrary to Section 10 of Republic Act (R.A) No. 9184 and Section 4 of Presidential Decree (PD) No. 1445, resulting in a lack of transparency and accountability.

- 11.1 Title VI, Book III of Republic Act (R.A) No. 7160 provides for the establishment of leagues and federations for local elective officials, including barangay, municipal, city, and provincial officials. The statute explicitly integrates these leagues into the local government structure, assigning them functions that directly affect governance, public administration, and policy formulation.
- 11.2 Moreover, the Supreme Court rulings in *Bito-Onon vs. Fernandez, et al.* (G.R. No. 139813, January 31, 2001) and *National Liga ng mga Barangay, et al. vs. Paredes, et al.* (G.R. No. 130775, September 27, 2004) established the legal standing of the Liga ng mga Barangay as a government institution, recognizing its creation under

R.A No. 7160 and its significant role in local governance. These rulings provide a compelling precedent for the broader classification of all leagues and federations of local elective officials as government entities

- 11.3 Additionally, the PCL derives its existence and authority from R.A No. 7160. It receives government funding, performs public functions, and maintains structural ties to official government operations, making it a government institution rather than a private organization. The Commission on Audit (COA) Resolution No. 2011-014 dated December 13, 2011, further reinforces this status by subjecting these leagues and federations to government audit, confirming their accountability under state regulations.
- 11.4 R.A No. 9184, also known as the “Government Procurement Reform Act” applies to the procurement of infrastructure projects, goods, and consulting services, regardless of the source of funds, whether local or foreign, by all branches and instrumentalities of government, its departments, offices and agencies, including government-owned and/or -controlled corporations and local government units, subject to the provisions of Commonwealth Act No. 138.
- 11.5 Section 10 of R.A No. 9184 mandates that all procurement must be conducted through competitive bidding, except as provided in Article XVI of this Act. Furthermore, Section 4 of PD No. 1445 requires that claims against government funds be supported by complete documentation.
- 11.6 Verification of Official Receipt (OR) No. 6744545 dated February 28, 2023, confirms that the Municipality of Sibulan received a check amounting to ₱800,000.00 from the City Government of Tanjay as membership dues for the PCL for Calendar Year 2023. The funds were remitted to Sibulan because the PCL Treasurer at the time was a Sangguniang Bayan Member of the Municipality. On March 1, 2023, the check was deposited into the Municipality’s Trust Fund account. A review of Disbursement Voucher (DV) No. 221-22-03-0132 dated March 17, 2023, revealed that the Municipality subsequently issued a check for ₱800,000.00 payable to the PCL.
- 11.7 However, a review of the documents submitted by the Office of the Municipal Accountant on March 17, 2025, for the liquidation of funds transferred to PCL did not include any bidding documents or any records indicating that an alternative mode of procurement was used. In addition, basic documentary requirements such as DVs, Purchase Requests, Purchase Orders, Acceptance and Inspection Reports, Requisition and Issue Slips, and Activity Designs were not submitted. Instead, the documents provided consisted of ORs with the following details:

Establishment	OR No.	Date	Amount	Particulars
Supplier 1	228	06/05/23	₱175,000.00	Various office supplies
Supplier 2	002102	07/03/23	150,000.00	Cellcards
Supplier 3	09293	05/23/23	100,730.00	Trophies, chairs and balls

Establishment	OR No.	Date	Amount	Particulars
Supplier 4	20230	09/28/23	6,909.01	Meals
Supplier 5	0004615	11/23/23	61,875.00	Catering services
Supplier 6	0030463	04/05/23	8,405.00	Meals
Supplier 7	158216	07/21/23	3,500.00	Room Accommodation
Supplier 8s	626520	09/28/23	56,000.00	Meals, Function and Room Accommodation
Total			₱563,304.91	

- 11.8 In an inquiry with the Municipal Treasurer and the Municipal Accountant, they confirmed that these were the only documents submitted by the PCL. Additionally, the remaining balance of ₱236,695.09 out of the ₱800,000.00 transferred to the PCL has not been liquidated yet.
- 11.9 The lack of bidding documents indicates that the procurement of the above goods and services did not undergo public bidding, or any alternative mode of procurement as required under Section 10 of R.A 9184. The absence of basic documentary requirements—such as Disbursement Vouchers (DVs), Purchase Requests, Purchase Orders, Acceptance and Inspection Reports, Requisition and Issue Slips, and Activity Designs—raises serious concerns about transparency, accountability, and compliance in government procurement, violating Section 4 of PD No. 1445.
- 11.10 The fundamental principle in Section 4 of PD No. 1445 is crucial because it ensures transparency, accountability, and proper use of public funds.
- 11.11 **We recommend that Management require the PCL to submit all necessary documentation to support the disbursement of ₱563,304.91, including but not limited to:**
- a. **Disbursement Vouchers (DVs)**
 - b. **Purchase Requests (PRs)**
 - c. **Purchase Orders (POs)**
 - d. **Acceptance and Inspection Reports (AIRs)**
 - e. **Requisition and Issue Slips (RIS)**
 - f. **Activity or Project Designs**
- 11.12 **We further recommend that Management request PCL to explain and justify the lack of public bidding or the use of any alternative procurement method in the procurement of subject goods and services, and instruct them to immediately liquidate the remaining balance of ₱236,695.09.**

- 11.13 The President of the PCL–Negros Oriental Chapter sincerely believes, based on their understanding of applicable laws, rules, and regulations, that their procurement and expenditure activities are not subject to the requirement of public bidding.
- 11.14 He further stated that when PCL–Negros Oriental received financial assistance amounting to ₱800,000.00 from the Local Government Unit (LGU) of Sibulan, sourced from LGU Tanjay, they were not advised that disbursements from said amount would necessitate the conduct of public bidding.
- 11.15 Moreover, they emphasized their continued good faith in the belief that, since the ₱800,000.00 was formally released to PCL–Negros Oriental, they were authorized to utilize the amount for the designated priority programs and projects, with the understanding that proper liquidation would be submitted afterward. He added that they were unable to undertake public bidding due to the absence of their own Bids and Awards Committee. They maintained that, as long as the disbursements are properly liquidated and aligned with the identified priority programs and projects, the utilization of the funds is considered compliant and proper.
- 11.16 He further added that this is the first time that the PCL- Negros Oriental has received an AOM from the Commission, requiring them to conduct public bidding for the financial assistance they have received from the LGU.
- 11.17 According to him, during the previous administration of PCL–Negros Oriental, the League received financial assistance from various LGUs. Upon receipt of these funds, the League proceeded with disbursements without conducting public bidding, provided that liquidation reports for the expenses were properly submitted. Consequently, the current administration of PCL–Negros Oriental has continued this practice in good faith, believing it to be legitimate, as it has not been previously questioned or flagged as improper by the Commission.

Auditor’s Rejoinder

- 11.18 The assertion that public bidding is not required for disbursements made by the PCL is inconsistent with the provisions of Republic Act No. 9184, also known as the Government Procurement Reform Act, which mandates that all procurement of goods, infrastructure projects, and consulting services funded by public money must undergo competitive bidding, unless otherwise allowed under specific alternative modes. The law applies to all government entities, including leagues and federations of local elective officials, as affirmed by COA Resolution No. 2011-014 and relevant Supreme Court jurisprudence.
- 11.19 The PCL’s integration into the local government structure, its receipt of public funds, and its execution of public duties confirm its status as a government institution. Therefore, it must follow government accounting and auditing standards, including procurement rules and regulations.

- 11.20 The lack of an internal BAC does not exempt the PCL from following procurement laws. In such cases, coordination with the LGU or other authorized procurement entities should be undertaken to ensure the lawful disbursement of public funds.
- 11.21 Although past practices may not have been flagged, the absence of prior audit findings does not mean there is no non-compliance. This observation is issued to correct issues and guide future actions based on updated interpretations and enforcement of relevant laws. Good faith does not excuse the need for legal compliance, especially when public funds are involved.
- 11.22 Liquidation alone does not satisfy the requirements of transparency and accountability. Complete supporting documents—including Disbursement Vouchers, Purchase Requests, Purchase Orders, Acceptance and Inspection Reports, and Activity Designs—are essential to validate the legality and propriety of expenditures.

Unutilized funds from BGCM not remitted to the National Treasury

- 12. Unutilized funds from Bayanihan Grants to Cities and Municipalities (BGCM) totaling ₱21,436.43 were not remitted to the National Treasury despite the lifting of the State of Public Health Emergency on July 21, 2023, contrary to Item 3.9 of DBM Local Budget Circular (LBC) No. 125 dated April 7, 2020, depriving the National Government from using the funds to finance priority projects, programs and activities.**
- 12.1 DBM LBC No. 125 dated April 7, 2020, prescribes the guidelines and procedures for the release and utilization of the BGCM. The BGCM was released to cities and municipalities to enhance their capacity to respond immediately to the COVID-19 emergency. Item 3.9 thereof provides that funds remaining unutilized after the lifting of the State of Calamity, as declared by Presidential Proclamation, shall be reverted to the National Treasury by the recipient cities and municipalities.
- 12.2 Moreover, on July 21, 2023, the President of the Philippines lifted the State of Public Health Emergency under Proclamation No. 297.
- 12.3 An examination of the records revealed that the Municipality received ₱14,723,785.00 from the National Government as BGCM on April 16, 2020. Between CY 2020 and CY 2021, ₱14,104,709.34 of this amount was utilized, leaving a balance of ₱619,075.66 at the end of CY 2021. A review of the General Ledger (GL) showed no recorded transactions from 2021 until July 21, 2023, when the State of Public Health Emergency was lifted. Furthermore, an analysis of the GL confirmed that the balance remained outstanding as of December 31, 2024. The Municipal Accountant disclosed that the unutilized balance was not yet adjusted for the annual depreciation of equipment. Hence, the actual cash balance of the fund is ₱21,436.43.

- 12.4 An inquiry with the Municipal Accountant revealed that the balance had been overlooked and had not yet been remitted to the National Treasury, even after the lifting of the State of Public Health Emergency. However, the Municipal Accountant assured that he would coordinate with the Municipal Treasurer to prepare a check payable to the National Government, ensuring that the balance would be promptly remitted to the National Treasury.
- 12.5 The Municipality's inability to remit the unutilized funds to the National Treasury deprived the National Government of the opportunity to use these funds for priority projects, programs, and activities.
- 12.6 **We recommended and the Municipal Accountant agreed to provide the Municipal Treasurer with the records of unutilized funds under the BGCM so that the latter can return these funds to the National Treasury in accordance with Item 3.9 of DBM LBC No. 125 dated April 7, 2020.**
- 12.7 The Municipal Accountant and Municipal Treasurer disclosed that a disbursement voucher has already been prepared to return the unutilized funds to the National Treasury.

Fund Transfers not supported by MOA and Approved Project Expenditures or Expenses

13. Fund transfers amounting to ₱420,000.00 provided to the Barangays of the Municipality as subsidy for Sibul Festival were not supported by the Memorandum of Agreement (MOA) and Approved Project Expenditures or Expenses as required under COA Circular 2012-001 dated June 14, 2012, resulting in a lack of accountability, insufficient oversight and challenges in monitoring and liquidation.

- 13.1 Item 3.1.1 of COA Circular No. 2012-01 dated June 14, 2012, as amended by COA Circular 2016-002 dated May 31, 2016, enumerated the following documentary requirements for fund transfers:
 1. Copy of MOA/Trust Agreement
 2. Copy of Approved Program of Work (for infrastructure project)
 3. Approved Project Expenditures or Estimated Expenses indicating the project objective and expected output (for other projects)
 4. Certification by the Accountant that funds previously transferred to the Implementing Agency (IA) have been liquidated and accounted for in the books
 5. Copy of the OR issued by the IA to the Source Agency acknowledging receipt of funds transferred
- 13.2 During our post-audit of Disbursement Vouchers (DVs) (Annex A), it was revealed that the Municipality transferred a total of ₱420,000.00 in subsidies to its Barangays. These funds were intended to cover expenses related to the Pagsibul sa Kabataan and Pagsibul sa Barangay Festival. The subsidies were sourced from the Municipality's General Fund under the Culture and Arts Development Program.

- 13.3 However, an examination of the Disbursement Vouchers (DVs) showed that they were not supported by a Memorandum of Agreement (MOA) between the Municipality and the Barangays. Additionally, these DVs lacked an Approved Project Expenditure or Estimated Expenses document outlining the project's objectives and expected outcomes. In an interview, the Municipal Accountant stated that the fund transfers were indeed covered by a MOA. However, he acknowledged that the MOA did not include a provision for the liquidation of funds, making it difficult to enforce liquidation requirements on the Barangays.
- 13.4 We requested that the Municipal Accountant submit the MOA to us, but as of the date of the audit observation, the same has not been submitted.
- 13.5 The lack of a Memorandum of Agreement (MOA) and an Approved Project Expenditure or Estimated Expenses document can significantly impact the fund transfer process, resulting in several effects such as:
1. **Lack of Accountability** – Without a formal MOA, the responsibilities and obligations of both the Municipality and the Barangays remain undefined. This can lead to confusion and a lack of accountability in fund management.
 2. **Absence of Proper Oversight** – The lack of an Approved Project Expenditure or Estimated Expenses document means there is no clear financial plan. This could result in inefficient fund utilization or even misuse of funds.
 3. **Difficulty in Monitoring and Evaluation** – Without documented project objectives and expected outcomes, it becomes challenging to assess whether the funds were used appropriately and whether the intended goals were achieved.
 4. **Complications in Fund Liquidation** – A MOA typically includes provisions for liquidation. Without it, enforcing the return of unused or misused funds can become difficult.
- 13.6 **We recommended and Management agreed to:**
- a. **Submit the following documents for the ₱420,000.00 fund transfers:**
 - **Duly executed Memorandum of Agreement (MOA) between the Municipality and each recipient Barangay**
 - **Approved Project Expenditures or Estimated Expenses detailing the project objectives, expected outcomes, and budget allocations**
 - b. **Strictly adhere to the documentary requirements prescribed under COA Circular No. 2012-001, as amended by COA Circular No. 2016-002, for all future fund transfers to Implementing Agencies, including Barangays. All MOAs must explicitly provide for liquidation requirements, including timelines, required supporting documents, and sanctions for non-compliance.**

c. Direct the Municipal Accountant to immediately coordinate with the concerned Barangays to submit liquidation reports for the ₱420,000.00 fund transfers, and require compliance within a specified timeframe.

13.7 On June 2, 2025, copies of the MOAs and Approved Activity Design were submitted to the Audit Team.

Long outstanding receivables from officers and employees

14. The Municipality did not enforce the timely collection of receivables from its officers and employees, amounting to ₱108,336.22, which have been outstanding for up to three years or more, indicating lapses in financial management and non-compliance with Section 2 of PD No. 1445, thereby compromising the principles of efficiency, economy, and effectiveness in government operations.

14.1 Section 2 of PD No. 1445 provides that it is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguard against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.

14.2 COA Circular 2015-009 dated December 1, 2015, prescribes the Revised Chart of Accounts for Local Government Units (LGUs). Annex B of the circular prescribes that the account *Due from Officers and Employees* is debited for the amount of claims from the agency's officers and employees for overpayment, cash shortage, loss of assets, and other bills issued by the agency. The account is credited for the collection of the receivable.

14.3 Review of the General Ledger (GL) for the Due from Officers and Employees account revealed a balance of ₱142,292.22 as of December 31, 2024. An examination of the Aging Schedule indicated that ₱4,856.00 represents amounts not yet due as of year-end, while ₱137,436.22 pertains to amounts outstanding for periods ranging from less than 30 days to over three (3) years, as detailed below:

No. of Days Past Due	Total Amount Due
Less than 30 days	₱ 0.62
31-90 days	180.77
91-365 days	5,259.00
Over 1 year	26,384.13
Over 2 years	79,630.62
3 years & above	25,981.08
Total	₱ 137,436.22

- 14.4 Verification of the Subsidiary Ledger (SL) of the amounts presented above pertains to amounts collectible from the officers and employees due to overpayment of salaries, receivable arising from the case denied per COA decision for the loss through robbery, adjustment due to erroneous liquidation, adjustment of GSIS, Pag-IBIG, PhilHealth, receivable from payment of cellcards and internet expenses, receivable due to DCCCO repayment paid by the LGU, and other adjustments.
- 14.5 The Office of the Municipal Accountant has identified that the receivables are collectible from 27 officers and employees who are still connected with the Municipality. Additionally, ₱2,531.00 is due from a retired employee, while ₱29,100.00 is owed by an employee who has transferred to another agency. However, the Municipal Accountant clarified in its reply to the observation that the amount of ₱29,100.00 was a result of incorrect posting and, thus, the amount shall not be included in the total amount due and collectible.
- 14.6 An inquiry with the Municipal Accountant revealed that management has not enforced measures to compel officers and employees still affiliated with the Municipality to settle their outstanding obligations. Furthermore, as of this date, no demand has been issued to the two former employees who are no longer connected with the Municipality.
- 14.7 The lack of efforts to enforce collections indicates lapses in safeguarding government resources, potentially leading to financial inefficiencies, loss of funds, and mismanagement, thereby compromising the principles of efficiency, economy, and effectiveness in government operations.
- 14.8 **We recommended and the Local Chief Executive agreed to direct the Municipal Accountant to promptly issue formal demand letters to all officers and employees with outstanding balances, including those who have retired or transferred to other agencies.**
- 14.9 **We further recommended and the Municipal Accountant agreed to establish and implement stricter monitoring and reporting mechanisms to ensure regular tracking, timely follow-up, and accurate reporting of all outstanding receivables from officers and employees.**
- 14.10 The Municipal Accountant also disclosed that a careful review of each account has already been done, and demand letters have been drafted.

Unreverted and unutilized LGSEF

15. **The Local Government Service Equalization Fund (LGSEF), amounting to ₱121,164.61, has not been utilized for over ten years due to a lack of available documents and records, which contradicts Section 2 of Presidential Decree (P.D.) No. 1445, thereby depriving the constituents of the benefits they would have received had the funds been utilized for additional projects.**

- 15.1 Section 2 of PD No. 1445 states that it is the declared policy of the State that all government resources shall be managed, expended, or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy, and effectiveness in government operations. The responsibility to ensure that this policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.
- 15.2 The LGSEF was part of the Local Government Unit's (LGU's) Internal Revenue Allotment (IRA), which was withheld by the national government pursuant to the provisions in the General Appropriations Act (GAA) of 1999, 2000, and 2001. Its release to LGUs was subject to guidelines issued by the Oversight Committee on Devolution (OCD) created under Executive Order No. 48 issued by then-President Joseph Estrada in 1998.
- 15.3 Following the guidelines set by the OCD, LGUs are required to submit project proposals and necessary documentation to the Department of Interior and Local Government (DILG) for review prior to sending them to the OCD for approval and fund release by the Department of Budget and Management (DBM).
- 15.4 The review of the Subsidiary Ledgers (SL) of the Due to NGAs account showed that as of December 31, 2024, a total of ₱121,164.61 under the LGSEF remained outstanding for more than 10 years, as shown on the next page:

Subsidiary Ledgers	Balance
Concreting of Maningcao Road (Dako)	₱ 17,303.97
Concreting of Maningcao Road (Gamay)	9,409.90
Concreting of Bolocboloc Road	34,391.30
Drainage Canal of Cangmating	20,014.10
Drainage Canal of Bolocboloc	11,759.62
Balance Retained Earnings	28,286.72
Total	₱ 121,164.61

- 15.5 An interview with the Municipal Accountant revealed that the amounts had remained idle for over 10 years because they could no longer locate the documents and records associated with the fund.
- 15.6 It is also important to note that the Supreme Court, in G.R. No. 152774 dated May 27, 2004, declared the release of the LGSEF unconstitutional. The Court ruled that the LGSEF, being part of the IRA, should have been automatically released to LGUs, and that subjecting it to additional guidelines from the OCD was in violation of the Constitution. The decision stated:

“To the Court’s mind, the entire process involving the distribution and release of the LGSEF is constitutionally impermissible. The LGSEF is part of the IRA or just share of the LGUs in the national taxes. To subject its distribution and release to the vagaries of the implementing rules and regulations, including the guidelines and mechanisms unilaterally prescribed by the Oversight Committee from time to time, as sanctioned by the assailed provisos in the GAAs of 1999, 2000, and 2001 and the OCD resolutions, makes the release not automatic, a flagrant violation of the constitutional and statutory mandate that the just share of the LGUs shall be automatically released to them. The LGUs are, thus, placed at the mercy of the Oversight Committee.”
(underscoring supplied)

- 15.7 Given this ruling, the LGSEF should have been recorded under the General Fund and made available for use by the LGU, instead of being withheld or restricted and subjected to the guidelines prescribed by the Oversight Committee, which is unconstitutional. Therefore, the non-utilization of the LGSEF, being part of the IRA, deprived the constituents of the benefits that would have been gained had the amount been used for additional projects.
- 15.8 **We recommended and Management agreed to revert the balance of the LGSEF from the Due to NGAs to the General Fund and utilize the amount in accordance with budgetary requirements and general limitations under Sections 324 and 325, respectively, of R.A. No. 7160, and other existing laws, rules, and regulations.**

Collections not deposited intact at the end of the business day or on the next banking day

16. Collections totaling ₱97,976.04 for the Special Education Fund and ₱11,304.90 for the General Fund were not deposited intact at the end of each business day or on the next banking day as required under Section 32 of the New Government Accounting System (NGAS) Manual, Volume I for Local Government Units (LGUs), thereby exposing government funds to the risk of loss or misappropriation due to weak internal controls over cash handling.

- 16.1 Section 32 of the NGAS Manual, Volume I, for LGUs, requires that the Treasurer/Cashier deposits intact all collections as well as all collections turned over to him by the collectors/tellers with the authorized depository bank daily or not later than the next banking day. He must record all deposits made in the cashbook and prepare the Report of Collections and Deposits (RCD).
- 16.2 Our review of the Municipality’s year-end transactions disclosed that collections on December 27, 2024, totaling ₱97,976.04 for the Special Education Fund (SEF) and ₱11,304.90 for the General Fund (GF) were not deposited on the next banking day, as shown on the next page:

Collections			Deposits		Undeposited Collections
Date	Ref.	Amount	Date	Amount	
Dec. 27, 2024	538 (SEF)	₱ 319,987.10	Jan. 2, 2025	₱ 222,011.06	₱ 97,976.04
Dec. 27, 2024	5835 (GF)	1,162,551.85	Jan. 2, 2025	1,151,246.95	11,304.90
₱ 1,482,538.95			₱ 1,373,258.01		₱ 109,280.94

- 16.3 As indicated in the table above, the total collections based on RCD Nos. 538 and 5835 for SEF and GF, respectively, amounting to ₱109,280.94, were not deposited intact on the next banking/business day, January 2, 2025.
- 16.4 However, we noted that out of the undeposited SEF collections totaling ₱97,976.04, only ₱5,000.00 was deposited on January 3, 2025, while the remaining ₱92,976.04 was deposited on January 6, 2025.
- 16.5 Interviews with personnel at the Municipal Treasurer’s Offices revealed shortcomings in internal controls. These include tellers failing to remit collections to the Liquidating Officer at the end of the day for vault storage, not preparing deposit slips immediately upon receiving collections, the mixing of collections by the Liquidating Officer, and a lack of daily monitoring to ensure that collections are deposited intact on the next banking day.
- 16.6 The absence of strong internal controls in handling official receipts, collections, and deposits exposes the cash on hand to the risk of misappropriation or loss of funds.
- 16.7 **We recommended and the Municipal Treasurer agreed to ensure that the collectors remit collections to the Liquidating Officer at the end of the day. Deposit slips are immediately prepared upon receipt of the collections, and collections are not mixed and are deposited intact daily or on the next banking day.**

B. OTHER MANDATORY AREAS

Compliance with Tax Laws

17. The Municipality of Sibulan complied with tax laws on withholding taxes from salaries, wages, purchases of goods and services, and value-added tax. Taxes withheld were remitted to the Bureau of Internal Revenue within the reglementary period.

Particular	General Fund	SEF	Trust Fund	Total
Beginning Balance	0.00	0.00	0.00	0.00
Add: Taxes withheld from Jan-Dec 2024	9,867,944.45	322,053.89	202,687.45	20,260,630.24

Particular	General Fund	SEF	Trust Fund	Total
Less: Remittance from Jan-Dec 2024	9,867,944.45	322,053.89	202,687.45	20,260,630.24
Balance as of December 31, 2024	0.00	0.00	0.00	0.00

Compliance with Mandatory Deductions (GSIS, PAG-IBIG, and PHILHEALTH)

18. The Municipal Government remits its GSIS, PAG-IBIG, and PHILHEALTH premiums and contributions within the reglementary period.

Particular	Due to GSIS	Due to Pag-IBIG	Due to PhilHealth	Total
Beginning Balance	46,671.13	69,791.19	6,793.64	123,255.96
Add: Mandatory Contributions Withheld from Jan-Dec 2024	11,193,342.61	690,227.86	2,735,272.16	14,618,842.63
Add: Loan Repayments Withheld from Jan-Dec 2024	4,456,616.13	489,210.12		4,945,826.25
Less: Remittance of Mandatory Contributions from Jan-Dec 2024	11,188,740.61	652,927.86	2,482,836.73	14,324,505.20
Less: Remittance of Loan Repayments from Jan-Dec 2024	4,444,694.46	473,984.98		4,918,679.44
Balance as of December 31, 2024	63,194.80	122,316.33	259,229.07	444,740.20

18.1 Out of the ending balance, the details of the remittances are summarized below:

Particular	Due to GSIS*	Due to Pag-IBIG	Due to PhilHealth	Total
Amount Remitted:				
For Mandatory Contributions		108,545.15	259,024.95	367,570.10
For Loan Repayments		63,300.00		63,300.00
Date Remitted		45,245.15	259,024.95	304,270.10

18.2*The unremitted balance as of December 31, 2024, represents premiums from new hires and from salary differences for the month of December. These premiums were also remitted along with the premiums for the month of January 2025, totaling ₱1,462,814.50 on February 6, 2025.

SETTLEMENT OF ACCOUNTS

19. The reported audit suspensions, disallowances, and charges of the LGU as at December 31, 2024, were as follows:

	Beginning Balance (As of 1/1/2024)	This Period January 1 to December 31, 2024		Ending Balance (As of 12/31/2024)
		NS/ND/NC	NSSDC	
Notice of Suspension	₱ 0.00	₱ 0.00	₱ 0.00	₱ 0.00
Notice of Disallowance	4,003,000.00	0.00	0.00	4,003,000.00
Notice of Charge	0.00	0.00	0.00	0.00

19.1 Further, the table below shows the respective balances of suspensions, disallowances, and charges of ₱0.00, ₱4,003,000.00, and ₱0.00 with breakdown as to timing and age as follows:

Timing	Age	NS	ND	NC
07/01/2022 to 12/31/2024 (Current Administration)	Less than 1 year to 2.5 years	₱ 0.00	₱ 0.00	₱ 0.00
07/01/2019 to 06/30/2022	More than 2.5 to 5.5 years			
07/01/2016 to 06/30/2019	More than 5.5 to 8.5 years			
07/01/2013 to 06/30/2016	More than 8.5 to 11.5 years		2,743,000.00	
07/01/2010 to 06/30/2013	More than 11.5 to 14.5 years		1,260,000.00	
10/06/2009 ¹ to 06/30/2010	More than 14.5 to 15.25 years			
Total		₱ 0.00	₱ 4,003,000.00	₱ 0.00

19.2 Of the total balance of disallowances, the disallowed amount of ₱1,260,000.00 is pending appeal at various levels of adjudication pursuant to the COA Rules and Regulations on Settlement of Accounts (RRSA). However, the breakdown of the timing and age of the disallowances totaling ₱2,743,000.00 could not be provided as the ND records were not turned over and have not been located by the current audit team.

¹ COA Circular No. 2009-006

OTHER MATTERS

20. We have audited the other areas specified under the COA Local Government Audit Sector (LGAS) Unnumbered Memorandum dated October 30, 2024. However, we have not obtained sufficient and competent evidence on these matters to warrant the inclusion of audit observations in this Report.

PART III
STATUS OF IMPLEMENTATION
OF PRIOR YEARS' AUDIT
RECOMMENDATIONS

STATUS OF IMPLEMENTATION OF PRIOR YEARS' UNIMPLEMENTED AUDIT RECOMMENDATIONS

Of the 45 audit recommendations contained in the CY 2023 and prior years' Annual Audit Reports, eight were implemented and 37 were unimplemented. Of the eight implemented recommendations, two were closed due to changes in condition. Meanwhile, of the 37 unimplemented recommendations, three were reiterated and included in audit observation numbers 1 and 9; while eight were restated in audit observation numbers 1, 2, 3, 5, and 6 in Part II of this report, in view of the similarity of the issues involved.

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2023 AAR</u> AO No. 1, page 34</p>	<p>The Local Government Unit did not take advantage of the guidelines and procedures of COA Circular No. 2020-006 dated January 31, 2020 on the one-time cleansing of Property, Plant and Equipment (PPE), thus adversely affecting the fairness of presentation of the financial position in the financial statements and may deprive the government of reliable and useful information in decision-making and accountability for these assets.</p> <ul style="list-style-type: none"> a. Non-conduct of complete physical count of all its PPE b. Non-adoption of a unique property number for each PPE and absence of property stickers placed on each PPE c. Non-submission of the approved PIP d. Non-conduct of preliminary activities prior to inventory taking 	<ul style="list-style-type: none"> 1. Management observe the guidelines and procedures provided in COA Circular No. 2020-006 dated January 31, 2020 for the one-time cleansing of PPE account balances to have reliable PPE balances that are verifiable as to existence, condition and accountability as follows: <ul style="list-style-type: none"> a. Strictly follow the guidelines and procedures in the conduct of physical count of PPE, recognition of PPE items found at station, and disposition for non-existing/missing PPE items and require the Accountant and Property Officer to reconcile their records based on the results of the actual physical inventory and effect necessary adjustments; b. Adopt the uniform numbering system for property numbers of PPE and require the Property Unit to update the property stickers based on the prescribed format and to include the required information under Section 5.6 and 5.7 of COA Circular No. 2020-006 dated January 31, 2020; 	<p>Unimplemented</p> <p><i>This was reiterated in the audit of CY 2024 accounts as AO No. 1</i></p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
		<p>c. Submit the approved PIP to the COA Audit Team within the prescribed period;</p> <p>d. Conduct the required preliminary activities prior to inventory taking;</p> <p>e. Record /docu the physical count daily in a standard ICF prescribed in Annex A of COA Circular No. 2020-006 dated January 31, 2020; and</p> <p>f. Undertake collaborative procedures to ensure that all PPEs in the RPCPPE are duly recorded in their respective records and that the Property Cards (PCs) maintained by the Property Unit and the PPELCs (PPE Ledger Cards) maintained by the Accounting Unit are reconciled.</p>	
<p><u>2023 AAR</u> AO No. 2, page 37</p>	<p>The accuracy and reliability of the LRN account totaling ₱72,050,876.06 could not be ascertained due to various deficiencies noted, inconsistent with COA Circular No. 2015-008 dated November 23, 2015, thereby, affecting the fair presentation of the account in the financial statements (FS).</p> <p>a. Non-conduct of inventory of local roads and non-preparation of RPCLRN</p> <p>b. The costs of each road component of the local road projects in the books of accounts were not segregated</p>	<p>The Local Chief Executive:</p> <ol style="list-style-type: none"> 2. Create an Inventory Committee to focus on the physical count of local roads; and 3. Enjoin the Municipal Treasurer, Municipal Accountant, and Municipal Engineer to strictly comply with the accounting and reporting guidelines on the local roads asset management system pursuant to COA Circular No. 2015-008 dated October 23, 2015. 	<p>Implemented</p> <p>Unimplemented</p> <p>The required documents confirming compliance with the recommendation were still pending submission.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
	<p>c. Non-maintenance of LRNLC and LRNPC showing complete description and cost segregation of LRN components</p> <p>d. Non-disclosure of the total road network system in the Notes to the FS</p>		
<p><u>2023 AAR</u> AO No. 3, page 39</p>	<p>The Cash in Bank balances showed a difference of ₱14,586,404.17 against the confirmed balances from the depository bank, which remained unadjusted because book reconciling items in the Bank Reconciliation Statements (BRS) were not recorded during the year, inconsistent with Sections 3.2 and 3.3 of COA Circular No. 96-011 dated October 2, 1996, thus presenting an inaccurate and unreliable balance in the FS.</p>	<p>4. The Municipal Accountant prioritize the immediate completion of the reconciliation and adjustment processes and establish strict internal controls, including setting deadlines for monthly reconciliations and ensuring timely resolution of reconciling items, pursuant to COA Circular No. 96-011 dated October 2, 1996.</p>	<p>Unimplemented</p> <p><i>This was restated in the audit of CY 2024 accounts as AO No. 3.</i></p>
<p><u>2023 AAR</u> AO No. 4, page 41</p>	<p>Due to the frequent absences of the assigned staff, the Municipal Accountant was unable to submit the year-end FS of the Municipality for CY 2023 within the prescribed period, inconsistent with Section 41(2) of Presidential Decree (PD) No. 1445 and Section 4.1 of COA Circular No. 2010-01 dated March 2, 2010, thus preventing municipal officials concerned from utilizing the financial information contained therein for decision-making.</p>	<p>5. The Municipal Accountant take steps to minimize the effect of staff absences on financial statement preparation. This could involve cross-training personnel to ensure coverage, hiring temporary staff during busy periods, or re-evaluating the workflow and deadlines to accommodate unforeseen delays. Additionally, regularly monitoring staff attendance and addressing the reasons for frequent absences will be important in preventing future delays in financial reporting.</p>	<p>Unimplemented</p> <p><i>This was reiterated in the audit of CY 2024 accounts as AO No. 9.</i></p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2023 AAR</u> AO No. 5, page 42</p>	<p>The Cash Local Treasury account showed an unreconciled difference of ₱(2,973,348.49) against the cashbook balance, inconsistent with Section 143 (A.7) of the Local Treasury Operations Manual (LTOM), 2nd Edition, thus reliability of the cashbook and General Ledger (GL) balances could not be relied upon.</p>	<p>6. The Municipal Treasurer and Municipal Accountant trace the differences between the cashbook and General Ledger of the Cash Local Treasury account.</p> <p>7. Management, henceforth, require the Municipal Treasurer and Municipal Accountant to properly conduct the quarterly reconciliation between the treasury records and accounting records in compliance with Section 143 (A.7) of the LTOM.</p>	<p>Unimplemented</p> <p><i>This was restated in the audit of CY 2024 accounts as AO No. 5.</i></p> <p>Unimplemented</p>
<p><u>2023 AAR</u> AO No. 6, page 44</p>	<p>The Accounts Payable (A/P) balance of ₱6,587,995.49 as of December 31, 2023, was understated by ₱148,140.50 due to the inclusion of undocumented obligations without valid claims, that have remained outstanding for more than two years, which were not reverted to the unappropriated surplus, inconsistent with Section 98 of PD No. 1445.</p>	<p>8. Management revert to the unappropriated surplus of the General Fund the balance of the undocumented A/P with no valid claims pursuant to Section 98 of PD No. 1445.</p>	<p>Unimplemented</p>
<p><u>2023 AAR</u> AO No. 7, page 45</p>	<p>Unexpended balances of Continuing Appropriations amounting to ₱22,776,284.23 for various projects, programs, and activities (PPAs) remained unutilized, inconsistent with Section 5.0 of the DILG-DBM Joint Memorandum Circular No. 2017-1 dated February 22, 2017 and Section 322 of Republic Act (RA) No. 7160, thereby depriving the public of timely benefits from the</p>	<p>9. The Municipal Budget Officer, MPDO, Municipal Engineer, and Municipal Accountant review and monitor the balances of the continuing appropriations under the 20% DF, which shall be the basis for the Local Finance Committee to recommend to the Local Chief Executive the reversion of those pertaining to completed projects and those no longer needed so that the funds</p>	<p>Unimplemented</p> <p>Management had indicated in their AAPSI that they had already initially implemented the recommendation.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
	development PPAs that could have been programmed from the unexpended amount.	<p>may be appropriated and utilized for other priority development projects.</p> <p>10. Management address the causes of delay, like late materials delivery, unavailability of the site, and lack of deed of donation.</p>	<p>Unimplemented</p> <p>Management noted that this was for implementation.</p>
<p><u>2023 AAR</u> AO No. 8, page 48</p>	<p>Excess funds totaling ₱1,545,618.00 received from the National Government as financial assistance for the Typhoon Odette victims were not returned to the National Treasury, contrary to Section 3.8 of DBM Local Budget Circular No. 141 dated December 28, 2021, depriving the national government of the opportunity to utilize the funds for other important projects, programs, and activities.</p>	<p>11. The Municipal Accountant provide the Municipal Treasurer with the records of the unutilized funds intended for the victims of Typhoon Odette so that the latter can promptly return these funds to the National Treasury, in accordance with Section 3.8 of DBM LBC No. 141 dated December 28, 2021.</p>	<p>Implemented</p>
<p><u>2023 AAR</u> AO No. 9, page 49</p>	<p>The Municipality spent ₱1,195,000.00 out of the LDRRMF for the purchase of a rescue vehicle utilized as an ambulance, inconsistent with Section 5.0 of NDRRMC-DBM-DILG Joint Memorandum Circular No. 2013-1 dated March 25, 2013 and DILG Memorandum Circular No. 2012-73 dated April 17, 2012, thus, reducing the funds available for disaster risk management, relief, rehabilitation, and recovery programs.</p>	<p>12. Management utilize the procured rescue vehicle exclusively for response and rescue/relief activities in accordance with DILG Memorandum Circular No. 2022-105 dated August 23, 2022. Otherwise, the LDRRMF should be reimbursed from the general fund for the cost of the vehicle.</p>	<p>Unimplemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
		13. Management adhere strictly to the provisions of DILG Memorandum Circular No. 2012-73 dated April 17, 2012, and NDRRMC-DBM-DILG Joint Memorandum Circular No. 2013-1 dated March 25, 2013, on the utilization of the LDRRMF.	Unimplemented
<u>2023 AAR</u> AO No. 10, page 50	Collections amounting to ₱366,602.87 as of December 31, 2023, were not deposited intact with the authorized government depository bank (AGDB) daily or not later than the next banking day, contrary to Section 69(4) of P.D. No. 1445 and Section 32 of the NGAS Manual for LGUs, Volume I, thus exposing government funds to risk of misappropriation or loss through defalcation.	<p>The Municipal Treasurer:</p> <p>14. Ensure that all collections are deposited intact with the AGDB daily or not later than the next banking day pursuant to Section 69(4) of PD No. 1445 and Section 32 of the NGAS Manual for LGUs, Volume I;</p> <p>15. Submit the validated deposit slip for the ₱343,832.80 deposit made on January 17, 2024; and</p> <p>16. Stop setting aside ORs at year-end pending the DO's liquidations to accommodate the DO's refund of the excess CAs.</p>	<p>Unimplemented</p> <p>Implemented</p> <p>Implemented</p>
<u>2023 AAR</u> AO No. 11, page 52	The Municipality purchased a 1,036-square meter lot and made a full payment of ₱300,000.00 for the property, even though the deed of sale had not been annotated yet on the title, contrary to Section 5 of R.A. No. 10752, thus, putting the Municipality at a disadvantage since legal ownership rights to the property have not been clearly established.	17. Management expedite the processing of the required documents for the BIR to facilitate the issuance of an eCAR. Subsequently, these documents should be forwarded to the Register of Deeds for the annotation of the deed of sale in the Transfer Certificate of Title and the processing of the new title for the parcel of land purchased by the Municipality.	Unimplemented

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2022 AAR</u> AO No. 1, page 32</p>	<p>The validity, accuracy, and existence of the movable Property, Plant, and Equipment (PPE) with a net book value of ₱ 75,863,022.76 as of December 31, 2022, could not be ascertained due to the lack of a physical inventory count, contrary to Section 124 of the Manual on the New Government Accounting System (NGAS) for Local Government Units (LGUs), Volume I. Consequently, the balances of the movable PPE accounts are unreliable, affecting the fair presentation of these accounts in the financial statements.</p>	<p>18. The Local Chief Executive create an Inventory Committee to conduct the physical count of PPE in accordance with Section 124 of the NGAS Manual for LGUs, Volume I, and direct the Accounting and Property Units to reconcile the results of the physical count with the related property and accounting records pursuant to the pertinent provisions of COA Circular No. 2020-006 dated January 31, 2020, to ensure the accuracy of the reported PPE balances in the financial statements.</p> <p>19. Management also avail the one-time cleansing of non-existing or missing PPE items in accordance with Section 8.0 of the same Circular to ensure that reported PPE balances are verifiable as to existence, condition, and accountability.</p>	<p>Unimplemented</p> <p><i>This was restated in the audit of CY 2024 accounts as AO No. 1.</i></p> <p>Unimplemented</p> <p><i>This was reiterated in the audit of CY 2024 accounts as AO No. 1.</i></p>
<p><u>2022 AAR</u> AO No. 5, Page 39</p>	<p>The Municipality paid a total of ₱123,000.00 via reimbursements for confidential expenses, contrary to Item 3.23 of the Commission on Audit (COA), Department of Budget and Management (DBM), Department of Interior and Local Government (DILG), Governance Commission for GOCCs (GCG) and Department of National Defense (DND) Joint Circular No. 2015-01 dated January 8, 2015, thus, supporting documents were not submitted to the Intelligence and</p>	<p>20. The LCE use the CF for confidential expenses and submit the liquidation reports to ICFAU pursuant to COA, DBM, DILG, GCG, and DND Joint Circular No. 2015-01 dated January 8, 2015.</p>	<p>Implemented (Closed due a change in condition)</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
	Confidential Fund Audit Unit (ICFAU) and confidential information was exposed to unauthorized personnel.		
<u>2022 AAR</u> AO No. 6, Page 40	The Subsidiary Ledger (SL) for the Cash in Bank - Local Currency, Current Account (LCCA) under the 20% Development Fund (DF) was not maintained contrary to Section 313 of Republic Act (R.A) No. 7160 and Section 107 of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs), Volume I. Hence, no Cash in Bank-LCCA account exists in the financial statement of the 20% DF, resulting in inadequate information on the assets of the special account.	21. The Municipal Accountant create an SL for Cash in Bank - Local Currency, Current Account (LCCA) under the 20% DF and to use the pro-forma accounting entries under Section 111 of the NGAS Manual for LGUs, Volume 1, on the receipt of Share from IRC.	Implemented
<u>2022 AAR</u> AO No. 7, Page 42	The unexpended balance of the previous years' LDRRMF of ₱7,644,339.29 recorded under the Trust Liabilities-Disaster Risk Reduction and Management Fund (DRRMF) was not incorporated in the LDRRMF Investment Plan (LDRRMFIP) for CY 2022, contrary to COA Circular No. 2012-002 dated September 12, 2012, hence, funds were idle for CY 2022 which could have been utilized for disaster preparedness, prevention, and mitigation of the Municipality.	22. The Local Chief Executive coordinate with the LDRRM Officer and LDRRM Council in incorporating in the LDRRMFIP the projects and activities to be charged to the unexpended LDRRM Fund of the previous years, in accordance with the provisions of COA Circular 2012-002.	Unimplemented

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2022 AAR</u> AO No. 10, Page 46</p>	<p>Excess funds totaling ₱2,181,409.00 received from the National Government as financial assistance for the Typhoon Odette victims and Province of Negros Oriental for COVID-19 related-expenditures were not returned to the Source Agency (SA) contrary to Section 4.9 of COA Circular No. 94-013 dated December 13, 1994 and Section 3.8 of Department of Budget and Management (DBM) Local Budget Circular (LBC) No. 141 dated December 28, 2021, depriving the SA of using the funds for projects, programs, and activities.</p>	<p>23. The Municipal Accountant provide the Municipal Treasurer with the records of unutilized funds intended for COVID-19 response and the victims of Typhoon Odette so that the latter can promptly return these funds to the SA, in accordance with Section 4.9 of COA Circular 94-013 dated December 13, 1994, and Section 3.8 of DBM LBC No. 141 dated December 28, 2021.</p>	<p>Unimplemented Management commented that they had partially implemented the recommendation.</p>
<p><u>2022 AAR</u> AO No. 11, Page 47</p>	<p>The Municipal Government failed to return to the Bureau of the Treasury the unutilized balances of the Priority Development Assistance Fund (PDAF) amounting to ₱554,767.59, which remained outstanding for nine (9) years, for reversion to the unappropriated surplus of the general fund of the national government as ordered by the Supreme Court in its En Banc Decision promulgated under G.R. Nos. 208566, 208493, and 209251 dated November 19, 2013, which declared the PDAF unconstitutional, thus depriving the national government of using the funds for other legitimate purposes.</p>	<p>24. The Municipal Accountant provide the Municipal Treasurer with the records of unutilized PDAF so that the latter could immediately return the same to the Bureau of Treasury, in accordance with the Supreme Court Decision under G.R No. 209251.</p>	<p>Implemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2021 AAR</u> AO No. 1, Page 30</p>	<p>The validity, correctness, and existence of the movable Property, Plant, and Equipment (PPE) with a net book value of ₱71,806,913.75 as of December 31, 2021, could not be ascertained because physical inventory taking was not conducted, nor was a Report on the Physical Count of Property, Plant, and Equipment (RPCPPE) prepared in the absence of the creation of an Inventory Committee, contrary to Section 124 of the Manual on the New Government Accounting System (NGAS), Volume. Hence, the balances of the movable PPE accounts were unreliable, affecting the fair presentation of these accounts in the financial statements.</p>	<p>25. The Municipal Mayor create an Inventory Committee to complete the physical count and direct the Accounting and Property Units to reconcile the results of the physical count with the related property and accounting records in accordance with the pertinent provisions of COA Circular No. 2020- 006 dated January 31, 2020, to ensure the accuracy of the reported PPE balances in the financial statements. Any discrepancies noted in the reconciliation shall be adjusted in accordance with Sections 7.0 and 8.0 of the Circular as a one-time cleansing of the PPE account balances.</p>	<p>Unimplemented</p> <p><i>This was restated in the audit of CY 2024 accounts as AO No. 1.</i></p>
<p><u>2021 AAR</u> AO No. 7, Page 49</p>	<p>The purchase of 20 units of handheld radio amounting to ₱150,000.00 was not supported by the Municipality's permit from the National Telecommunication Commission (NTC), while the supporting dealer's permit had already expired at the date of purchase, contrary to the pertinent provisions of National Telecommunications Commission (NTC) Memorandum Circular No. 09-08-91, thereby casting doubt on the propriety of the transaction.</p>	<p>26. Management submit to the Audit Team a valid Permit to Purchase and a Dealer's Permit to Sell from the NTC in order for the transaction of purchasing handheld radios to be considered a valid and legitimate expenditure.</p>	<p>Implemented</p> <p>(Closed due a change in condition)</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2021 AAR</u> AO No. 8, Page 51</p>	<p>The Municipality failed to prepare the Public Service Continuity Plan (PSCP) as required in the National Disaster Risk Reduction and Management Council (NDRRMC) Memorandum No. 33, s. 2018 and No. 57, s. 2020. At the same time, the Local Chief Executive (LCE) did not organize a working group to formulate the plan. Thus, it may impair the delivery of quality public services during an emergency, disaster or any disruptive event.</p>	<p>27. The LDRRMO coordinate with the OCD on the preparation and submission of the Municipality's PSCP pursuant to NDRRMC Memorandum No 33, s. 2018.</p> <p>28. The Local Chief Executive (LCE) institutionalize the PSCP by creating a working group that will perform the following activities:</p> <ul style="list-style-type: none"> a) To conduct risk assessment; b) To identify critical processes and functions; c) To determine scenarios that may disrupt normal operation; d) To conduct risk analysis and impact analysis; e) To formulate the PSCP based on the identified risks on critical processes and functions and its related steps to be followed to eliminate, if not mitigate, the impact of the determined disruptions following the prescribed templates and requirements in the PSCP guidebook; and f) To submit plan to the MDRRMO for review, to the Local Chief Executive for approval, and to the Sangguniang Bayan for the passage of a resolution to institutionalize the PSCP. 	<p>Unimplemented</p> <p>Unimplemented</p> <p>Management commented that the preparation of the PSCP required more time because it involved all offices. Additionally, Management was waiting for the OCD to conduct the training necessary for preparing the PSCP.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2020 AAR</u> AO No. 2, Page 32</p>	<p>The grant of financial assistance to the frontliners of its 15 component Barangays totaling ₱1,000,000.00 was not properly supported with documentary requirements prescribed under Section 3.1.1 of COA Circular No. 2012-001 dated June 14, 2012, hence, the propriety and validity of the transaction could not be ascertained.</p>	<p>29. Management require the recipient barangays to liquidate the funds by submitting the documentary requirements prescribed under Section 3.1.1 of COA Circular No. 2012-001 dated June 14, 2012, and comply with the documentary requirements on fund transfers.</p>	<p>Unimplemented Management commented that eight barangays still had not complied with the required liquidation and submission of necessary supporting documents.</p>
<p><u>2020 AAR</u> AO No. 10, Page 56</p>	<p>Non-compliance with the reporting requirements for in-kind donations contrary to Section 1 of COA Circular No. 2020-009 dated April 21, 2020, hence, we could not validate the actual distribution and the balances of the donated goods.</p>	<p>30. Management prepare a one-time report to the National Disaster Risk Reduction and Management Council, through the Office of the Civil Defense, on all donations received by the Municipality and furnish the Auditor a copy of the (1) Acknowledgement Receipts of the Donations In-Kind; (2) Proof of receipt by and distribution to the beneficiaries; and (3) Inventory of remaining undistributed items, if any, in accordance with Section 1 of COA Circular No. 2020-009 dated April 21, 2020.</p>	<p>Unimplemented A report on the in-kind donations received by the Municipality had not been furnished by the Management to the Auditor. Likewise, a copy of the distribution sheets or any equivalent documents had not been submitted to the Audit Team.</p>
<p><u>2018 AAR</u> AO No. 1, Page 34</p>	<p>The Real Property Tax (RPT) and Special Education Tax (SET) Receivables were understated by approximately ₱34,507,665.58 because the accounts established at the beginning of the year were based on estimates rather than on a duly certified list of taxpayers with the corresponding amount due and collectible for the year, contrary to Section 20 of the Manual on the New Government</p>	<p>31. The Municipal Treasurer provide the Municipal Accountant a copy of the RPT records for CY 2018 and prior years to establish the beginning balance for CY 2019. 32. Henceforth, furnish the Municipal Accountant at the beginning of each year a certified list of taxpayers with the amount due and collectible for the current year as the basis for recording the RPT</p>	<p>Unimplemented <i>This was restated in the audit of CY 2024 accounts as AO No. 2.</i> Unimplemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
	Accounting System (NGAS), Volume I, thus, resulting in zero balances in RPT Tax Receivables and Deferred RPT Income accounts at year-end.	and SET Receivables in compliance with Section 20 of the NGAS Manual, Volume 1.	
<u>2018 AAR</u> AO No. 6, Page 46	The propriety of the implementation of the Supplementary Feeding Program (SFP) out of the funds transferred from the Department of Social Welfare and Development (DSWD) could not be established because this was not properly documented and supported with stock cards or acknowledgment receipts to account for the distribution of the goods to the different Day Care Centers (DCCs) contrary to Section B.2.3 of Administrative Order (AO) No. 04 dated February 23, 2016, and Section 114 of the New Government Accounting System (NGAS) Manual, Volume I.	33. The MSWDO submit the aforementioned documents in order for us to properly evaluate the utilization of the SFP Fund and to ascertain whether the objectives of the said program were attained pursuant to AO No. 04 dated February 23, 2016. 34. Henceforth, require the MSWDO to maintain stock cards to record all receipts and issuances of supplies relative to the implementation of the SFP.	Unimplemented The distribution lists or AR for the total procurements of ₱767,435.60 had not been submitted.
<u>2017 AAR</u> AO No. 2, Page 32	Receivables amounting to ₱1,327,983.62 remained uncollected for two years and above because the specific loan borrowers could not be identified due to a lack of subsidiary records contrary to Section 4 of the Manual on the New Government Accounting Standards (NGAS) for Local Government Units (LGUs), Volume I and COA Circular No. 2016-005 dated December 19, 2016.	35. The Municipal Accountant coordinate with the MPDC and MSWDO in tracing and locating documents to support the claims. 36. That the Municipal Accountant issue demand letters to concerned individuals, determine its collectability, and, if warranted, request for write-off from the Commission on Audit.	Unimplemented Unimplemented <i>This was restated in the audit of CY 2024 accounts as AO No. 6.</i>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2017 AAR</u> AO No. 3, Page 33</p>	<p>The Municipality did not comply with the rules and regulations regarding the grant, utilization, and liquidation of cash advances under COA Circular No. 97-002 dated February 10, 1997, resulting in the accumulation of unliquidated cash advances totaling ₱153,256.21 as at year-end, ₱123,174.21 of which have been outstanding for more than two months, possibly misstating the asset and equity accounts.</p>	<p>37. That Management strictly observe and implement the regulations on the grant, utilization, and liquidation of cash advances pursuant to COA Circular No. 97-002 dated February 10, 1997.</p> <p>38. Management demand from concerned officials and employees the immediate settlement of their cash advances.</p>	<p>Unimplemented</p> <p>Unimplemented</p>
<p><u>2017 AAR</u> AO No. 4, Page 35</p>	<p>The establishment and maintenance of the Petty Cash Fund (PCF) were not in accordance with the pertinent sections of the Manual on the New Government Accounting System (NGAS) for Local Government Units (LGUs), Volume I and COA Circular No. 97-002 dated February 10, 1997, thus, using the Fund for regular and recurring expenses.</p>	<p>39. The Municipal Accountant see to it that: (a) the grant of the initial cash advance for the PCF is supported with authority by the Local Chief Executive and an estimate of expenses; (b) replenishment of the cash advance is made only when the disbursements reach at least 75%, or as the need requires, by submitting a replenishment voucher supported by PCVs and other documents duly summarized in a report of disbursements; and (c) the PCF is not used for regular expenses, such as rentals, subscriptions, utilities and the like.</p>	<p>Unimplemented</p>
<p><u>2015 AAR</u> AO No. 6, Page 41</p>	<p>The Municipality paid honoraria amounting to ₱13,000.00 to BIR employees assigned thereat, contrary to the provisions of Compensation Policy Guidelines No. 98-1, resulting in irregular expenditures.</p>	<p>40. Management stop the payment of honoraria to personnel not authorized under the Compensation Policy Guidelines No. 98-1 dated March 23, 1998.</p>	<p>Unimplemented</p> <p>Persons liable were no longer connected with the Municipality.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
		41. The concerned BIR personnel, including the approving officials, refund the honoraria received for lack of legal basis.	Unimplemented
2014 AAR AO No. 3, Page 17	Productivity Enhancement Incentive (PEI) granted to officials and employees of the municipality of Sibulan amounting to ₱3,120,000.00 exceeded the P5,000.00 allowable amount per personnel, resulting in a total excess of ₱2,730,000.00, violating DBM Budget Circular No. 2014-3 dated December 2, 2014, which implements E. O. No. 80 dated July 20, 2012, hence depriving the municipal government of utilizing such excess funds for other lawful purposes.	42. The local chief executive, together with the Sanggunian, require the refund of the excess amount granted and discontinue the granting of PEI in excess of the allowable maximum rate of ₱5,000.00 per personnel, as provided for in Section 1.a of E.O. No. 80 dated July 20, 2012, to avoid overpayment.	Unimplemented An appeal had been submitted to COA Regional Office No. VII.
2011 AAR	The Municipality in calendar year 2010, granted Productivity Enhancement Incentive (PEI) to its officials and employees at ₱25,000.00 each or a total of ₱2,100,000.00 in excess of the maximum allowable amount of ₱10,000.00 per employee as stipulated in DBM Budget Circular No. 2010-3 dated November 30, 2010, thus, resulting in irregular and excessive disbursements of ₱1,260,000.00.	43. The immediate refund in full of the amounts received in excess of what is authorized in DBM Budget Circular No. 2010-3 totaling ₱1,260,000.00, otherwise, a Notice of Disallowance shall be issued in this regard. 44. Henceforth, we also enjoin the Municipal Accountant and the Municipal Budget Officer to be cognizant of the pertinent provisions of law on the grant of allowances/incentives and not to certify disbursements which run counter to the intents and purposes of the regulations prescribed by appropriate and concerned government agencies such as the Department of Budget and Management.	Unimplemented An appeal had been submitted to COA Regional Office No. VII. Unimplemented

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION/ RESULTS OF VALIDATION
<p><u>2008 AAR</u></p>	<p>Due to the failure of the officials concerned in ensuring the settlement of disallowances of officials and employees of the municipality, disallowances amounting to ₱995,400.00 remain unsettled, of which ₱122,150.00 pertained to employees who have already left the service.</p>	<p>45. The agency head to strictly implement the policies governing the settlement of disallowance and issuance of clearance. As much as practicable, resort to some remedies and sanctions to effect settlement, such as salary deductions to be applied in satisfaction of the indebtedness to the government. Send written notices to the officials and employees who are no longer in the service and determine the liability of officials who issued clearance despite the existence of unsettled disallowances.</p>	<p>Unimplemented Persons liable were no longer connected with the Municipality.</p>

PART IV

APPENDICES

APPENDIX No.	APPENDIX Title
	Financial Statements
	A. Statement of Financial Position
A.1	General Fund
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D.1	General Fund
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	E. Statement of Comparison of Budget and Actual Amounts
E.1	General Fund
E.2	Special Education Fund

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF FINANCIAL POSITION
 General Fund
As at December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	₱ 318,648,790.64	₱ 305,133,831.02
Investments	1,622.65	1,622.65
Receivables	12,209,392.79	70,359,573.02
Inventories	3,178,505.69	1,903,658.10
Prepayments and Deferred Charges	1,101,234.10	-
Total Current Assets	<u>335,139,545.87</u>	<u>377,398,684.79</u>
<i>Non-Current Assets</i>		
Investments	-	-
Receivables	-	-
Investment Property	-	-
Property, Plant and Equipment	422,395,735.52	382,699,505.98
Biological Assets	657,947.00	580,447.00
Intangible Assets	76,768.50	76,768.50
Total Non-Current Assets	<u>423,130,451.02</u>	<u>383,356,721.48</u>
Total Assets	<u>₱ 758,269,996.89</u>	<u>₱ 760,755,406.27</u>
LIABILITIES		
<i>Current Liabilities</i>		
Financial Liabilities	9,650,216.96	7,771,591.17
Inter-Agency Payables	5,985,117.37	11,016,726.88
Intra-Agency Payables	9,438,666.32	65,541,215.10
Trust Liabilities	895,802.94	-
Deferred Credits/Unearned Income	3,861,684.13	3,374,571.92
Provisions	-	-
Other Payables	13,923,762.27	8,766,835.34
Total Current Liabilities	<u>43,755,249.99</u>	<u>96,470,940.41</u>
<i>Non-Current Liabilities</i>		
Financial Liabilities	-	-
Deferred Credits/Unearned Income	-	-
Provisions	-	-
Other Payables	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>43,755,249.99</u>	<u>96,470,940.41</u>
NET ASSETS/EQUITY		
Government Equity	714,514,746.90	664,284,465.86
Total Liabilities and Net Assets/Equity	<u>₱ 758,269,996.89</u>	<u>₱ 760,755,406.27</u>

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF FINANCIAL POSITION
Special Education Fund
As at December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	₱ 27,234,527.59	₱ 24,057,217.77
Investments	-	-
Receivables	132,298.60	150,079.10
Inventories	-	-
Prepayments and Deferred Charges	-	-
Total Current Assets	<u>27,366,826.19</u>	<u>24,207,296.87</u>
<i>Non-Current Assets</i>		
Investments	-	-
Receivables	-	-
Investment Property	-	-
Property, Plant and Equipment	10,351,344.92	13,507,821.25
Biological Assets	-	-
Intangible Assets	-	-
Total Non-Current Assets	<u>10,351,344.92</u>	<u>13,507,821.25</u>
Total Assets	<u>₱ 37,718,171.11</u>	<u>₱ 37,715,118.12</u>
LIABILITIES		
<i>Current Liabilities</i>		
Financial Liabilities	885,666.44	967,998.89
Inter-Agency Payables	2,048,791.69	1,682,215.47
Intra-Agency Payables	11,478.70	11,478.70
Trust Liabilities	-	-
Deferred Credits/Unearned Income	3,972,571.53	3,485,459.32
Provisions	-	-
Other Payables	270,212.19	182,378.88
Total Current Liabilities	<u>7,188,720.55</u>	<u>6,329,531.26</u>
<i>Non-Current Liabilities</i>		
Financial Liabilities	-	-
Deferred Credits/Unearned Income	-	-
Provisions	-	-
Other Payables	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>7,188,720.55</u>	<u>6,329,531.26</u>
NET ASSETS/EQUITY		
Government Equity	<u>30,529,450.56</u>	<u>31,385,586.86</u>
Total Liabilities and Net Assets/Equity	<u>₱ 37,718,171.11</u>	<u>₱ 37,715,118.12</u>

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF FINANCIAL POSITION
Trust Fund
As at December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	₱ 35,407,608.92	₱ 35,545,984.28
Investments	-	-
Receivables	712,421.60	674,804.31
Inventories	-	-
Prepayments and Deferred Charges	-	-
Total Current Assets	<u>36,120,030.52</u>	<u>36,220,788.59</u>
<i>Non-Current Assets</i>		
Investments	-	-
Receivables	-	-
Investment Property	-	-
Property, Plant and Equipment	3,950,235.33	3,932,093.13
Biological Assets	-	-
Intangible Assets	-	-
Total Non-Current Assets	<u>3,950,235.33</u>	<u>3,932,093.13</u>
Total Assets	<u>₱ 40,070,265.85</u>	<u>₱ 40,152,881.72</u>
LIABILITIES		
<i>Current Liabilities</i>		
Financial Liabilities	22,137.60	90.00
Inter-Agency Payables	4,762,620.63	6,668,653.12
Intra-Agency Payables	67,200.86	75,492.09
Trust Liabilities	20,950,468.14	16,926,426.20
Deferred Credits/Unearned Income	-	-
Provisions	-	-
Other Payables	14,267,838.62	16,482,220.31
Total Current Liabilities	<u>40,070,265.85</u>	<u>40,152,881.72</u>
<i>Non-Current Liabilities</i>		
Financial Liabilities	-	-
Deferred Credits/Unearned Income	-	-
Provisions	-	-
Other Payables	-	-
Total Non-Current Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>40,070,265.85</u>	<u>40,152,881.72</u>
NET ASSETS/EQUITY		
Government Equity	-	-
Total Liabilities and Net Assets/Equity	<u>₱ 40,070,265.85</u>	<u>₱ 40,152,881.72</u>

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF FINANCIAL PERFORMANCE
 General Fund
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Revenue		
Tax Revenue	₱ 49,493,028.96	₱ 42,635,195.62
Share from Internal Revenue Collections	238,180,268.00	224,122,774.00
Other Share from National Taxes	-	-
Service and Business Income	24,839,969.78	24,313,676.49
Shares, Grants and Donations	-	-
Gains	-	-
Miscellaneous Income	944,263.64	1,001,166.30
Total Revenue	<u>313,457,530.38</u>	<u>292,072,812.41</u>
Less: Current Operating Expenses		
Personnel Services	95,092,644.40	85,415,346.44
Maintenance and Other Operating Expenses	139,182,433.09	120,602,277.14
Financial Expenses	-	-
Non-cash Expenses	28,558,342.33	22,461,494.82
Loss on Sale of Biological Assets	-	-
Current Operating Expenses	<u>262,833,419.82</u>	<u>228,479,118.40</u>
Surplus (Deficit) from Current Operation	50,624,110.56	63,593,694.01
Add (Deduct):		
Transfers, Assistance and Subsidy From		
Transfers, Assistance and Subsidy To	(1,513,000.00)	(1,367,660.00)
Net Financial Assistance/Subsidy	<u>(1,513,000.00)</u>	<u>(1,367,660.00)</u>
Surplus (Deficit) for the period	₱ <u><u>49,111,110.56</u></u>	₱ <u><u>62,226,034.01</u></u>

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF FINANCIAL PERFORMANCE
Special Education Fund
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Revenue		
Tax Revenue	₱ 7,593,173.13	₱ 7,610,439.32
Share from Internal Revenue Collections	-	-
Other Share from National Taxes	-	-
Service and Business Income	10,454.29	-
Shares, Grants and Donations	-	-
Gains	-	-
Total Revenue	<u>7,603,627.42</u>	<u>7,610,439.32</u>
Less: Current Operating Expenses		
Personnel Services	539,972.30	539,384.00
Maintenance and Other Operating Expenses	4,868,307.60	3,850,646.26
Financial Expenses	-	-
Non-cash Expenses	362,867.92	1,501,720.87
Current Operating Expenses	<u>5,771,147.82</u>	<u>5,891,751.13</u>
Surplus (Deficit) from Current Operation	1,832,479.60	1,718,688.19
Add (Deduct):		
Transfers, Assistance and Subsidy From	-	-
Transfers, Assistance and Subsidy To	-	-
Net Financial Assistance/Subsidy	<u>-</u>	<u>-</u>
Surplus (Deficit) for the period	₱ 1,832,479.60	₱ 1,718,688.19

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF FINANCIAL PERFORMANCE
Trust Fund
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Revenue		
Tax Revenue	₱ -	₱ -
Share from Internal Revenue Collections	-	-
Other Share from National Taxes	-	-
Service and Business Income	-	-
Shares, Grants and Donations	4,471,531.04	4,200,341.85
Gains	-	-
Total Revenue	<u>4,471,531.04</u>	<u>4,200,341.85</u>
Less: Current Operating Expenses		
Personnel Services	-	-
Maintenance and Other Operating Expenses	4,471,531.04	4,200,341.85
Financial Expenses	-	-
Non-cash Expenses	-	-
Current Operating Expenses	<u>4,471,531.04</u>	<u>4,200,341.85</u>
Surplus (Deficit) from Current Operation	-	-
Add (Deduct):		
Transfers, Assistance and Subsidy From		
Transfers, Assistance and Subsidy To	-	-
Net Financial Assistance/Subsidy	<u>-</u>	<u>-</u>
Surplus (Deficit) for the period	<u>₱ -</u>	<u>₱ -</u>

Province of Negros Oriental
Municipality of Sibulan
 General Fund
Statement of Changes in Net Assets/Equity
 For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Balance, January 1	₱ 664,284,465.86	₱ 601,122,175.58
Add (Deduct)		
Change in Accounting Policy	-	1,650,762.12
Prior Period Errors	(178,623.25)	(5,192,656.78)
Restated Balance	664,105,842.61	597,580,280.92
Add (Deduct) Changes in Net Assets/Equity during the year		
Adjustments recognized directly in Net Assets/Equity	1,297,793.73	4,478,150.93
Surplus (Deficit) for the period	49,111,110.56	62,226,034.01
Total reconized revenue and expenses for the period	50,408,904.29	66,704,184.94
Balance, December 31	₱ 714,514,746.90	₱ 664,284,465.86

Province of Negros Oriental
Municipality of Sibulan
 Special Education Fund
Statement of Changes in Net Assets/Equity
 For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Balance, January 1	₱ 31,385,586.86	₱ 29,666,898.67
Add (Deduct)		
Change in Accounting Policy	-	-
Prior Period Errors	(2,688,615.90)	-
Restated Balance	<u>28,696,970.96</u>	<u>29,666,898.67</u>
Add (Deduct) Changes in Net Assets/Equity during the year		
Adjustments recognized directly in Net Assets/Equity	-	-
Surplus (Deficit) for the period	<u>1,832,479.60</u>	<u>1,718,688.19</u>
Total reconized revenue and expenses for the period	<u>1,832,479.60</u>	<u>1,718,688.19</u>
Balance, December 31	<u>₱ 30,529,450.56</u>	<u>₱ 31,385,586.86</u>

Province of Negros Oriental
Municipality of Sibulan
 Trust Fund
Statement of Changes in Net Assets/Equity
 For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Balance, January 1	₱ -	₱ -
Add (Deduct)		
Change in Accounting Policy	-	-
Prior Period Errors	-	-
Restated Balance	-	-
Add (Deduct) Changes in Net Assets/Equity during the year		
Adjustments recognized directly in Net Assets/Equity	-	-
Surplus (Deficit) for the period	-	-
Total reconized revenue and expenses for the period	-	-
Balance, December 31	₱ -	₱ -

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF CASH FLOWS
 General Fund
 For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Cash Inflows:		
Collection from Taxpayers	₱ 55,362,197.23	₱ 49,126,611.29
Share from Internal Revenue Allotment	238,180,268.00	224,122,774.00
Receipts from business/service income	26,399,094.48	25,228,278.23
Interest Income	103,987.54	31,196.66
Dividend Income	-	-
Other Receipts	126,387,141.14	26,708,730.38
Total Cash Inflow	<u>446,432,688.39</u>	<u>325,217,590.56</u>
Cash Outflows:		
Payment of expenses	126,392,331.10	121,395,370.98
Payments to suppliers and creditors	13,392,733.44	18,714,366.77
Payments to employees	91,947,830.78	83,250,499.64
Interest Expenses	-	-
Other Expenses	132,920,452.06	16,252,648.61
Total Cash Outflow	<u>364,653,347.38</u>	<u>239,612,886.00</u>
Net Cash from Operating Activities	<u>81,779,341.01</u>	<u>85,604,704.56</u>
Cash Flows from Investing Activities:		
Cash Inflows:		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant & Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflow	<u>-</u>	<u>-</u>
Cash Outflows:		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant & Equipment	68,264,381.39	53,461,190.10
Investment	-	-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflow	<u>68,264,381.39</u>	<u>53,461,190.10</u>
Net Cash from Investing Activities	<u>(68,264,381.39)</u>	<u>(53,461,190.10)</u>
Cash Flows from Financing Activities:		
Cash Inflows:		
Proceeds from issuance of bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflow	<u>-</u>	<u>-</u>
Cash Outflows:		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of Debt Securities	-	-
Payment of Loan Amortization	-	-
Total Cash Outflow	<u>-</u>	<u>-</u>
Net Cash from Financing Activities	<u>-</u>	<u>-</u>
Total Cash Provided by Operating, Investing & Financing Activities	<u>13,514,959.62</u>	<u>32,143,514.46</u>
Cash, Beginning of the Period	305,133,831.02	272,990,316.56
Cash, at the end of the Period	<u>₱ 318,648,790.64</u>	<u>₱ 305,133,831.02</u>

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF CASH FLOWS
Special Education Fund
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Cash Inflows:		
Collection from Taxpayers	₱ 11,812,837.80	₱ 12,603,008.18
Share from Internal Revenue Allotment	-	-
Receipts from business/service income	-	-
Interest Income	-	-
Dividend Income	-	-
Other Receipts	4,388,373.34	3,387,599.51
Total Cash Inflow	<u>16,201,211.14</u>	<u>15,990,607.69</u>
Cash Outflows:		
Payment of expenses	4,269,345.98	2,839,080.86
Payments to suppliers and creditors	851,243.73	891,844.23
Payments to employees	179,484.00	577,635.00
Interest Expenses	-	-
Other Expenses	7,546,506.57	7,785,422.68
Total Cash Outflow	<u>12,846,580.28</u>	<u>12,093,982.77</u>
Net Cash from Operating Activities	<u>3,354,630.86</u>	<u>3,896,624.92</u>
Cash Flows from Investing Activities:		
Cash Inflows:		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant & Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflow	<u>-</u>	<u>-</u>
Cash Outflows:		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant & Equipment	177,321.04	135,615.02
Investment	-	-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflow	<u>177,321.04</u>	<u>135,615.02</u>
Net Cash from Investing Activities	<u>(177,321.04)</u>	<u>(135,615.02)</u>
Cash Flows from Financing Activities:		
Cash Inflows:		
Proceeds from issuance of bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflow	<u>-</u>	<u>-</u>
Cash Outflows:		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of Debt Securities	-	-
Payment of Loan Amortization	-	-
Total Cash Outflow	<u>-</u>	<u>-</u>
Net Cash from Financing Activities	<u>-</u>	<u>-</u>
Total Cash Provided by Operating, Investing & Financing Activities	<u>3,177,309.82</u>	<u>3,761,009.90</u>
Cash, Beginning of the Period	24,057,217.77	20,296,207.87
Cash, at the end of the Period	<u>₱ 27,234,527.59</u>	<u>₱ 24,057,217.77</u>

Province of Negros Oriental
Municipality of Sibulan
STATEMENT OF CASH FLOWS
Trust Fund
For the Year Ended December 31, 2024
(With Comparative Figures for CY 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Cash Inflows:		
Collection from Taxpayers		
Share from Internal Revenue Allotment		
Receipts from business/service income		
Interest Income		
Dividend Income		
Other Receipts	44,830,200.01	19,558,935.31
Total Cash Inflow	44,830,200.01	19,558,935.31
Cash Outflows:		
Payment of expenses	2,884,575.00	3,792,254.68
Payments to suppliers and creditors		
Payments to employees		
Interest Expenses		
Other Expenses	41,171,736.30	14,143,965.35
Total Cash Outflow	44,056,311.30	17,936,220.03
Net Cash from Operating Activities	773,888.71	1,622,715.28
Cash Flows from Investing Activities:		
Cash Inflows:		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant & Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflow	-	-
Cash Outflows:		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant & Equipment	912,264.07	314,937.50
Investment	-	-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflow	912,264.07	314,937.50
Net Cash from Investing Activities	(912,264.07)	(314,937.50)
Cash Flows from Financing Activities:		
Cash Inflows:		
Proceeds from issuance of bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflow	-	-
Cash Outflows:		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of Debt Securities	-	-
Payment of Loan Amortization	-	-
Total Cash Outflow	-	-
Net Cash from Financing Activities	-	-
Total Cash Provided by Operating, Investing & Financing Activities	(138,375.36)	1,307,777.78
Cash, Beginning of the Period	35,545,984.28	34,238,206.50
Cash, at the end of the Period	₱ 35,407,608.92	₱ 35,545,984.28

Particulars	Budgeted Amounts				Difference		Actual Amounts		Difference	
	Original		Final		Original and Final Budget				Final Budget and Actual	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Housing and Community Development					-	-			-	-
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
Social Services and Social Welfare					-	-			-	-
Personal Services	3,961,493.00	3,927,422.00	4,588,807.59	4,143,934.45	(627,314.59)	(216,512.45)	4,477,833.69	3,992,220.70	110,973.90	151,713.75
Maintenance and Other Operating Expenses	37,322,641.31	30,021,076.90	37,629,026.03	34,979,396.08	(306,384.72)	(4,958,319.18)	30,108,030.21	28,991,942.05	7,520,995.82	5,987,454.03
Capital Outlay	1,000,074.76	2,030,000.00	1,000,074.76	2,065,000.00	-	(35,000.00)	595,175.00	1,421,229.00	404,899.76	643,771.00
Economic Services					-	-			-	-
Personal Services	8,877,315.00	9,813,964.00	10,532,585.94	9,370,211.78	(1,655,270.94)	443,752.22	10,067,297.71	8,828,073.18	465,288.23	542,138.60
Maintenance and Other Operating Expenses	25,541,305.00	15,882,175.00	30,007,831.30	19,662,498.65	(4,466,526.30)	(3,780,323.65)	25,598,631.49	16,693,851.87	4,409,199.81	2,968,646.78
Capital Outlay	600,000.00	850,000.00	1,275,000.00	1,200,015.00	(675,000.00)	(350,015.00)	201,195.00	508,625.00	1,073,805.00	691,390.00
Other Purposes:										
Debt Service					-	-			-	-
Financial Expense					-	-			-	-
Amortization					-	-			-	-
LDRRMF										
Maintenance and Other Operating Expenses	6,363,234.49	5,952,693.25	6,658,731.49	6,283,836.81	(295,497.00)	(331,143.56)	6,658,731.49	6,283,836.81	-	-
Capital Outlay	8,014,213.81	7,150,000.00	8,014,213.81	13,674,511.01	-	(6,524,511.01)	717,908.40	659,138.36	7,296,305.41	13,015,372.65
20% Development Fund										
Maintenance and Other Operating Expenses										
Capital Outlay	47,625,355.40	44,825,873.00	64,294,686.03	64,095,280.43	(16,669,330.63)	(19,269,407.43)	15,795,669.16	13,623,475.44	48,499,016.87	50,471,804.99
Share from National Wealth										
Maintenance and Other Operating Expenses										
Capital Outlay										
Allocation for Senior Citizens and PWD										
Maintenance and Other Operating Expenses	1,412,738.65	1,399,354.53	1,412,738.65	1,399,354.53	-	-	697,396.25	121,531.00	715,342.40	1,277,823.53
Capital Outlay										
Others										
Personal Services										
Maintenance and Other Operating Expenses										
Capital Outlay										
Total Current Appropriations	297,464,771.00	269,965,040.00	347,332,222.60	338,214,213.51	(49,867,451.60)	(68,249,173.51)	254,448,678.83	229,623,960.20	92,883,543.77	108,590,253.31
Continuing Appropriations										
General Public Services										
Capital Outlay	26,158,134.68	13,326,788.31	26,158,134.68	12,059,321.50	-	1,267,466.81	12,080,032.38	1,619,831.90	14,078,102.30	10,439,489.60
Education										
Capital Outlay										
Health, Nutrition and Population Control										
Capital Outlay	1,020,005.00	1,292,806.80	1,020,005.00	1,020,005.00	-	272,801.80	37,562.50		982,442.50	1,020,005.00
Labor and Employment										
Capital Outlay										
Housing and Community Development										
Capital Outlay										
Social Services and Social Welfare										
Capital Outlay	20,227,631.40	19,375,191.61	20,227,631.40	12,206,181.60	-	7,169,010.01	4,638,370.10	5,637,693.85	15,589,261.30	6,568,487.75
Economic Services										
Capital Outlay	65,625,777.78	82,449,111.70	34,223,542.66	62,424,841.36	31,402,235.12	20,024,270.34	34,223,542.66	27,444,275.16	-	34,980,566.20
Other Purposes:										
Capital Outlay										
Total Continuing Appropriations	113,031,548.86	116,443,898.42	81,629,313.74	87,710,349.46	31,402,235.12	28,733,548.96	50,979,507.64	34,701,800.91	30,649,806.10	53,008,548.55
Total Appropriations	410,496,319.86	386,408,938.42	428,961,536.34	425,924,562.97	(18,465,216.48)	(39,515,624.55)	305,428,186.47	264,325,761.11	123,533,349.87	161,598,801.86

Particulars	Budgeted Amounts													
	Original				Final				Difference		Actual Amounts		Difference	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Personal Services														
Maintenance and Other Operating Expenses														
Capital Outlay														
Social Services and Social Welfare														
Personal Services														
Maintenance and Other Operating Expenses														
Capital Outlay														
Economic Services														
Personal Services														
Maintenance and Other Operating Expenses														
Capital Outlay														
Other Purposes:														
Debt Service														
Financial Expense														
Amortization														
LDRRMF														
Maintenance and Other Operating Expenses														
Capital Outlay														
20% Development Fund														
Maintenance and Other Operating Expenses														
Capital Outlay														
Share from National Wealth														
Maintenance and Other Operating Expenses														
Capital Outlay														
Allocation for Senior Citizens and PWD														
Maintenance and Other Operating Expenses														
Capital Outlay														
Others														
Personal Services														
Maintenance and Other Operating Expenses														
Capital Outlay														
Total Current Appropriations	6,169,491.56	4,776,300.00	6,329,491.56	4,776,300.00	(160,000.00)	0.00	5,769,851.90	4,513,684.26	559,639.66	262,615.74				
Continuing Appropriations														
General Public Services														
Capital Outlay														
Education														
Capital Outlay	176,443.87	944,387.56	176,443.87	944,387.56	-	-		42,360.00	176,443.87	902,027.56				
Health, Nutrition and Population Control														
Capital Outlay														
Labor and Employment														
Capital Outlay														
Housing and Community Development														
Capital Outlay														
Social Services and Social Welfare														
Capital Outlay														
Economic Services														
Capital Outlay														
Other Purposes:														
Capital Outlay														
Total Continuing Appropriations	176,443.87	944,387.56	176,443.87	944,387.56	-	-	-	42,360.00	176,443.87	902,027.56				
Total Appropriations	6,345,935.43	5,720,687.56	6,505,935.43	5,720,687.56	(160,000.00)	0.00	5,769,851.90	4,556,044.26	736,083.53	1,164,643.30				