



Republic of the Philippines  
COMMISSION ON AUDIT  
Regional Office No. VII  
Cebu City

**ANNUAL AUDIT REPORT**

**ON THE**

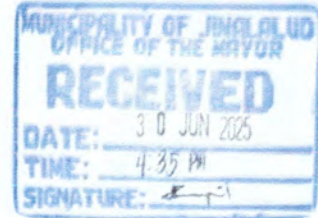
**MUNICIPALITY OF JIMALALUD**

For the Year Ended December 31, 2024



REPUBLIC OF THE PHILIPPINES  
COMMISSION ON AUDIT  
REGIONAL OFFICE NO. VII  
PROVINCE OF NEGROS ORIENTAL  
PROVINCIAL SATELLITE AUDIT OFFICE  
E.J. Blanco Drive, Piapi, Dumaguete City

**Local Government Audit Sector  
Audit Group LGAS – G (Negros Oriental 2)  
Office of the Supervising Auditor**



June 27, 2025

**HONORABLE HAZEL C. TUANDA**

Municipal Mayor  
Municipality of Jimalalud  
Province of Negros Oriental

Dear Mayor Tuanda:

We are pleased to transmit the Annual Audit Report (AAR) of the Municipal Government of Jimalalud, Province of Negros Oriental, 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.

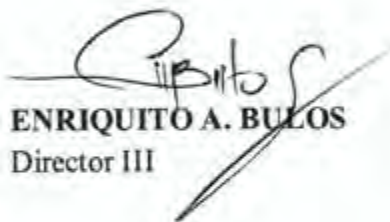
We rendered a qualified opinion on the fairness of the presentation of the financial statements (FS) for the year then ended.

The audit observations and the recommended courses of action 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 Municipal Government of Jimalalud.

Very truly yours,



**ENRIQUITO A. BULOS**  
Director III

Copy furnished:

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

**MUNICIPALITY OF JIMALALUD**  
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:**

\_\_\_\_\_

**Noted by:**

\_\_\_\_\_  
Municipal Mayor

*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**  
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E.J. Blanco Drive, Piapi, Dumaguete City

**Local Government Audit Sector**  
**Audit Group LGAS – G (Negros Oriental 2)**  
**Office of the Auditor – Audit Team R7-03**

June 25, 2025

**ENRIQUITO A. BULOS**

Supervising Auditor

LGAS G – Province of Negros Oriental 2

Dumaguete City

**Sir:**

In compliance with Section 2, Article IX-D of the Philippine Constitution, and Section 43 of Presidential Decree No. 1445, we conducted a financial and compliance audit on the accounts and operations of the Municipal Government of Jimalalud, Province of Negros Oriental, for the year ended December 31, 2024.

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.

Our report consists of four parts: Part I presents the Audited Financial Statements, Part II presents the details of our significant Audit Observations and Recommendations, which were discussed with Management officials and staff on June 20, 2025, Part III presents the Status of Implementation of Prior Years' Audit Recommendations, and Part IV contains the Appendices.

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "MA Alcala". The signature is written in a cursive, flowing style.

**MARIFE A. ALCALA**  
State Auditor IV  
Audit Team Leader

## EXECUTIVE SUMMARY

### Introduction

The Municipality of Jimalalud is one of the 19 municipalities comprising the Province of Negros Oriental. The history of the province revealed that it was created as a barangay by virtue of a Letter of Declaration signed by Fernando Cuevo, the Hepe Politico de las Islas de Negros, in 1781. It became a Municipality through a Royal Decree in 1800.

It is located some 97.7 kilometers north of Dumaguete City, the provincial capital of Negros Oriental. It is classified as a fourth-class municipality effective November 20, 2001, pursuant to Department of Finance Memorandum Circular No. 01-M (54) dated January 28, 2002. It is composed of 28 barangays, with a population of 30,945, as per the 2015 census of the Philippine Statistics Authority. The total land area is 186.3 square kilometers.

As of December 31, 2024, the Municipality had a personnel complement of 186, composed of the following:

<i>Nature of Appointment to Office</i>	<i>Quantity</i>
Elective Officials	13
Permanent/Regular Positions	66
Casual Plantilla	34
Job Orders (Office-based)	73
<b>TOTAL</b>	<b>186</b>

### Audit Objective

The objectives of the audit are 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.

### 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 Jimalalud for 2024. The audit consisted of a review of operating procedures, evaluation of the LGU's programs and projects, interview of concerned government officials and employees, verification, reconciliation, confirmation, inspection, and analysis of accounts, and such other procedures considered necessary.

## Financial Highlights

The financial condition and results of operation of the Municipal Government of Jimalalud as of December 31, 2024, with comparative figures for CY 2023, are summarized as follows:

Accounts	2024 (in ₱)	2023 (in ₱)	Increase (Decrease)
<b>Statement of Financial Position</b>			
Assets	610,136,249.10	486,063,848.21	124,072,400.89
Liabilities	142,087,816.64	45,591,098.71	96,496,717.93
Government Equity	468,048,432.46	440,472,749.50	27,575,682.96

On the other hand, the Statement of Financial Performance reflects increases in revenue, expenses, and surplus, as shown below:

<b>Results of Operations</b>			
Revenue	166,963,742.81	156,990,884.37	9,972,858.44
Personnel Services	60,122,380.76	58,570,643.72	1,551,737.04
Maintenance and Other Operating Expenses	60,783,739.53	61,572,349.03	(788,609.50)
Non-cash Expenses	7,070,220.38	4,408,796.50	2,661,423.88
Net Financial Assistance/ Subsidy	(5,838,108.49)	(5,390,738.64)	(447,369.85)
Non-operating Income	372,952.00	138,358.96	234,593.04
Net Surplus (Deficit)	33,522,245.65	27,186,715.44	6,335,530.21

## Independent Auditor's Report on The Financial Statements

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements for the year ended, due to the effects of the following exceptions, as discussed in Part II of this Report:

1. The Municipality of Jimalalud did not conduct the physical count of Property, Plant, and Equipment (PPE) as provided under the guidelines and procedures on the one-time cleansing of PPE, thus affecting the fairness of presentation of the PPE accounts amounting to ₱401,762,927.72 in the financial statements (FS) at year-end.

2. The existence, validity, and correctness of the Inventory accounts totalling ₱6,709,224.00 as of December 31, 2024, have not been established due to (a) non-conduct of the year-end physical count, (b) non-compliance with the Perpetual Inventory Method, and (c) non-maintenance of supplies ledger cards and stock cards by the Offices of the Municipal Accountant and Municipal Treasurer, respectively, thereby, affecting the fairness of the presentation of these accounts in the FS.
3. Biological Assets valued at ₱1,715,503.00 that have been in the books for more than five years, were not stated at fair value as of the reporting date due to the non-submission of a complete Inventory Report of Breeding Stocks and the prevailing market price for each item by the Municipal Agriculturist to the Municipal Accountant, thus, rendering the existence and valuation of the account presented in the FS doubtful and unreliable.

### **Significant Audit Observations and Recommendations**

In addition to the above-noted deficiencies, below are the significant audit observations and recommendations noted in the course of the audit:

1. The valuation and accuracy of PPE with a net book value of ₱295,064,476.35 could not be relied upon due to: (a) discrepancy between the PPE Lapsing Schedule and the Financial Statements; (b) non- application of the required five percent residual value on some items; and (c) non-recognition of depreciation expense on some PPE accounts, thereby misstating the depreciation expense and PPE balances by an undetermined amount in the FS.

We reiterated our recommendation that the Municipal Accountant verify, review, and analyze its depreciation schedule, taking into consideration the provisions provided under PAG 4 and PAG 6 of IPSAS 17 to arrive at an accurate and reliable carrying balance of the PPE, and thereafter prepare the appropriate adjusting entries.

2. The accuracy and reliability of the Local Road Network (LRN) account totaling ₱83,317,942.62 could not be ascertained due to various deficiencies noted, thereby affecting the fair presentation of the account in the FS.

We recommended that the Local Chief Executive create an Inventory Committee to focus on the physical count of local roads and direct the Municipal Engineer, Municipal Accountant, and Municipal Treasurer 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.

We further recommended that the Local Chief Executive enjoin:

- a. The Municipal Engineer provide the Municipal Accountant and the Municipal Treasurer with a complete description and segregation of road components for road projects; and
- b. The Municipal Accountant disclose the total road network system in the Notes to FS.

3. Management conducted a planning workshop for the preparation of its CY 2025 GAD Plan and other GAD-related activities in Baguio City, spending a total amount of ₱758,007.52 for travel, airfare, and hotel function expenses, thus incurring significant expenses that could have been reduced had the workshop been conducted within its territorial jurisdiction, indicating extravagant expenditures.

We recommended that Management desist from conducting training, meetings, seminars, workshops, or similar activities outside the geographical island and henceforth observe the principle of prudent use of scarce financial resources of the government as prescribed in DILG MC No. 2011-59 and COA Circular No. 2012-003.

We recommended that Management submit the remaining 14 liquidation reports and the Capacity Development Plan for the Audit Team's appropriate audit action.

4. Registration fees paid to the Philippine Councilor's League (PCL) totaling ₱156,000.00 for the attendance of the Sangguniang Bayan (SB) members to the 1st Quarter Provincial Assembly were issued with personalized non-VAT Official Receipts (OR) registered with the Bureau of Internal Revenue (BIR), which may result to unaccounted collection and possible loss of government funds.

We recommended that Management ensure that future payments to the PCL are properly supported with a government official receipt AF No. 51 because they are considered a government organization subject to compliance with existing rules and regulations.

5. Pakyaw labor contracts amounting to ₱956,839.50 engaged by the Municipality for its infrastructure projects implemented "By Administration" under the 20% Development Fund were not in accordance with the guidelines, casting doubt on the legality of the disbursements.

We recommended that Management ensure strict compliance with the guidelines and provisions of R.A. No. 9184 and its Revised IRR in implementing infrastructure projects by the administration and submit the following:

- a. The updated APP approved by the Municipal Mayor and the BAC resolution justifying any changes in the original mode of procurement or the omission of the infrastructure projects undertaken by the administration from the APP;
- b. A clearer copy of the laborers' identification cards;
- c. The name of the Project Facilitator per project and the related documents that would prove his/her appointment as such, duly approved by the Municipal Mayor; and
- d. Relevant documents for the formation of the Pakyaw Group showing that the barangay leaders and the community were actively involved.

## Summary of Suspensions, Disallowances, and Charges

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

	<b>Ending Balance</b> (As of 12/31/2023)	<b>NS/ND/NC Issued</b> from 01/01/2024 to 12/31/2024	<b>NS/ND/NC Settled</b> from 01/01/2024 to 12/31/2024	<b>Ending Balance</b> (As of 12/31/2024)
Suspensions	₱ 7,560,252.90	₱ 0.00	₱ 0.00	₱ 7,560,252.90
Disallowances	629,000.00	0.00	0.00	629,000.00
Charges	0.00	0.00	0.00	0.00

Further, the table below shows the respective balances of suspensions, disallowances, and charges of ₱7,560,252.90, ₱629,000.00, and ₱0.00, respectively, with breakdown as to timing and age as follows:

<b>Timing</b>	<b>Age</b>	<b>NS</b>	<b>ND</b>	<b>NC</b>
07/01/2022 to 12/31/2024 ( <i>Current Administration</i> )	Less than 1 year to 2.5 years	₱ 0.00	₱ 629,000.00	₱ 0.00
07/01/2019 to 06/30/2022	More than 2.5 to 5.5 years	0.00	0.00	0.00
07/01/2016 to 06/30/2019	More than 5.5 to 8.5 years	7,560,252.90	0.00	0.00
07/01/2013 to 06/30/2016	More than 8.5 to 11.5 years	0.00	16,000.00	0.00
07/01/2010 to 06/30/2013	More than 11.5 to 14.5 years	0.00	0.00	0.00
10/06/2009 <sup>1</sup> to 06/30/2010	More than 14.5 to 15.25 years	0.00	0.00	0.00
<b>Total</b>		<b>₱7,560,252.90</b>	<b>₱629,000.00</b>	<b>₱ 0.00</b>

Of the total balance of disallowances of ₱629,000.00, none is pending for appeal at various levels of adjudication pursuant to the COA Rules and Regulations on Settlement of Accounts (RRSA).

Lastly, of the total suspensions of ₱7,560,252.90, 100% is still for settlement by persons determined responsible. Under the RRSA, a suspension should be settled within 90 calendar days from receipt of the NS; otherwise, the transaction covered by it shall be disallowed/charged after the Auditor is fully satisfied that such action is appropriate. Consequently, the Auditor shall issue the corresponding ND/NC.

## Status of Implementation of Prior Years' Recommendations

Of the 66 prior years' audit recommendations, two were implemented and 64 were unimplemented.

<sup>1</sup> COA Circular No. 2009-006

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**PART I**

**AUDITED FINANCIAL STATEMENTS**



REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
**REGIONAL OFFICE NO. VII**

M.J. Cuenco Avenue, Corner V. Sotto Street, Barangay Tinago, 6000 Cebu City

## **INDEPENDENT AUDITOR'S REPORT**

### **HONORABLE HAZEL C. TUANDA**

Municipal Mayor  
Municipality of Jimalalud  
Province of Negros Oriental

### **Qualified Opinion**

We have audited the financial statements of the Municipality of Jimalalud, 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 for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality of Jimalalud as at 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 contained in Part II of this Report:

1. The Municipality of Jimalalud did not conduct the physical count of Property, Plant, and Equipment (PPE) as provided under the guidelines and procedures on the one-time cleansing of PPE, thus affecting the fairness of presentation of the PPE accounts amounting to ₱401,762,927.72 in the financial statements (FS) at year-end;
2. The existence, validity, and correctness of the Inventory accounts totalling ₱6,709,224.00 as of December 31, 2024, have not been established due to the non-conduct of the year-end physical count, thereby, affecting the fairness of the presentation of these accounts in the FS; and
3. Biological Assets valued at ₱1,715,503.00 that have been in the books for more than five years, were not stated at fair value as of the reporting date due to the non-submission of a complete Inventory Report of Breeding Stocks and the prevailing market price for each item by the Municipal Agriculturist to the Municipal Accountant, thus, rendering the existence and valuation of the account presented in the FS doubtful and unreliable.

We 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 a basis for our qualified opinion.

### **Key Audit Matters**

Except for the matters described in the *Bases for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

### **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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing 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 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:



**MARIFE A. ALCALA**  
State Auditor IV  
Audit Team Leader

June 20, 2025



Republic of the Philippines  
Province of Negros Oriental  
**MUNICIPALITY OF JIMALALUD**  
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## **Statement of Management Responsibility for Financial Statements**

The management of the **Municipality of Jimalalud** is responsible for all information and representations contained in the Statement of Financial Position as of **December 31, 2024** and the related Statements of Financial Performance, Cash Flows, Changes in Net Assets/Equity and Comparison of Budget and Actual Amounts for the year then ended. The financial statements have been prepared in conformity with generally accepted auditing principles 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 recorded, assets are safeguarded against unauthorized use or disposition and liabilities recognized.

  
**KRIS JOSHUA P. BACANE**  
*Municipal Accountant*

  
**HAZEL C. TUANDA**  
*Municipal Mayor*

March 15, 2025

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

	Note	2024	2023
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	4	₱ 173,532,046.91	₱ 193,405,980.44
Receivables	5	24,776,774.35	25,704,837.90
Inventories	6	6,709,224.00	6,709,224.00
Prepayments and Deferred Charges	7	105,700.00	105,700.00
<b>Total Current Assets</b>		<b>₱ 205,123,745.28</b>	<b>₱ 225,925,742.34</b>
<i>Non-Current Assets</i>			
Receivables	5	₱ 681,427.83	₱ 681,427.83
Property, Plant, and Equipment	8	402,515,573.01	257,641,175.04
Biological Assets	9	1,715,503.00	1,715,503.00
Intangible Assets	10	100,000.00	100,000.00
<b>Total Non-Current Assets</b>		<b>₱ 405,012,503.84</b>	<b>₱ 260,138,105.87</b>
<b>Total Assets</b>		<b>₱ 610,136,249.10</b>	<b>₱ 486,063,848.21</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Financial Liabilities	11	₱ 4,253,047.90	₱ 574,680.03
Inter – Agency Payables	12	16,853,465.57	22,480,883.10
Intra – Agency Payables	13	0.00	110,200.22
Trust Liabilities	14	24,310,453.92	15,513,303.17
Deferred Credits/Unearned Income	15	6,613,970.95	5,673,372.63
Other Payables	16	1,446,008.31	1,238,659.56
<b>Total Current Liabilities</b>		<b>₱ 53,476,946.65</b>	<b>₱ 45,591,098.71</b>
<i>Non-Current Liabilities</i>			
Financial Liabilities	11	₱ 88,610,869.99	₱ 0.00
<b>Total Non-Current Liabilities</b>		<b>₱ 88,610,869.99</b>	<b>₱ 0.00</b>
<b>Total Liabilities</b>		<b>₱ 142,087,816.64</b>	<b>₱ 45,591,098.71</b>
<b>NET ASSETS/EQUITY</b>			
Government Equity		<b>₱ 468,048,432.46</b>	<b>₱ 440,472,749.50</b>
<b>Total Liabilities and Net Assets/Equity</b>		<b>₱ 610,136,249.10</b>	<b>₱ 486,063,848.21</b>

*See accompanying Notes to Financial Statements.*

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

	Note	2024	2023
<b>Revenue</b>			
Tax Revenue	17	₱ 2,870,986.16	₱ 2,803,100.63
Share from Internal Revenue Collections	18	158,457,756.00	149,131,908.00
Service and Business Income	19	5,635,000.65	5,055,875.74
<b>Total Revenue</b>		<b>₱ 166,963,742.81</b>	<b>₱ 156,990,884.37</b>
<b>Less: Current Operating Expenses</b>			
Personnel Services	21	₱ 60,122,380.76	₱ 58,570,643.72
Maintenance and Other Operating Expenses	22	60,783,739.53	61,572,349.03
Non-cash Expenses	23	7,070,220.38	4,408,796.50
<b>Current Operating Expenses</b>		<b>₱ 127,976,340.67</b>	<b>₱ 124,551,789.25</b>
<b>Surplus (Deficit) From Current Operation</b>		<b>₱ 38,987,402.14</b>	<b>₱ 32,439,095.12</b>
Add (Deduct):			
Transfer, Assistance, and Subsidy From		₱ 0.00	₱ 0.00
Transfer, Assistance, and Subsidy To	24	5,838,108.49	5,390,738.64
<b>Net Financial Assistance/Subsidy</b>		<b>₱ (5,838,108.49)</b>	<b>₱ (5,390,738.64)</b>
<b>Other Non-Operating Income (Losses)</b>			
Miscellaneous Income	20	₱ 372,952.00	₱ 138,358.96
<b>Net Other Non-Operating Income (Losses)</b>		<b>₱ 372,952.00</b>	<b>₱ 138,358.96</b>
<b>Surplus (Deficit) for the period</b>		<b>₱ 33,522,245.65</b>	<b>₱ 27,186,715.44</b>

*See accompanying Notes to Financial Statements.*

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

	2024	2023
<b>Cash Flows from Operating Activities:</b>		
Cash Inflows:		
Collection from Taxpayers	₱ 8,505,986.81	₱ 7,858,976.37
Share from Internal Revenue Allotment	158,457,756.00	149,131,908.00
Other Receipts	43,545,041.47	38,619,419.42
<b>Total Cash Inflow</b>	<b>₱ 210,508,784.28</b>	<b>₱ 195,610,303.79</b>
Cash Outflows:		
Payment of expenses	₱ 115,065,582.09	₱ 96,682,416.12
Payment of Employees	60,122,380.76	58,570,643.72
Other Expenses	345,337.64	0.00
<b>Total Cash Outflows</b>	<b>₱ 175,533,300.49</b>	<b>₱ 155,253,059.84</b>
<b>Net Cash from Operating Activities</b>	<b>₱ 34,975,483.79</b>	<b>₱ 40,357,243.95</b>
<b>Cash Flows from Investing Activities:</b>		
<b>Cash Outflows from Investing Activities</b>		
Cash Outflows:		
Purchase/Construction of Property, Plant, and Equipment	₱ 145,071,394.04	₱ 43,533,457.90
<b>Total Cash Outflows</b>	<b>₱ 145,071,394.04</b>	<b>₱ 43,533,457.90</b>
<b>Net Cash from Investing Activities</b>	<b>₱ (145,071,394.04)</b>	<b>₱ (43,533,457.90)</b>
<b>Cash Flow from Financing Activities</b>		
Cash Inflow		
Proceeds from Loans	₱ 90,221,976.72	₱ 0.00
<b>Total Cash Inflow</b>	<b>₱ 90,221,976.72</b>	<b>₱ 0.00</b>
<b>Net Cash from Financing Activities</b>	<b>₱ 90,221,976.72</b>	<b>₱ 0.00</b>
<b>Total Cash Provided by Operating, Investing, and Financing Activities</b>	<b>₱ (19,873,933.53)</b>	<b>₱ (3,176,213.95)</b>
<b>Cash, Beginning of the Period</b>	193,405,980.44	196,582,194.39
<b>Cash, end of the Period</b>	<b>₱ 173,532,046.91</b>	<b>₱ 193,405,980.44</b>

Province of Negros Oriental  
**Municipality of Jimalalud**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**For the Year Ended December 31, 2024**  
*(With Comparative Figures for CY 2023)*

	<b>2024</b>	<b>2023</b>
Balance at January 1, 2024	₱ 440,472,749.50	₱ 412,748,049.27
Add (Deduct)		
Changes in Accounting Policy	0.00	0.00
Prior Period Errors	(5,946,562.69)	(4,060,627.29)
<b>Restated Balance</b>	<b>₱ 434,526,186.81</b>	<b>₱ 413,286,034.06</b>
<b>Add (Deduct) Charges in net assets/equity during the year</b>		
Surplus (Deficit) for the period	33,522,245.55	27,186,715.44
<b>Balance at December 31, 2024</b>	<b>₱ 468,048,432.46</b>	<b>₱ 440,472,749.50</b>

Province of Negros Oriental  
**Municipality of Jimalalud**  
**Statement of Comparison of Budget and Actual Amounts**  
**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				Final Budget and Actual	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Revenue</b>										
A. Local Sources										
1. Tax Revenue										
a. Tax Revenue - Property	2,470,714.00	2,470,714.00	2,470,714.00	2,470,714.00		-	2,870,968.16	2,542,794.94	(400,254.16)	(72,080.94)
b. Tax Revenue - Goods and Services		-	-	-	-	-	-	-	-	-
c. Other Local Taxes					-	-	-	-	-	-
<b>Total Tax Revenue</b>	<b>2,470,714.00</b>	<b>2,470,714.00</b>	<b>2,470,714.00</b>	<b>2,470,714.00</b>		-	<b>2,870,968.16</b>	<b>2,542,794.94</b>	<b>(400,254.16)</b>	<b>(72,080.94)</b>
2. Non-Tax Revenue										
a. Service Income	701,925.00	701,925.00	701,925.00	701,925.00	-	-	872,607.39	803,009.00	(170,682.39)	(101,084.00)
b. Business Income	2,126,340.00	3,911,340.00	2,126,340.00	3,911,340.00	-	-	4,762,393.26	4,513,172.43	(2,636,053.26)	(601,832.43)
c. Other Income and Receipts	4,810,979.00	21,000.00	4,810,979.00	21,000.00	-	-	372,952.00	138,358.96	4,438,027.00	(117,358.96)
<b>Total Non-Tax Revenue</b>	<b>7,639,244.00</b>	<b>4,634,265.00</b>	<b>7,639,244.00</b>	<b>4,634,265.00</b>		-	<b>6,007,952.65</b>	<b>5,454,540.39</b>	<b>1,631,291.35</b>	<b>(820,275.39)</b>
B. External Sources										
1. Share from the National Internal Revenue Taxes (IRA)	139,397,443.00	149,202,422.00	158,457,756.00	149,202,422.00	(19,060,313.00)	-	158,457,756.00	149,131,908.00	-	70,514.00
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					-	-	90,221,976.72		(90,221,976.72)	-
<b>Total Revenue and Receipts</b>	<b>149,507,401.00</b>	<b>156,307,401.00</b>	<b>168,567,714.00</b>	<b>156,307,401.00</b>	<b>(19,060,313.00)</b>	<b>-</b>	<b>257,558,671.53</b>	<b>157,129,243.33</b>	<b>(88,990,957.53)</b>	<b>(821,842.33)</b>
<b>Expenditures</b>										
<b>Current Appropriations</b>										
<b>General Public Services</b>										

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
Personal Services	48,386,479.56	48,501,052.96	50,892,933.21	48,751,052.96	(2,506,453.65)	(250,000.00)	47,430,074.69	32,059,098.35	3,462,858.52	16,691,954.61
Maintenance and Other Operating Expenses	39,934,209.99	36,455,063.82	37,461,285.73	35,237,083.82	2,472,924.26	1,217,980.00	28,849,086.37	23,413,861.47	8,612,199.36	11,823,222.35
Capital Outlay	200,000.00	604,000.00	410,000.00	604,000.00	(210,000.00)		-	308,539.27	410,000.00	295,460.73
<b>Education</b>										
Personal Services	884,000.00	-	884,000.00	-	-	-	-	-	884,000.00	-
Maintenance and Other Operating Expenses		280,000.00		280,000.00	-	-	162,645.42	381,872.17	(162,645.42)	(101,872.17)
Capital Outlay					-	-				
<b>Health, Nutrition and Population Control</b>										
Personal Services	7,957,853.88	7,952,369.48	8,091,986.37	8,152,369.48	(134,132.49)	(200,000.00)	7,877,529.91	7,472,215.78	214,456.46	680,153.70
Maintenance and Other Operating Expenses	1,910,424.00	1,910,424.00	1,910,424.00	1,720,424.00	-	190,000.00	1,838,855.96	1,194,123.09	71,568.04	526,300.91
Capital Outlay					-	-			-	-
<b>Labor and Employment</b>										
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Housing and Community Development</b>										
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Social Services and Social Welfare</b>										
Personal Services	2,280,187.40	2,280,187.40	1,449,256.24	1,449,256.24	830,931.16	830,931.16	1,321,895.45	1,321,895.45	127,360.79	127,360.79
Maintenance and Other Operating Expenses	8,806,400.00	1,131,800.00	2,026,800.00	2,026,800.00	6,779,600.00	(895,000.00)	1,902,316.00	1,902,316.00	124,484.00	124,484.00
Capital Outlay										
<b>Economic Services</b>										
Personal Services	987,987.52	1,039,903.12	1,024,802.96	1,139,903.12	(36,815.44)	(100,000.00)	999,052.15	987,998.84	25,750.81	151,904.28
Maintenance and Other Operating Expenses	1,250,000.00	1,250,000.00	1,250,000.00	1,195,000.00	-	55,000.00	663,139.90	903,005.80	586,860.10	291,994.20
Capital Outlay										
<b>Other Purposes:</b>										
Debt Service										
Financial Expense					-	-	752,645.29		(752,645.29)	
Amortization					-	-			-	-
LDRRMF										
Maintenance and Other Operating Expenses	7,335,111.02	7,700,370.04	7,335,111.02	7,700,370.04	-	-	1,701,462.39	2,309,631.40	5,633,648.63	5,390,738.64
Capital Outlay	115,259.03	-	115,259.03	-			99,000.00	16,259.03	16,259.03	(16,259.03)
20% Development Fund										

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
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay	27,879,488.60	29,840,484.00	28,179,488.60	29,840,484.00	(300,000.00)		4,380,033.76	-	23,799,454.84	29,840,484.00
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	1,580,000.00	17,361,746.18	1,580,000.00	17,361,746.18	-	-			1,580,000.00	17,361,746.18
Capital Outlay					-	-			-	-
<b>Total Current Appropriations</b>	<b>149,507,401.00</b>	<b>156,307,401.00</b>	<b>142,611,347.16</b>	<b>155,458,489.84</b>	<b>6,896,053.84</b>	<b>848,911.16</b>	<b>97,977,737.29</b>	<b>72,270,816.65</b>	<b>44,633,609.87</b>	<b>83,187,673.19</b>
<b>Continuing Appropriations</b>										
<b>General Public Services</b>										
Capital Outlay					-	-			-	-
<b>Education</b>										
Capital Outlay					-	-			-	-
<b>Health, Nutrition and Population Control</b>										
Capital Outlay					-	-			-	-
<b>Labor and Employment</b>										
Capital Outlay					-	-			-	-
<b>Housing and Community Development</b>										
Capital Outlay					-	-			-	-
<b>Social Services and Social Welfare</b>										
Capital Outlay					-	-			-	-
<b>Economic Services</b>										
Capital Outlay					-	-			-	-
<b>Other Purposes:</b>										
Capital Outlay					-	-			-	-
<b>Total Continuing Appropriations</b>										
<b>Total Appropriations</b>	<b>149,507,401.00</b>	<b>156,307,401.00</b>	<b>142,611,347.16</b>	<b>155,458,489.84</b>	<b>6,896,053.84</b>	<b>848,911.16</b>	<b>97,977,737.29</b>	<b>72,270,816.65</b>	<b>44,633,609.87</b>	<b>83,187,673.19</b>

**Republic of the Philippines**  
**Province of Negros Oriental**  
**MUNICIPALITY OF JIMALALUD**

*Notes to Financial Statements*  
*As of December 31, 2024*

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**Note 1 - Profile**

The Municipality of Jimalalud is one of the 19 municipalities comprising the province of Negros Oriental. History of the province revealed that it was created as a barangay by virtue of a Letter of Declaration of Fernando Cuevo, Hepe Politico de los Isla de Negros in 1781. It became a Municipality thru a Royal Decree in 1800.

Jimalalud is located some 97.7 kilometers north of Dumaguete City, the provincial capital of Negros Oriental. It is classified as a fourth-class municipality effective November 20, 2001, pursuant to Department of Finance Memorandum Circular No. 01-M (54) dated January 28, 2002. It is comprised of 28 barangays with a population of 23,514 and a total land area of 186.3 square kilometers.

Pursuant to Republic Act 7160, known as the Local Government Code of 1991, the municipality, like other local government units, enjoys total independence in managing, deciding, and planning its own administrative, fiscal, and development affairs in conformity with the government's thrust for sustainable social and economic growth.

For calendar year 2022, the municipality formulated plans and programs to socially and economically improve the lives of the constituents. Funds were allocated for the provision of basic services and facilities to include social welfare services, agriculture, infrastructure facilities, public market, tourism facilities, and other tourism attractions.

**Note 2 -Statement of Compliance and Basis of Preparation of Financial Statements**

The consolidated financial statements of the LGU have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS). The consolidated financial statements are presented in pesos, which is the functional and reporting currency of the LGU. The accounting policies have been applied starting the year 2015. As such, this is the first set of financial statements that is compliant with the IPSAS.

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The SCBAA and the Notes to FS are attached components of the FS of the municipality. The Statement of Cash Flows is prepared using the direct method.

## **Note 3 - Summary of significant accounting policies**

### **3.1 Basis of accounting**

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

### **3.2 Combination/Consolidation**

The consolidated financial statements reflect all the assets, liabilities, revenue, and expenses of the municipality covering all funds. These funds include the General Fund and the two Special Funds namely: Special Education Fund (SEF) and Trust Fund (TF). The General Fund is composed of the following Special Accounts:

- General Fund-Proper
- Market Operation
- Slaughterhouse
- Waterworks
- Operation of Cemetery
- 20% Economic Development Fund
- LGSEF

### **3.3 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 cash and they present insignificant risk of changes in value because of changes in interest rates.

### **3.4 Presentation of Financial Statements**

In accordance with the PPSAS transitional provisions, comparative financial statements for CY 2022 and 2023 was not presented considering the effects of significant changes in the accounting policies as a result of the first-time adoption of the PPSAS.

### **3.5 Investments**

The LGU limits its exposure to risk by investing in Authorized Depository Banks.

### **3.6 Receivables**

Receivables represent amounts collectible from various constituents, taxpayers, other local government units, national government agencies, municipal officials and employees arising from claims for money lent, real property taxes due the local government unit and cash advances granted or travel and for payment of salaries, wages, allowances, honoraria and petty operating expenses.

### **3.7 Inventories**

Inventories were recognized and measured at cost upon initial recognition.

Inventories were recognized as an expense when issued for utilization or consumption in the ordinary course of operation.

### **3.8 Prepayments and Deferred Charges**

Prepayments were recorded under the asset method. Adjusting entries were prepared at the end of the year to record the portion of the prepayment representing the expense incurred during the current accounting period.

### **3.9 Investment Property**

Investment Property is either a land or a building or part of a building or both, held by the owner or a lessee under a finance lease to earn rentals or for capital appreciation, or both.

### **3.10 Property, Plant, and Equipment (PPE)**

PPE were recognized at cost. Cost includes the purchase price and expenditures directly attributable to the acquisition of the asset.

After recognition, PPE were stated at cost less accumulated depreciation.

The straight-line method was adopted in the computation of depreciation over the useful life of the asset, assigning a residual value of at least 10%. The estimated useful life of the asset is based on the estimated useful life of PPE by classification issued by COA. Depreciation starts on the month following the date of the purchase. Assets acquired prior to CY 2002 were not subjected to depreciation.

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 assets) is included in the surplus or deficit when the asset is derecognized.

Public Infrastructures were 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, the LGU will not recognize the Public Infrastructure in the books of accounts.

### **3.11 Financial Liabilities**

The LGU's financial liabilities include payables and borrowings which the municipality is committed to pay for goods or services received. It also include amounts entrusted/withheld from outside sources/offices and personnel for which the municipality is acting as a trustee or administrator.

Payables were recognized and recorded in the book of accounts only upon acceptance of goods and rendition of service to the municipality.

Loans contracted by the municipality were recognized upon receipt of the proceeds from creditors.

### **3.12 Equity**

Equity represents the difference between assets and liabilities. The amount available for operations is computed by deducting the following from other ending balances of Government Equity.

- a. equity set aside to finance capital projects with appropriations provided in the previous years (continuing appropriations)
- b. portion pertaining to receivables, inventories, prepayments, and other current assets
- c. portion pertaining to property, plant, and equipment, including public infrastructures in process
- d. amount reserved for Local Disaster Risk Reduction & Management Fund

#### Note 4 - Cash and Cash Equivalents

	<b>2024</b>	<b>2023</b>
<b>Cash on Hand</b>		
Cash- Local Treasury	₱ 2,407,006.56	₱ 1,925,394.53
<b>Cash in Bank – Local Currency</b>		
Cash in Bank-Local Currency-Current Account	171,125,040.35	191,480,585.91
<b>Total Cash and Cash Equivalent</b>	<b>₱ 173,532,046.91</b>	<b>₱ 193,405,980.44</b>

Cash in Bank - Local Currency, Current account consists mainly of collections from regular sources and Internal Revenue allotment.

#### Note 5 - Receivables

##### *Current Receivables*

<b>Loans and Receivable Account</b>		
Accounts Receivable	₱ 49,337.70	₱ 49,337.70
Real Property Tax Receivable	5,614,672.21	5,127,271.84
Special Education Tax Receivable	2,140,255.53	1,687,057.58
<b>Inter-Agency Receivables</b>		
Due from National Government Agencies	7,449.85	7,449.85
<b>Intra-Agency Receivables</b>		
Due from Other Funds	111,988.23	111,988.23
<i>Elimination of Reciprocal Accounts</i>	(110,200.22)	0.00
<b>Advances</b>		
Advances for Operating Expenses	2,890,896.80	5,460,770.40
Advances for Payroll	8,229,394.41	9,325,275.80
Advances to Special Disbursing Officer	3,438,283.22	2,163,708.10
Advances to Officers and Employees	2,186,633.83	1,553,915.61
<b>Other Receivables</b>		
Receivables – Disallowances and Charges	163,640.47	163,640.47
Due from Officers and Employees	54,422.32	54,422.32
<b>Total Current Receivables</b>	<b>₱ 24,776,774.35</b>	<b>₱ 25,704,837.90</b>

##### *Non-Current Receivables*

<b>Loans and Receivable Account</b>		
Loans Receivables – Others	₱ 560,000.00	₱ 560,000.00
<b>Other Receivables</b>		
Other Receivables	121,427.83	121,427.83
<b>Total Non-Current Receivables</b>	<b>₱ 681,427.83</b>	<b>681,427.83</b>
<b>Total Receivables</b>	<b>₱ 25,458,202.18</b>	<b>30,694,775.38</b>

The Account Receivables Disallowances and Charges are claims against municipal officials and employees that were disallowed in audit and have become final and executory.

**Note 6 – Inventories**

	<b>2024</b>	<b>2023</b>
<b>Inventory Held for Distribution</b>		
Agricultural Produce for Distribution	₱ 175,500.00	₱ 175,500.00
<b>Inventory Held for Manufacturing</b>		
Work-in-Process Inventory	258,361.60	258,361.60
<b>Inventory Held for Consumption</b>		
Office Supplies Inventory	445,130.00	445,130.00
Accountable Forms, Plates, and Stickers	17,737.00	17,737.00
Medical, Dental, and Laboratory Supplies for Distribution	93,747.00	93,747.00
Fuel, Oil, and Lubricants Inventory	988,283.79	988,283.79
Other Supplies and Materials Inventory	4,730,464.61	4,730,464.61
<b>Total</b>	<b>₱ 6,709,224.00</b>	<b>₱ 6,709,224.00</b>

**Note 7 –Prepayments and Deferred Charges**

<b>Prepayments</b>		
Other Prepayments	₱ 105,700.00	₱ 105,700.00
<b>Total Prepayments and Deferred Charges</b>	<b>₱ 105,700.00</b>	<b>₱ 105,700.00</b>

**Note 8 - Property, Plant, and Equipment, net of depreciation**

<b>Land</b>		
Land	₱ 13,367,376.21	₱ 13,346,976.21
Other Land Improvements	4,602,846.15	4,602,846.15
<b>Infrastructure Assets</b>		
Road Networks	83,317,942.62	48,896,583.55
Flood Control Systems	9,538,642.43	9,538,642.43
Water Supply Systems	14,072,928.30	14,472,478.39
Power Supply Systems	1,578,490.55	1,578,490.55
Seaport System	8,378,857.24	8,378,857.24
Parks, Plazas, and Monuments	7,544,673.85	7,544,673.85
Other Infrastructure Assets	12,279,224.53	12,279,224.53
<b>Building and Other Structures</b>		
Buildings	34,577,629.63	32,231,190.63
School Buildings	12,939,146.92	12,939,146.92
Hospital and Health Centers	3,003,221.24	2,005,836.24
Markets	22,493,209.94	20,297,250.94

	<b>2024</b>	<b>2023</b>
Other Structures	46,070,971.83	35,753,869.31
<b>Machinery and Equipment</b>		
Machinery	846.50	846.50
Office Equipment	652,121.60	652,121.60
Information and Communication Technology Equipment	2,345,120.50	2,322,627.65
Communication Equipment	132,246.92	132,246.92
Agricultural and Forestry Equipment	40,638.00	40,638.00
Construction and Heavy Equipment	2,355,324.02	2,355,324.02
Disaster Response and Rescue	571,990.58	571,990.58
Military, Police, and Security	55,000.00	55,000.00
Medical Equipment	420,135.00	420,135.00
Sports Equipment	132,520.00	132,520.00
Technical and Scientific Equipment	3,288.95	3,288.95
Other Machinery and Equipment	751,932.95	832,229.80
<b>Transportation Equipment</b>		
Motor Vehicles	21,220,012.08	16,767,860.29
<b>Furniture, Fixtures, and Books</b>		
Furniture and Fixtures	4,431,221.90	3,588,261.90
Books	183,500.00	183,500.00
<b>Construction in Progress</b>		
Construction in Progress – Infrastructure Assets	93,517,651.95	2,769,192.60
Construction in Progress – Buildings and Other Structures	566,068.50	566,068.50
<b>Other Property, Plant, and Equipment</b>		
Other Property, Plant and Equipment	1,370,792.12	2,381,255.79
<b>Total Property, Plant, and Equipment (net)</b>	<b>₱ 402,515,573.01</b>	<b>257,641,175.04</b>

Land represents the value of the lot at Barangay South Poblacion, Jimalalud where the Municipal High School is located, with a total area of 15,324 square meters. This was purchased on July 6, 1994, as evidenced by TCT No. FT 6444. This account also includes the purchase of a lot in November 2006 situated in Dayoyo, Jimalalud, with a total area of 1,601 square meters, as evidenced by TCT No. FT 1612 and the purchase of Lot in June 2011, situated in Mambaid, Jimalalud, with a total area of 20,000 sq. m. at P400/sq.m., to be used as the Jimalalud Memorial Park.

#### **Note 9 – Biological Assets**

<b>Bearer Biological Assets</b>		
Breeding Stocks	₱ 1,715,503.00	₱ 1,715,503.00
<b>Total Bearer Biological Assets</b>	<b>₱ 1,715,503.00</b>	<b>₱ 1,715,503.00</b>

### Note 10 – Intangible Assets

	2024	2023
<b>Intangible Assets</b>		
Other Intangible Assets	₱ 100,000.00	₱ 100,000.00
<b>Total Intangible Assets</b>	<b>₱ 100,000.00</b>	<b>₱ 100,000.00</b>

### Note 11 – Financial Liabilities

#### *Current*

<b>Financial Liabilities</b>		
Accounts Payable	₱ 2,407,925.16	₱ 547,075.46
Due to Officers and Employees	234,016.01	27,604.57
Loans Payable – Domestic	1,611,106.73	0.00
<b>Total Financial Liabilities</b>	<b>₱ 4,253,047.90</b>	<b>₱ 574,680.03</b>

#### *Non-Current*

<b>Financial Liabilities</b>		
Loans Payable – Domestic	₱ 88,610,869.99	₱ 0.00
<b>Total Financial Liabilities</b>	<b>₱ 88,610,869.99</b>	<b>₱ 0.00</b>

In CY 2024, the Municipal Government of Jimalalud secured the following loans from the Land Bank of the Philippines (LBP) to fund various projects, with the corresponding details provided below:

Purpose		Amount of Loan Secured	Interest Rate	Term	Date Released	Amount Released in CY 2024
Rehabilitation and Expansion of Jimalalud Port	1st Tranche	111,000,000.00	7%	15 Years	9/11/2024	21,744,118.31
	2nd Tranche				12/3/2024	51,835,358.41
Constructon of Boardwalk		145,500,000.00	7%	15 Years	9/25/2024	16,642,500.00
<b>Total</b>		<b>256,500,000.00</b>				<b>90,221,976.72</b>

As of December 31, 2024, the Municipality incurred interest expenses totaling ₱752,645.29. This amount was capitalized to the respective projects and recorded under the account "Construction in Progress – Infrastructures."

**Note 12– Inter-Agency Payables**

	<b>2024</b>	<b>2023</b>
Due to BIR	₱ 1,592,320.23	1,024,084.63
Due to GSIS	192,692.23	149,838.48
Due to Pag-IBIG	178,506.14	149,900.37
Due to PhilHealth	616,986.58	610,419.61
Due to NGAs	13,195,225.41	19,960,895.16
Due to GOCCs	33,478.19	(281,195.81)
Due to LGUs	1,044,256.79	866,940.66
<b>Total Inter-Agency Payables</b>	<b>₱ 16,853,465.57</b>	<b>22,480,883.10</b>

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

**Note 13 – Intra-Agency Payables**

<b>Intra-Agency Payables</b>		
Due to Other Funds	₱ 110,200.22	₱ 110,200.22
<i>Elimination of Reciprocal Account</i>	(110,200.22)	0.00
<b>Total Intra-Agency Payables</b>	<b>₱ 0.00</b>	<b>₱ 110,200.22</b>

**Note 14 - Trust Liabilities**

<b>Trust Liabilities</b>		
Trust Liabilities- Disaster Risk Reduction and Management Fund	₱ 15,729,277.47	₱ 14,884,638.98
Guarantee/Security/Deposits Payable	8,581,176.45	628,664.19
<b>Total Trust Liabilities</b>	<b>₱ 24,310,453.92</b>	<b>₱ 15,513,303.17</b>

**Note 15 -Deferred Credits/Unearned Income**

<b>Deferred Credits / Unearned Income</b>		
Deferred Real Property Tax	₱ 5,614,672.21	₱ 5,127,271.84
Deferred Special Education Tax	999,298.74	546,100.79
<b>Total Deferred Credits / Unearned Income</b>	<b>₱ 6,613,970.95</b>	<b>₱ 5,673,372.63</b>

**Note 16 - Other Payables**

<b>Other Payables</b>		
Other Payables	₱ 1,446,008.31	₱ 1,238,659.56
<b>Total Other Payables</b>	<b>₱ 1,446,008.31</b>	<b>₱ 1,238,659.56</b>

**Note 17 – Tax Revenue**

	<b>2024</b>	<b>2023</b>
<b>Tax Revenue – Individual and Corporation</b>		
Community Tax	₱ 210,951.25	₱ 233,951.80
<b>Tax Revenue-Property</b>		
Real Property Tax – Basic	465,561.53	424,750.61
Special Education Tax	599,053.10	606,230.17
<b>Tax Revenue-Goods and Services</b>		
Business Tax	1,494,268.33	1,450,384.23
<b>Tax Revenue – Fines and Penalties</b>		
Tax Revenue – Fines & Penalties- Property Taxes	67,548.39	61,429.93
Tax Revenue-Fines and Penalties-Other Taxes	33,603.56	26,353.89
<b>Total Tax Revenue</b>	<b>₱ 2,870,986.16</b>	<b>₱ 2,803,100.63</b>

**Note 18- Share from Internal Revenue Collections**

<b>Share from National Taxes</b>		
Share from Internal Revenue Collections	₱ 158,457,756.00	₱149,131,908.00
<b>Total Tax Revenue</b>	<b>₱ 158,457,756.00</b>	<b>₱149,131,908.00</b>

**Note 19– Service and Business Income**

<b>Service Income</b>		
Permit Fees	₱ 436,211.89	₱ 327,682.41
Registration Fees	190.00	790.00
Clearance and Certificate Fees	51,265.00	58,980.00
Occupation Fees	240,187.50	0.00
Fines and Penalties- Service Income	40,664.00	5,800.00
Other Service Income	104,089.00	149,450.90
<b>Business Income</b>		
Waterworks System Fees	1,954,720.52	2,064,719.17
Receipt from Market Operations	1,198,746.00	1,380,446.00
Receipt from Cemetery Operations	1,608,926.74	1,068,007.26
<b>Total Service and Business Income</b>	<b>₱ 5,635,000.65</b>	<b>₱ 5,055,875.74</b>

**Note 20 – Miscellaneous Income**

<b>Miscellaneous Income</b>		
Miscellaneous Income	₱ 372,952.00	₱ 138,358.96
<b>Total Miscellaneous Income</b>	<b>₱ 372,952.00</b>	<b>₱ 138,358.96</b>

**Note 21 – Personnel Services**

	<b>2024</b>	<b>2023</b>
<b>Personnel Services</b>		
Salaries and Wages – Regular	₱ 32,692,382.31	₱ 31,133,910.34
Salaries and Wages- Casual/Contractual	2,351,960.00	2,210,525.00
<b>Other Compensation</b>		
Personal Economic Relief allowance	2,565,701.30	2,545,861.65
Representation Allowance	1,949,470.53	1,558,125.00
Transportation Allowance	1,795,620.54	1,477,125.00
Clothing/Uniform Allowance	848,000.00	630,000.00
Subsistence Allowance	202,787.50	212,911.25
Laundry Allowance	20,850.00	143,550.00
Hazard Pay	1,172,409.35	1,819,069.64
Overtime and Night Pay	0.00	154,906.51
Year-End Bonus	5,850,418.00	5,544,051.40
Cash Gift	528,000.00	530,250.00
<b>Personnel Benefit Contribution</b>		
Retirement and Life Insurance Premiums	3,715,211.52	3,497,989.49
Pag-IBIG Contribution	168,200.00	126,168.80
PhilHealth Contribution	825,166.44	615,628.76
Emp. Compensation Insurance Premiums	90,312.02	264,594.36
<b>Other Personnel Benefit</b>		
Terminal Leave Benefits	2,622,891.25	3,172,976.52
Other Personnel Benefits	2,723,000.00	2,933,000.00
<b>Total</b>	<b>₱ 60,122,380.76</b>	<b>₱ 58,570,643.72</b>

**Note 22 – Maintenance and Other Operating Expenses**

<b>Travelling Expenses</b>		
Travelling Expenses - Local	₱ 3,304,169.73	₱ 3,199,668.15
<b>Training and Scholarship Expenses</b>		
Training Expenses	1,816.00	0.00
Scholarship/Grants/Expenses	979,200.00	1,266,574.67
<b>Supplies and Material Expenses</b>		
Office Supplies Expense	1,000.00	196,861.00
Accountable Forms Expense	229,189.00	193,509.00
Animal/Zoological Supplies Expenses	78,880.00	0.00
Food Supplies Expenses	395,954.00	0.00
Welfare Goods Expenses	0.00	282,427.20
Medical, Dental, and Laboratory Supplies Expenses	558,097.00	0.00
Fuel, Oil, and Lubricant Expenses	4,089,192.12	5,146,105.80
Other Supplies and Material Expenses	12,900.00	124,050.00

	<b>2024</b>	<b>2023</b>
<b>Utility Expenses</b>		
Electricity Expenses	₱ 4,741,802.08	₱ 5,923,174.11
<b>Communication Expenses</b>		
Postage and Courier Services	4,955.00	0.00
Telephone Expenses	118,583.19	279,408.33
Internet subscription Expenses	289,799.22	287,108.00
<b>Awards/Rewards and Prizes</b>		
Prizes	108,850.00	232,000.00
<b>Repairs and Maintenance</b>		
Repairs and Maintenance -Infrastructure Assets	67,443.00	321,593.55
Repairs and Maintenance -Buildings and Other Structures	0.00	570,156.75
Repairs and Maintenance -Machinery and Equipment	10,449.00	2,175.00
Repairs and Maintenance -Transportation Equipment	2,278,124.48	3,671,520.62
Repairs and Maintenance – Other Property, Plant, and Equipment	864,489.00	0.00
<b>Taxes, Insurance Premiums, and Other Fees</b>		
Taxes, Duties, and Licenses	28,725.00	0.00
Fidelity Bond Premiums	13,849.01	28,725.00
Insurance Expenses	0.00	100,735.97
<b>Other Maintenance and Operating Expenses</b>		
Representation Expenses	470,034.50	179,015.00
Membership Dues and Contributions to Organizations	0.00	205,000.00
Donations	22,214,736.00	18,866,679.00
Other Maintenance and Operating Expenses	19,921,502.20	20,495,861.88
<b>Total Maintenance and Other Operating Expenses</b>	<b>₱ 60,783,739.53</b>	<b>61,572,349.03</b>

The total donations represent the financial assistance granted to indigents, barangay health workers, Club 85 members, and poor but deserving college students within the territorial jurisdiction of the Municipality.

**Note 23– Non-Cash Expenses**

	<b>2024</b>	<b>2023</b>
<b>Depreciation and Amortization</b>		
Depreciation-Infrastructure Assets	₱ 3,105,711.93	₱ 2,375,627.61
Depreciation- Buildings and Other Structures	994,657.48	62,544.92
Depreciation-Machinery and Equipment	520,029.09	558,333.91
Depreciation-Transportation Equipment	1,439,358.21	310,831.95
Depreciation Expense – Furniture, Fixtures, and Books	0.00	77,898.73
Depreciation-Other Property, Plant, and Equipment	1,010,463.67	1,023,559.38
<b>Total</b>	<b>₱ 7,070,220.38</b>	<b>₱ 4,408,796.50</b>

**Note 24 – Transfers, Assistance, and Subsidy to**

Transfers of Unspent Current Year DRRM Funds to the Trust Funds	₱ 5,838,108.49	₱ 5,390,738.64
<b>Total</b>	<b>₱ 5,838,108.49</b>	<b>₱ 5,390,738.64</b>

**Note 25 - 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 R.A. No. 10121, otherwise known as the “Philippine Disaster Risk Reduction and Management Act of 2010”. The amount available and utilized during the year totaled ₱7,883,293.21 and ₱2,309,631.40, respectively, broken as follows:

<b>Particular</b>	<b>Amount Available</b>	<b>Amount Utilized</b>	<b>Balance</b>
Current Appropriation:			
30% Quick Response Fund (QRF)	2,521,016.25	0.00	2,521,016.25
Mitigation Fund (MF)	5,882,369.63	2,565,277.39	3,317,092.24
MOOE	0.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00
<b>Sub-Total</b>	<b>8,403,385.88</b>	<b>2,565,277.39</b>	<b>5,838,108.49</b>
Continuing Appropriation			
CY 2023	5,291,563.84	0.00	5,291,563.84
CY 2022	6,575,721.46	4,993,470.00	1,582,251.46
Special Trust Fund			
Donations	11,270.00	0.00	11,270.00
PCSO	171,653.17	0.00	171,653.17
<b>Sub-Total</b>	<b>182,923.17</b>	<b>0.00</b>	<b>182,923.17</b>
<b>Grand Total</b>	<b>20,453,594.35</b>	<b>7,558,747.39</b>	<b>12,894,846.96</b>

In compliance with COA Circular 2012-002, the Municipality has a total Current Year Appropriation of 5% Local Disaster Risk Reduction and Management Fund in the amount of Eight Million Four Hundred Three Thousand Three Hundred Eighty-Five Pesos and Eighty-Eight Centavos (₱8,403,385.88) only. Of this amount represents 30% Quick Respond Fund and 70% Mitigation Fund, and was programmed for various projects and activities by the Local Disaster Risk Reduction and Management Council.

## Note 25 – Reconciliation of Actual Amounts and the Statement of Financial Performance

Reconciliation between actual amounts on a comparable basis as presented in this statement and in the Statement of Financial Performance for the Year Ended December 31, 2024					
	Income	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlay
Comparison Statement of Budget and Actual	257,558,671.53	57,628,552.20	39,497,539.80	752,645.29	99,000.00
Entity Differences	0.00	0.00	0.00	0.00	0.00
<b>Basis Differences:</b>	<b>(90,221,976.72)</b>	<b>2,493,828.56</b>	<b>21,286,199.73</b>	<b>(752,645.29)</b>	<b>(99,000.00)</b>
<b>Income/Expense not considered budgetary items</b>	-	-	-	-	-
Non-cash income	0.00	0.00	0.00	0.00	0.00
Interest income on deposits	0.00	0.00	0.00	0.00	0.00
Gain on Sale of Assets	0.00	0.00	0.00	0.00	0.00
Discount on Real Property Tax	0.00	0.00	0.00	0.00	0.00
Losses	0.00	0.00	0.00	0.00	0.00
Income/Expense from Trust Fund	0.00	0.00	0.00	0.00	0.00
<b>Receipts not considered as income</b>	<b>(90,221,976.72)</b>	-	<b>7,070,220.38</b>	-	-
Sale of capital assets	0.00	0.00	0.00	0.00	0.00
Borrowings	(90,221,976.72)	0.00	0.00	0.00	0.00
<b>Non-cash Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Depreciation	0.00	0.00	7,070,220.38	0.00	0.00
<b>Budgetary items not considered as expenses</b>	-	<b>2,493,828.56</b>	-	<b>(752,645.29)</b>	<b>(99,000.00)</b>
Debt Service (Loan Amortization, Retirement of Debt Instruments)	0.00	0.00	0.00	0.00	0.00
Interest Expenses capitalized	0.00	0.00	0.00	(752,645.29)	0.00
Capital Expenditures	0.00	0.00	0.00	0.00	(99,000.00)
Budgetary adjustments (cancelled checks & other adjustments)	0.00	2,493,828.56	0.00	0.00	0.00
<b>Timing Differences:</b>	-	-	<b>14,215,979.35</b>	-	-
Prepayments charged to current appropriations	0.00	0.00	0.00	0.00	0.00
Incurred/Used prepayments	0.00	0.00	0.00	0.00	0.00
Unconsumed Inventories charged to current appropriations	0.00	0.00	0.00	0.00	0.00
Consumed Inventories and deferred charges	0.00	0.00	0.00	0.00	0.00
Unliquidated Advances and Prepayments	0.00	0.00	0.00	0.00	0.00
Commitments (Obligated but not delivered/billed)	0.00	0.00	14,215,979.35	0.00	0.00
Other Adjustments (Erroneous entry and etc.)	0.00	0.00	0.00	0.00	0.00
<b>Per Statement of Financial Performance</b>	<b>167,336,694.81</b>	<b>60,122,380.76</b>	<b>60,783,739.53</b>	<b>0.00</b>	<b>0.00</b>

**PART II**

**AUDIT OBSERVATIONS AND  
RECOMMENDATIONS**

## AUDIT OBSERVATIONS AND RECOMMENDATIONS

### A. FINANCIAL AUDIT

#### *Property, Plant, and Equipment (PPE)*

1. **The Municipality of Jimalalud did not effectively follow the guidelines and procedures specified in COA Circular No. 2020-006 dated January 31, 2020, regarding the one-time cleansing of Property, Plant, and Equipment (PPE), thus affecting the fairness of presentation of the PPE accounts amounting to ₱401,762,927.72 in the financial statements at year-end and depriving the government’s access to reliable and useful information for decision-making and accountability for these assets.**

1.1. COA Circular No. 2020-006 dated January 31, 2020, was issued to prescribe guidelines and procedures for inventory-taking, recognizing existing items at the station, and addressing the disposition of nonexistent or missing PPE items. This one-time cleansing of PPE accounts for government agencies aims to establish verifiable PPE balances as to existence, condition, and accountability.

1.2. As of December 31, 2024, the financial statements showed a PPE balance of ₱401,762,927.72, as follows:

Account	Cost	Accumulated Depreciation	Net Book Value
<b>Immovable Properties</b>			
Land	₱ 13,367,376.21	₱ 0.00	₱ 13,367,376.21
Land Improvements	4,602,846.15	0.00	4,602,846.15
Infrastructure Assets	145,994,812.54	9,284,053.02	136,710,759.52
Buildings and Other Structures	121,519,850.91	2,435,671.35	119,084,179.56
Construction in Progress	93,331,075.16	0.00	93,331,075.16
<b>Subtotal – Immovable Properties</b>	<b>₱378,815,960.97</b>	<b>₱ 11,719,724.37</b>	<b>₱367,096,236.60</b>
<b>Movable Properties</b>			
Machinery and Equipment	₱ 23,181,104.50	₱ 15,719,939.48	₱ 7,461,165.02
Transportation Equipment	34,581,637.31	13,361,625.23	21,220,012.08
Furniture, Fixtures, and Books	5,438,491.75	823,769.85	4,614,721.90
Other Property, Plant, and Equipment	3,631,678.77	2,260,886.65	1,370,792.12
<b>Subtotal – Movable Properties</b>	<b>₱ 66,832,912.33</b>	<b>₱ 32,166,221.21</b>	<b>₱ 34,666,691.12</b>
<b>Total PPE</b>	<b>₱445,648,873.30</b>	<b>₱ 43,885,945.58</b>	<b>₱ 401,762,927.72</b>

1.3. Our review of the LGU’s compliance with the said circular revealed the following points that need to be addressed:

1.3.1. Non-conduct of the physical count of PPE

1.3.1.1. Section 5.1 of the Circular provides that each government agency shall conduct a physical count of all its PPE, whether acquired through purchase or donation, including those constructed by the administration and found at the station.

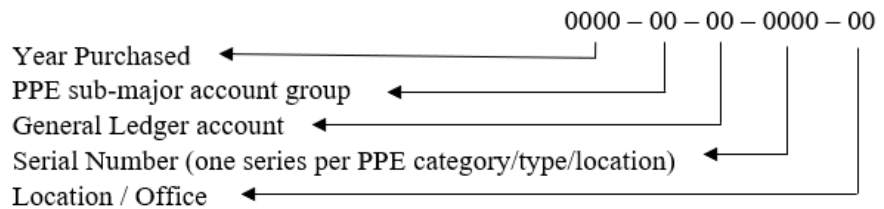
1.3.1.2. In an inquiry, the Municipal Accountant disclosed that a physical count of the Municipality's PPE had not been conducted in CY 2024.

1.3.1.3. Moreover, in another phone inquiry, the Municipal Treasurer mentioned that no Office Order was issued to create the Inventory Committee, which would focus on and carry out the physical count of all PPEs.

1.3.1.4. The inability to verify the existence of PPE and the accuracy of book balances totaling ₱401,762,927.72 as of December 31, 2024, raises significant concerns about the fair presentation of these accounts in the financial statements.

1.3.2. Non-adoption of unique property numbers for PPE and absence of property stickers

1.3.2.1. 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:



1.3.2.2. 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.

1.3.2.3. Moreover, 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:

- 1.3.2.3.1. Description of the property;
- 1.3.2.3.2. Model Number;
- 1.3.2.3.3. Serial Number;
- 1.3.2.3.4. Acquisition Date/Cost;
- 1.3.2.3.5. Person Accountable; and
- 1.3.2.3.6. Space for the validation/signature of the Inventory Committee.

1.3.2.4. However, our review of the PPE Schedule submitted by the Municipal Accountant showed that the unique Property Number required for each PPE item was not adopted. Additionally, none of the PPE items were tagged with property stickers.

1.3.2.5. As a result, accountability and control over the custody and use of PPE could not be established. Furthermore, the existence and condition of all PPE owned by the agency could not be ascertained.

1.3.3. Non-preparation of the Physical Inventory Plan (PIP)

1.3.3.1. 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 the conduct and complete the physical inventory within the prescribed period. 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 10 calendar days before the scheduled start of inventory activities.

1.3.3.2. However, due to the non-creation of the Inventory Committee, the PIP was not prepared. As a result, specific assignments and duties of the Committee members, the cut-off date, and a detailed schedule outlining the dates and locations for the inventory activities, from start to target completion, were not established.

1.4. The LGU's non-compliance with the provisions outlined in COA Circular No. 2020-006 dated January 31, 2020, negatively impacts the fairness of the financial statements' presentation and may also deprive the government of access to reliable and useful information in decision-making and accountability for these assets.

1.5. **We recommended and the Municipal Mayor agreed to issue an Office Order creating the Inventory Committee with adequate members, including at least one member from each of the Accounting and Property Divisions/Units, and temporarily relieve them of all their regular duties until the physical inventory process is complete.**

- 1.6. **We further recommended that once created, the Inventory Committee:**
  - 1.6.1. **Strictly follow the guidelines and procedures for conducting the physical count of PPE. This includes recognizing PPE items found at the station and disposing of items that are non-existent or missing. The Accountant and Property Officer should reconcile their records based on the results of the actual physical count and make any necessary adjustments;**
  - 1.6.2. **Adopt a uniform numbering system for PPE property numbers and require the Property Unit to update the property stickers according to the prescribed format and include all the necessary information as specified in Sections 5.6 and 5.7 of COA Circular No. 2020-006 dated January 31, 2020; and**
  - 1.6.3. **Prepare the PIP for approval by the Municipal Mayor and submit the same to COA at least 10 calendar days before the scheduled start of inventory activities.**
  
2. **The valuation and accuracy of depreciable PPE with a net book value of ₱295,064,476.35 could not be relied upon due to: (a) discrepancy between the PPE Lapsing Schedule and the Financial Statements; (b) non- application of the required five percent residual value on some items; and (c) non-recognition of depreciation expense on some PPE accounts, inconsistent with PAG 4 and 6 of IPSAS 17, thereby misstating the depreciation expense and PPE balances by an undetermined amount in the financial statements.**
  - 2.1. One of the qualitative characteristics embodied in Chapter 2 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities is faithful representation, which asserts that “To be useful in financial reporting, information must be a faithful representation of the economic phenomena that it purports to represent. Faithful representation is attained when the depiction of the phenomena is complete, neutral, and free from material error.”
  - 2.2. Moreover, Philippine Accounting Guidelines (PAG) on the International Public Sector Accounting Standards (IPSAS) 17 state the following specific policies on depreciation and residual value, to wit:

“PAG 4 The straight line method of depreciation shall be adopted unless another method is more appropriate for the agency operation. The depreciation method shall be applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.

PAG 6 A residual value equivalent to at least five percent (5%) of the cost shall be adopted unless a more appropriate percentage is determined by the agency based on their operation.”

2.3. The audit of depreciable PPE accounts with a total recorded cost of ₱338,950,421.93 and a total accumulated depreciation of ₱43,885,945.58 as of December 31, 2024, showed that the reported net book value of the PPE account of ₱295,064,476.35 for the same period could not be relied upon due to the following:

2.3.1. Discrepancy between the PPE Lapsing Schedule and the Financial Statements amounting to ₱170,982,037.93

2.3.1.1. The PPE Lapsing Schedule as of December 31, 2024, submitted by the Municipal Accountant, did not reconcile with the corresponding balances reported in the financial statements. A variance amounting to ₱170,982,037.93 was noted, as summarized below:

Depreciable PPE	Net Book Value		Difference
	Per FS	Per Lapsing Schedule	
Land Improvements	₱ 4,602,846.15	₱ 701,467.21	₱ 3,901,378.94
Infrastructure Assets	136,710,759.52	80,022,036.51	56,688,723.01
Buildings and Other Structures	119,084,179.56	27,479,569.21	91,604,610.35
Machinery and Equipment	7,461,165.02	1,281,141.87	6,180,023.15
Transportation Equipment	21,220,012.08	14,475,463.09	6,744,548.99
Furniture, Fixtures, and Books	4,614,721.90	121,593.44	4,493,128.46
Other Property, Plant, & Equipment	1,370,792.12	1,167.09	1,369,625.03
<b>Total</b>	<b>₱295,064,476.35</b>	<b>₱124,082,438.42</b>	<b>₱170,982,037.93</b>

See **Appendix 1** for details.

2.3.1.2. Despite being aware of the discrepancy, the Municipal Accountant continued to use the same items from the Lapsing Schedule in computing the depreciation for CY 2024. As a result, only the depreciation expense is consistent between the Lapsing Schedule and the financial statements.

2.3.1.3. In a phone inquiry, the Municipal Accountant explained that the discrepancy has been an ongoing issue since he assumed office. He added that due to a lack of manpower and his current workload, he was not able to prioritize the reconciliation of the Lapsing Schedule and the financial statements.

2.3.1.4. Additionally, the Audit Team requested the General and Subsidiary Ledgers for the above items; however, as of this date, the Municipal Accountant has not yet submitted the requested documents.

2.3.2. Non-application of the five percent (5%) residual value to items with acquisition costs totaling ₱3,964,853.60

2.3.2.1. Further verification of the PPE Lapsing Schedule as of December 31, 2024, showed that the following items were not assigned the 5% residual value:

<b>Item</b>	<b>Acquisition Date</b>	<b>Acquisition Cost</b>	<b>Residual Value</b>
<b>Office Building</b> Legislative Building	May 2024	₱ 2,967,468.60	₱ 0.00
<b>Hospitals</b> Rehabilitation of the RHU	July 2024	997,385.00	0.00
<b>Total</b>		<b>₱ 3,964,853.60</b>	<b>₱ 0.00</b>

2.3.2.2. Moreover, aside from the non-application of the 5% residual value, no depreciation was also recorded for the above PPE items. The Municipal Accountant clarified that the failure to assign the 5% residual value to the items was due to an oversight on his part.

2.3.2.3. Moreover, the above items were newly acquired PPE in CY 2024; however, no depreciation was recorded during the month the assets became available for use. Such a practice affected the accuracy of the total net book value of the PPE accounts.

2.3.3. Non-recognition of the depreciation expense for PPE Items totaling ₱117,771,870.93

2.3.3.1. Our review of the financial statements for CY 2024 revealed that as of December 31, 2024, no depreciation expense was recorded since its acquisition:

Account Name	Acquisition Cost	Accumulated Depreciation per FS
<b>Land Improvement</b>		
Other Land Improvement	₱ 4,602,846.15	₱ 0.00
Flood Control Systems	9,538,642.43	0.00
Power Supply Systems	1,578,490.55	0.00
Seaport Systems	8,378,857.24	0.00
Parks, Plazas, and Monuments	7,544,673.85	0.00
Other Infrastructure Assets	12,279,224.53	0.00
<b>Buildings and Other Structures</b>		
Buildings	34,577,629.63	0.00
School Buildings	12,939,146.92	0.00
Hospitals and Health Centers	3,003,221.24	0.00
Markets	22,493,209.94	0.00
<b>Machinery and Equipment</b>		
Machinery	846.50	0.00
Agricultural and Forestry Equipment	40,638.00	0.00
Military, Police, and Security Eqpt.	55,000.00	0.00
Medical Equipment	420,135.00	0.00
Sports Equipment	132,520.00	0.00
Technical and Scientific Equipment	3,288.95	0.00
<b>Furniture, Fixtures, and Books</b>		
Books	183,500.00	0.00
<b>Total</b>	<b>₱117,771,870.93</b>	<b>₱ 0.00</b>

- 2.4. Due to the foregoing deficiencies, the PPE balance totaling ₱295,064,476.35 as of December 31, 2024, is not reliable nor fairly presented in the financial statements.
- 2.5. This is a reiteration of the observation embodied in the CY 2021 Annual Audit Report. The significant increase in the discrepancy between the PPE Lapsing Schedule and the Financial Statements indicates the agency's disregard for the prior year's recommendations.
- 2.6. **We reiterated our recommendation and the Municipal Accountant agreed to verify, review, and analyze its depreciation schedule, taking into consideration the provisions provided under PAG 4 and PAG 6 of IPSAS 17 to arrive at an accurate and reliable carrying balance of the PPE, and thereafter prepare the appropriate adjusting entries.**

*Local Road Network (LRN)*

3. **The accuracy and reliability of the Local Road Network (LRN) account totaling ₱83,317,942.62 could not be ascertained due to various deficiencies noted, contrary to COA Circular No. 2015-008 dated November 23, 2015, thereby affecting the fair presentation of the account in the financial statements.**
  - 3.1. COA Circular No. 2015-008, dated November 23, 2015, prescribes the accounting and reporting guidelines for the local roads asset management system, ensuring a fair presentation of Infrastructure Assets in the financial statements.
  - 3.2. The circular covers the accounting guidelines for local roads and road network systems, including initial recognition, subsequent measurement, and derecognition, to ensure that all roads are properly valued and recorded.
  - 3.3. Our review of the financial statements as of December 31, 2024, disclosed that the Road Networks account with a net book value of ₱83,317,942.62 showed the following deficiencies, which were inconsistent with the subject circular:
    - 3.3.1. Non-conduct of inventory of local roads and non-preparation of RPCLRNs
      - 3.3.1.1. Item V(1) of the Circular requires the conduct of an inventory of local roads under the LGU's jurisdiction, while Item VI(3) thereof requires the Inventory Committee to prepare the Report on the Physical Count of the Road Network (RPCLRNs) to be submitted to the Auditor concerned and Accounting Division/Unit not later than January 31 of each year.
      - 3.3.1.2. In a phone interview, the Municipal Treasurer and the Municipal Accountant confirmed that no physical inventory of local roads was conducted because the Municipal Mayor had not issued an office order establishing the Inventory Committee responsible for carrying out the task.
      - 3.3.1.3. Consequently, no RPCLRNs was prepared, which could have detailed the classification of road networks, such as road lots, pavements, drainage, slope protection structures, and other structures, including the construction dates and current physical condition.

- 3.3.2. Non-segregation of the costs of road components of local roads in the books of accounts
- 3.3.2.1. Items V.3 and V.4 of the Circular provide that Management shall segregate and recognize the cost of each component of the local roads with identified cost, determine the components of local roads identified in the inventory without corresponding cost, and recognize the cost of each component at its fair value.
  - 3.3.2.2. Further, Item VII.c.1 of the same circular requires the Municipal Engineer to provide the local accountant and general services officer with complete and cost segregation of the road components for road projects.
  - 3.3.2.3. As defined under Item III.4 of the Circular, road asset components “are the sub-components of a road which, having different useful life spans, need to be booked and depreciated separately. They include: road lot, road pavement, drainage and slope protection structures and other miscellaneous structures.”
  - 3.3.2.4. Our review of the Property, Plant, and Equipment Schedule submitted by the Municipal Accountant showed only the total cost of each road network. The breakdown of the road asset components and corresponding costs was neither identified nor reflected in the books.
  - 3.3.2.5. A phone inquiry with the Municipal Accountant revealed that the road asset components could not be identified because the Municipal Engineer had not provided them with the breakdown of the cost segregation of the road components. He added that he was also not aware of the cost-segregation requirement.
  - 3.3.2.6. On the other hand, a representative from the Municipal Engineering Office disclosed that they were not aware of the requirement to provide the cost segregation of the road network to the Municipal Accountant’s Office.
  - 3.3.2.7. The non-segregation of costs for each road component affects the computation of depreciation, considering that the depreciable components have different useful life spans and, therefore, should have been depreciated separately following the straight-line method.

3.3.3. Non-disclosure of the total road network system in the Notes to Financial Statements

3.3.3.1. Item IV.2 of the Circular states that the total road network system shall be disclosed in the agency's Notes to FS. The standard format is provided in Annex B thereof:

“The LGU has a total of \_\_\_\_\_ kilometers of roads with a total cost of Php \_\_\_\_\_. For the year ended, the agency spent a total of Php \_\_\_\_\_ for major repairs and Php \_\_\_\_\_ for the regular maintenance. Reductions in the amount of Php \_\_\_\_\_ were recorded due to derecognition, Php \_\_\_\_\_ for impairment and Php \_\_\_\_\_ impairment were reversed.”

3.3.4. However, contrary to the above requirement, our review of the Notes to Financial Statements revealed that the Municipal Accountant only disclosed the total balance of the Road Networks account. This omission limits the FS users from being adequately informed of the nature and scope of the Road Network account.

3.3.5. In the absence of the aforementioned records and reports, we could not ascertain whether local road networks under the Municipality's jurisdiction were recorded completely in the books of account.

3.3.6. In sum, the foregoing observations rendered the reported Road Networks account balance doubtful and unreliable, thereby affecting the overall fair presentation of the Infrastructure Assets account in the Municipality's financial statements.

**3.4. We recommended and the Local Chief Executive agreed to create an Inventory Committee to focus on the physical count of local roads and direct the Municipal Engineer, Municipal Accountant, and Municipal Treasurer to strictly comply with the accounting and reporting guidelines on the local roads asset management system pursuant to COA Circular No. 2015-008 dated November 23, 2015.**

**3.5. We further recommended and the Local Chief Executive agreed to enjoin:**

**3.5.1. The Municipal Engineer provide the Municipal Accountant and the Municipal Treasurer with a complete description and segregation of road components for road projects; and**

**3.5.2. The Municipal Accountant disclose the total road network system in the Notes to FS.**

*Inventory Accounts*

4. **The existence, validity, and correctness of the Inventory accounts totaling ₱6,709,224.00 as of December 31, 2024, have not been established due to (a) non-conduct of the year-end physical count, (b) non-compliance with the Perpetual Inventory Method, and (c) non-maintenance of supplies ledger cards and stock cards by the Offices of the Municipal Accountant and Municipal Treasurer, respectively, which goes against the provisions set forth in the NGAS Manual for LGUs, Volume 1, thereby, affecting the fairness of the presentation of these accounts in the financial statements.**

4.1. As of December 31, 2024, the financial statements showed an Inventory account balance of ₱6,709,224.00, which consisted of the following:

<b>Account</b>	<b>Amount</b>
<b>Inventory Held for Distribution</b>	
Agricultural Produce for Distribution	₱ 175,500.00
<b>Inventory Held for Manufacturing</b>	
Work-in-Process Inventory	258,361.60
<b>Inventory Held for Consumption</b>	
Office Supplies Inventory	445,130.00
Accountable Forms, Plates, and Stickers	17,737.00
Medical, Dental, and Laboratory Supplies Inventory	93,747.00
Fuel, Oil, and Lubricants Inventory	988,283.79
Other Supplies and Materials Inventory	4,730,464.61
<b>Total</b>	<b>₱ 6,709,224.00</b>

4.2. Our audit of the Municipality's inventory account records revealed the following:

4.2.1. Non-conduct of year-end physical count

4.2.1.1. Section 124, Volume I, of the Manual on the New Government Accounting System (NGAS) for Local Government Units (LGUs) states that the local chief executive shall require the semestral physical inventory of supplies or property and the submission of the Report of the Physical Count of Inventories (RPCI) to the auditor concerned not later than July 31 and January 31 of each year for the first and second semesters, respectively.

4.2.1.2. However, in a phone inquiry, the Municipal Treasurer disclosed that no Office Order was issued to create the Inventory Committee, which would carry out the physical count of the Municipality's inventories. Hence, verification of the above amounts could not be performed, affecting the existence and correctness of the inventory accounts in the financial statements.

#### 4.2.2. Non-compliance with the Perpetual Inventory Method

- 4.2.2.1. Sections 51 and 114, Volume 1, of the NGAS Manual for LGUs provide the proper recording and accounting for purchases of supplies and materials in an agency. Further, the same sections state that purchases of supplies and materials for stock, regardless of whether they are consumed within the accounting period, shall be recorded as assets using the inventory account following the Perpetual Inventory Method.
- 4.2.2.2. Using the Perpetual Inventory Method, any purchases of supplies and materials for stock should be recorded as inventory, irrespective of whether they are used up within the accounting period. This method involves maintaining an inventory control account in the General Ledger on an ongoing basis. Additionally, detailed inventory records must be kept for each item.
- 4.2.2.3. Our analysis of the year-end balances of the inventory accounts disclosed that the ₱6,709,224.00 balance at year-end was carried over from the CY 2023 ending balances.
- 4.2.2.4. The Municipal Accountant confirmed that the Perpetual Inventory Method was not implemented, as this had long been their practice. He also mentioned that, due to the absence of a warehouse for storing supplies and materials, all items delivered were immediately issued to the respective requesting offices.
- 4.2.2.5. Moreover, the Municipal Accountant disclosed that purchases of supplies and materials were expensed immediately without recording a corresponding inventory account. The supplies immediately charged to expense accounts amounted to ₱5,365,212.12 in CY 2024, which consists of the following:

<b>Account</b>	<b>Amount</b>
Office Supplies Expenses	₱ 1,000.00
Accountable Forms Expenses	229,189.00
Animal/Zoological Supplies Expenses	78,880.00
Food Supplies Expenses	395,954.00
Medical, Dental, and Laboratory Supplies Expenses	558,097.00
Fuel, Oil, and Lubricants Expenses	4,089,192.12
Other Supplies and Materials Expenses	12,900.00
<b>Total</b>	<b>₱ 5,365,212.12</b>

4.2.2.6. The recording of the above purchases of supplies and materials as expenses hindered the monitoring of the actual utilization and affected the accuracy of these accounts in the books. The combined amount of these accounts is significant in the FS. Inaccuracy of the amounts would affect and misrepresent the Municipality's financial report.

4.2.3. Non-maintenance of property ledger cards by the Accounting Office and stock cards by the Municipal Treasurer's Office

4.2.3.1. Section 114, Volume I of the same Manual, partly provides, thus:

“The Chief Accountant shall maintain the perpetual inventory records comprising of Supplies Ledger Cards (SLC) for each commodity/stock, xxx. Such ledger cards shall contain the details of the property, plant and equipment and livestock account in the inventory control account in the general ledger.

The x x x Municipal Treasurer shall likewise maintain stock cards and property cards for supplies; xxx in their custody to account for the receipt and disposition of the same. The balance per stock card/property cards should always reconcile with the ledger cards of the accounting unit. They should also reconcile with other property records like Acknowledgement Receipt for Equipment (ARE).”

4.2.3.2. Analysis of the inventory accounts showed that the balances of the following accounts had not been moving for more than a year, to wit:

Account	Amount	Years presented in the Notes to FS
Agricultural Produce for Distribution	₱ 175,500.00	2024, 2023, 2022, 2021, 2020, 2019
Work-in-Process Inventory	258,361.60	2024, 2023, 2022, 2021, 2020
Office Supplies Inventory	445,130.00	2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016
Accountable Forms, Plates, and Stickers	17,737.00	2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016
Medical, Dental, and Laboratory Supplies Inventory	93,747.00	2024, 2023
Fuel, Oil, and Lubricants Inventory	988,283.79	2024, 2023, 2022, 2021, 2020, 2019, 2018
Other Supplies and Materials Inventory	4,730,464.61	2024, 2023, 2022, 2021, 2020, 2019, 2018
<b>Total</b>	<b>₱6,709,224.00</b>	

- 4.2.3.3. The above non-movement of supplies resulted from the Accounting Office's failure to keep the required SLC for each commodity/stock and the Municipal Treasurer's non-maintenance of stock cards for the receipt and disposition of supplies, especially those acquired in the previous years.
- 4.3. As a result, the existence and accuracy of the recorded inventory items could not be ascertained, thus affecting the fairness of the presentation of these accounts in the FS.
- 4.4. **We recommended and Management agreed that:**
  - 4.4.1. **Municipal Mayor create the Inventory Committee comprised of members who can be relieved of their regular duties to devote full time to conducting the physical inventory taking until the same is completed;**
  - 4.4.2. **Inventory Committee prepare and submit a copy of the inventory reports to the Auditor to verify compliance with Section 124 of the NGAS Manual for LGUs, Volume I;**
  - 4.4.3. **Municipal Accountant and Municipal Treasurer maintain the supplies ledger cards and stock cards, respectively; and**
  - 4.4.4. **Municipal Accountant strictly follow the Perpetual Inventory Method for recording purchases of supplies and materials as required in the NGAS Manual for LGUs.**

*Biological Assets*

- 5. **Biological Assets valued at ₱1,715,503.00 that have been in the books for more than five years, were not stated at fair value as of the reporting date due to the non-submission of a complete Inventory Report of Breeding Stocks and the prevailing market price for each item by the Municipal Agriculturist to the Municipal Accountant, contrary to Section 4.5.1 of COA Circular 2016-004 dated September 30, 2016, and the pertinent provisions of the IPSAS 27, thus, rendering the existence and valuation of the account presented in the financial statements doubtful and unreliable.**
  - 5.1. Paragraphs 16 and 19 of IPSAS 27 provide the recognition and measurement of biological assets, to quote:
    - “ 16. A biological asset shall be measured on initial recognition and at each reporting date at its fair value less cost to sell, xxx.

19. The determination of fair value for a biological asset or agricultural produce may be facilitated by grouping biological assets or agricultural produce according to significant attributes; for example, by age or quality. An entity selects the attributes corresponding to the attributes used in the markets as a basis for pricing.”
- 5.2. Further, paragraph 34 of the same Standard states that, “There is a presumption that fair value can be measured reliably for a biological asset. However, that presumption can be rebutted only on initial recognition for a biological asset for which market-determined prices or values are not available, and for which alternative estimates of fair value are determined to be unreliable. In such a case, that biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, an entity shall measure it at its fair value less costs to sell. xxx”
- 5.3. Anent thereto, COA Circular No. 2016-004 dated September 30, 2016, provides guidelines for the preparation of financial statements, consistent with the adoption of IPSAS in LGUs.
- 5.4. Section 4.5 thereof states that the Local Agriculturist shall provide the Local Accountant with the following reports so that the biological asset accounts in the financial statements are fairly presented in accordance with the IPSAS:
- “4.5.1 Provide the inventory of breeding stocks and other biological assets, and the prevailing market price for each item as of reporting date; and
- 4.5.2 Provide information on the prevailing cost to sell of the biological assets.”
- 5.5. Our examination of the financial statements showed that the biological assets account balance of ₱1,715,503.00 remained unchanged for more than five years ending December 31, 2024, composed of the following:

<b>Biological Asset</b>	<b>Quantity</b>	<b>Amount</b>
<b>Breeding Stocks – 10801010</b>		
Cattle	10 heads	₱ 299,000.00
Piglets	80 heads	199,600.00
Caprine – Goats		
Does	36 heads	428,400.00
Buck	2 heads	39,800.00
*Carabao	23 heads	332,500.00
*Heifers (Cattle Dispersal)	15 heads	15,000.00
*Piglets (Swine Dispersal)	12 heads	2,203.00
<i>Unspecified livestock (CY 2018 and prior)</i>		<i>399,00.00</i>
<b>Total</b>		<b>₱ 1,715,503.00</b>

**Table 1.** Biological Assets

\*Identified per PPE Schedule as of December 31, 2024

- 5.6. Being dormant for more than five years is unusual for these accounts since the fair value of the animals should be regularly monitored based on physical and price changes.
- 5.7. Furthermore, a review of the Schedule of Biological Assets as of December 31, 2024, showed that the inventories of biological assets lacked necessary data such as but not limited to – a) type of breeding stock, b) description, c) quantity, d) unit cost, and e) birth, death, transfers, and sale.
- 5.8. Our inquiry with the Municipal Accountant revealed that breeding stocks were not reflected at fair value less costs to sell at the end of every reporting period due to the Municipal Agricultural Office’s inability to submit the required inventory and the prevailing market price for each item. Per the schedule submitted by the Municipal Accountant, it only accounted for 23 carabaos, 15 heifers, and 12 piglets, valued at ₱332,500.00, ₱15,000.00, and ₱2,203.00, respectively, totaling ₱349,703.00. The composition of the remaining ₱1,365,800.00 was not detailed in the schedule, of which ₱399,000.00 was merely carried over as beginning balances, and ₱966,800.00 was attributed to the lack of inventory reports from the Municipal Agriculturist.
- 5.9. In an undated letter, the Municipal Agricultural Officer traced the dispersals of 10 heads of cattle, 80 heads of piglets, and 38 heads of goats. However, it did not account for the remaining livestock due to the unavailability of the documents. In a phone inquiry, he explained that he was unaware of the requirement to submit the prevailing market prices of breeding stocks at the end of each reporting period to the Municipal Accountant. As a result, changes in market value, births, and reductions due to death or distribution were not recorded in the books.
- 5.10. Due to the foregoing, the existence and condition of these biological assets cannot be ascertained. Furthermore, the said accounts were not reported at fair value less cost to sell as of December 31, 2024, in consonance with the aforementioned IPSAS, thereby not presenting fairly the balances of the Breeding Stocks.
- 5.11. **We recommended and the Municipal Agriculturist agreed to:**
  - 5.11.1. **Conduct an inventory of breeding stocks as of the end of each year and thereafter render a report including the fair market value of these items to the Municipal Accountant, for proper recording in the books of the LGU; and**
  - 5.11.2. **Keep a systematic record of the Municipality’s breeding stocks, reporting births, deaths, and disposal, and in case of death and disposal, facilitate requests for relief of accountability in accordance with COA Circular No. 92-386 dated October 20, 1992, to appropriately drop the amount from the books.**

- 5.12. **We further recommended and the Municipal Accountant agreed to disclose the composition of the Biological Assets account in the Notes to Financial Statements in accordance with IPSAS 27 to provide relevant information that may affect the fairness of the presentation of the financial statements.**

## **B. OTHER FINANCIAL-RELATED ISSUES**

### *Seminars Outside the Territorial Jurisdiction*

6. **Management conducted a planning workshop for the preparation of its CY 2025 GAD Plan and other GAD-related activities in Baguio City, spending a total amount of ₱758,007.52 for travel, airfare, and hotel function expenses, in contravention of DILG MC No. 2011-59 and COA Circular No. 2012-003, thus incurring significant expenses that could have been reduced had the workshop been conducted within its territorial jurisdiction, indicating extravagant expenditures.**
  - 6.1. On April 25, 2011, the Department of the Interior and Local Government (DILG) issued DILG MC No. 2011-59 to address local government-organized or funded training, seminars, workshops, or similar activities outside their official stations or territorial jurisdictions, utilizing public funds. The DILG perceives this practice as detrimental to the financial capacity of local governments to support essential development endeavors, thereby constraining their ability to fulfill the constitutional mandate of ensuring an enhanced quality of life for all constituents.
  - 6.2. Consequently, the DILG has mandated Local Chief Executives and Presiding Officers of Sanggunians to strongly **discourage the organization of the aforesaid training, seminar, workshop, or similar activity outside of the geographical island of the respective local government units.** The Department emphasizes the importance of officials taking full cognizance of their primary responsibility and accountability regarding the prudent use of scarce financial resources and strict adherence to existing budgeting, accounting, and auditing rules and regulations.
  - 6.3. Anent thereto, COA Circular No. 2012-003 dated October 29, 2012, provides the updated guidelines for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, and unconscionable expenditures. It defines extravagant expenditures as those incurred without restraint, judiciousness, and economy. Thus, these expenditures exceed the bounds of propriety and are immoderate, prodigal, lavish, luxurious, grossly excessive, and injudicious.
  - 6.4. Annex E of the said Circular enumerates the cases that are considered extravagant expenditures of the government. Among the cases specified, Item 3 thereof is the **conduct of out-of-town meetings, which can be held within the office premises.**

- 6.5. On March 12 – 14, 2024, the Municipality conducted a three-day Capacity Building, Planning, and Budgeting Seminar Workshop for its CY 2025 Municipal and Barangay Gender and Development (GAD) Plan in Baguio City. The seminar workshop was attended by 44 participants, including LGU personnel, the presidents of various federations, and personnel from DILG, PNP, and DepEd. The disbursement vouchers on the cash advances granted and the corresponding liquidation reports submitted by the Municipality in relation to the said activity showed the following:

<b>Particulars</b>	<b>Per Cash Advances</b>	<b>Per Liquidation Report</b>
Travel Allowance (DTE)	₱ 523,600.00	₱ 264,120.00
Plane Tickets	397,468.00	282,420.00
Transportation Expense (van, tricycle, bus)	160,157.00	121,467.52
Venue	0.00	90,000.00
<b>Total</b>	<b>₱ 1,081,225.00</b>	<b>₱ 758,007.52*</b>

\*Based on 30 liquidation reports submitted out of the 44 DVs for cash advances granted

- 6.6. Based on the initial liquidation reports submitted by 30 out of the 44 participants, it was noted that each participant paid ₱3,000.00 for the function room of the venue.
- 6.7. A Letter of Authority dated February 16, 2024, from the DILG Regional Director, Region VII, states that pursuant to Item 3.2. of the DILG-DBM JMC No.2 dated 23 September 2016, study tours or “lakbay aral” activities **are strongly discouraged**, unless the subject matter is shown that:

“a. It is part of the LGU’s CapDev program which was formulated based on an assessment of actual capacities;

Xxx

d. It cannot be addressed by a **more economical mode of CapDev intervention that can be undertaken within the territorial jurisdiction of the LGU**, such as but not limited to **inviting the resource persons to the LGU;**” Emphasis ours

- 6.8. Review of the post activity report prepared by the Municipal Local Government Operations Officer (MLGOO) revealed that the speakers for the three-day sessions were all officials from the Municipality, except for the last one-hour session of day 3, which was the City Social Welfare and Development Officer (CSWDO) from Baguio City.
- 6.9. We respectfully requested a copy of the Capacity Development Plan from the Municipal Planning and Development Coordinator (MPDC). However, to date, the document has yet to be submitted.

- 6.10. Further verification revealed that the participants claimed Daily Travel Expenses (DTE) or travel allowances on March 10 and 16, 2024, notwithstanding the official activities scheduled from March 12 to 15, 2024. Additionally, they claimed DTE at rates applicable to the National Capital Region (NCR) on March 11 and 14, 2024, for their travel time, resulting in an excess DTE claim amounting to ₱129,120.00.
- 6.11. Management is reminded of Section 5(c) of Executive Order No. 77, that the allowable DTE for travel beyond the 50-kilometer radius from the permanent official station shall be based on the following apportionment:

Particulars	Percentage
<b>Day of arrival at the point of destination</b> (regardless of time) and succeeding day/s thereof on official business	100%
<b>Day of departure for permanent official station</b> (regardless of time) if other than the date of arrival	50%

- 6.12. Moreover, the cost of plane tickets included a service charge of ₱600.00 per ticket for services rendered by a ticketing agency, resulting in a total additional cost of ₱13,800.00.
- 6.13. The conduct of the planning workshop contradicts the DILG’s thrust on the prudent use of the government’s scarce financial resources under the principle of responsibility and accountability. The costs could have been minimized had the said activity been conducted within the territorial jurisdiction or the geographical island where the Municipal Government of Jimalalud is located. Potential cash savings could have been allocated towards delivering essential public services and providing amenities for public welfare. Therefore, the Municipality’s decision to hold the workshop outside of its territorial jurisdiction resulted in extravagant expenses of ₱758,007.52.
- 6.14. **We recommended that Management desist from conducting training, meetings, seminars, workshops, or similar activities outside the geographical island and henceforth observe the principle of prudent use of scarce financial resources of the government as prescribed in DILG MC No. 2011-59 and COA Circular No. 2012-003.**
- 6.15. **We recommended and Management agreed to submit the remaining 14 liquidation reports and the Capacity Development Plan for the Audit Team’s appropriate audit action.**

- 6.16. In an undated letter, the Municipal Mayor explained that their travel to Baguio was undertaken to ensure the effective planning and implementation of GAD programs, in a venue conducive to strategic planning and free from usual workplace distractions. However, she acknowledged the importance of adhering to COA and DILG guidelines, particularly DILG MC No. 2011-55 and COA Circular 2012-003, which emphasize the prudent use of government funds. However, moving forward, Management assured the Audit Team that the Municipal Government will:
- 6.16.1. Refrain from conducting training, meetings, seminars, workshops, or similar activities outside the geographical island;
  - 6.16.2. Prioritize the conduct of similar future activities within the territorial jurisdiction to minimize government expenses; and
  - 6.16.3. Strictly adhere to the principle of prudent and economical use of public funds as prescribed by relevant rules and regulations; and
  - 6.16.4. Address the said concern and adopt corrective actions to avoid recurrence of the same audit observations.

*Payment of Registration Fees*

7. **Registration fees paid to the Philippine Councilor's League (PCL) totaling ₱156,000.00 for the attendance of the Sangguniang Bayan (SB) members to the 1<sup>st</sup> Quarter Provincial Assembly were issued with personalized non-VAT Official Receipts (OR) registered with the Bureau of Internal Revenue (BIR), contrary to Section 4(6) of Presidential Decree (PD) No. 1445, which may result to unaccounted collection and possible loss of government funds.**
- 7.1. Among the fundamental principles of government financial transactions and operations pertain to claims against government funds, which **should be supported with complete documentation**, pursuant to Section 4(6) of PD No. 1445.
  - 7.2. The Department of Justice, in its Opinion No. 41, series of 1995, dated May 5, 1995, ruled that **all leagues organized by elective officials are considered as government institutions/organizations**, referring to the query of one of the organized leagues and federations of local elective officials particularly on the issue of rates of seminar/registration fees to be collected. Relative thereto, COA issued Resolution No. 2011-014 dated December 13, 2011, declaring all local government leagues as government organizations.

- 7.3. Further, Section 505, Article V of Republic Act (RA) No. 7160 clearly states the funding for all leagues, viz:
- “(a) All leagues shall derive its funds from contributions of local government units from fund-raising projects and activities without the necessity of securing permits x x x
- (b) All funds of leagues shall be deposited as trust funds with its treasurer and shall be disbursed in accordance with the board of director’s resolutions, subject to pertinent accounting and auditing rules and regulations. x x x” [Underscoring supplied]
- 7.4. The PCL is one of the organized leagues of elective officials allowed under RA No. 7160. Most of its funding sources are derived from the payment of membership fees of its members and registration fees by its members for various trainings, seminars, or activities conducted by the league.
- 7.5. Post-audit of the disbursement vouchers of the Municipality for CY 2024 revealed that eight members of the Sangguniang Bayan were each granted a cash advance amounting to ₱39,113.00, or a total of ₱312,904.00, to attend the 1st Quarter Provincial Assembly on February 21-23, 2024, at the Hennan Regency Resort and Spa, Boracay Island, Malay, Aklan.
- 7.6. However, verification of the corresponding Liquidation Reports disclosed that the payment of ₱19,500.00 registration fee per participant was not supported by Government Official Receipts or Accountable Form (AF) No. 51. Instead, the PCL Negros Oriental Chapter issued personalized, non-VAT ORs to the payees.
- 7.7. It is emphasized that the PCL-Negros Oriental Chapter is a duly recognized government organization. Therefore, it should have issued AF No. 51 to properly account for all its collections. The Municipality that paid the fees to the PCL, on the other hand, should have demanded that the PCL-Negros Oriental Chapter provide the appropriate form to support their disbursements to the said organization.
- 7.8. Due to the foregoing, financial accountability for collections made by the PCL-Negros Oriental Chapter and payments made by the Municipality could not be accounted for as government funds, which may result in the possible loss thereof.
- 7.9. **We recommended that Management ensure that future payments to the PCL are properly supported with a government official receipt AF No. 51 because they are considered a government organization subject to compliance with existing rules and regulations.**
- 7.10. During the exit conference, Management acknowledged the deficiency and assured the Audit Team that they would address the concern by drafting a communication to the PCL-Negros Oriental moving forward.

*Pakyaw Labors*

**8. Pakyaw labor contracts amounting to ₱956,839.50 engaged by the Municipality for its infrastructure projects implemented “By Administration” under the 20% Development Fund were not in accordance with the pertinent provisions of RA No. 9184 and its 2016 Revised IRR, casting doubt on the legality of the disbursements.**

8.1. Appendix 1 of 2016 Revised Implementing Rules and Regulations (IRR) of RA No. 9184 provides rules for the implementation of projects “by administration”. Sections 3 and 4 thereof partly state the following:

“3.1 Projects undertaken by Administration shall be included in the approved Annual Procurement Plan (APP) of the procuring entity concerned. If the original mode of procurement recommended in the APP was Public Bidding but cannot be ultimately pursued, or the project to be undertaken by administration has not been previously included, the BAC, through a resolution shall justify and recommend the change in the mode of procurement or the updating of the APP to be approved by the Head of the Procuring Entity.

4. 1 Pakyaw labor shall be drawn from the vicinity of the project, or Pakyaw labor groups belong to various Barangay Associations contiguous to the project site. Unskilled labor should be drawn from the Barangay where the project is located; semi-skilled labor shall be recruited within the municipality, preferably within the Barangay; skilled labor shall be recruited within the province but preferably within the Barangay/Municipality.

4.2 The formation of Pakyaw Groups should actively involve the Barangay leaders and the community. A Project Facilitator (PF) shall be appointed by the implementing agency to assist in the organization of the Pakyaw Groups and in the preparation of the Pakyaw Contracts. The PF shall, for purposes of informing the community of the project and of organizing pakyaw groups, shall convene community meetings, with the assistance of the Barangay Chairperson/s. The PF shall cause the registration of all unemployed or underemployed members of the community who are interested to join Pakyaw groups being formed for the project.

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4.5 For purposes of Item 4.4 hereof, the number of members per group shall be determined by the Project Facilitator to ensure that at least three Pakyaw Groups are organized for the competitive selection. The determination by the Project Facilitator of the number of members per Pakyaw Group shall be exercised with regard to the objective of providing work to as many laborers as possible.

4.6 A Group Leader shall be elected from among the members of the group who shall be the signatory to the Pakyaw Contract and any other documents pertaining to the work on behalf of the Pakyaw Group. He may be replaced at any time by the group through an election for that purpose, after due notice to the Project Facilitator and the Barangay Chairperson. Any such replacement shall not invalidate any previous Pakyaw Contract.”

8.2. In CY 2024, the Municipality implemented various infrastructure projects “by administration” under the 20% Development Fund. On a test basis, we conducted a post-audit of the following Pakyaw labor payments related to the projects listed below, along with their respective references and particulars:

<b>Date</b>	<b>Check No.</b>	<b>DV No.</b>	<b>Name of Project</b>	<b>Amount</b>
02/05/2024	588544	100-2024-2-762	Concreting of Barangay Road at Barangay Bala-as 2023	₱ 222,660.00
02/27/2024	588629	100-2024-2-1187		222,660.00
02/27/2024	588626	100-2024-2-1192	Concreting of Barangay Road at Apanangon 2023 2022	49,612.50
11/15/2024	623282	100-2024-11-8530	Concreting of Barangay Road at Barangay Panglaya-an	221,625.00
11/15/2024	623281	100-2024-11-8529	Construction/Rehabilitation of Public Market Annex B 2024	240,282.00
<b>Total</b>				<b>₱ 956,839.50</b>

8.3. We determined the Municipality’s compliance with the aforementioned rules in connection with the procurement of the above Pakyaw labor and observed the following:

8.3.1. The APP or the updated APP, as approved by the Municipal Mayor, was not attached to the DVs. This document serves as the basis for the mode of procurement. Any deviation requires a BAC resolution justifying why the original mode of procurement could not be pursued or the omission of the above infrastructure projects undertaken by the administration from the APP.

8.3.1.1. We requested a copy of the APP or its updated version from the Bids and Awards Committee (BAC), but the documents have yet to be submitted;

- 8.3.2. No documents were presented to prove that the Pakyaw labor was drawn from the project vicinity or that the Pakyaw labor groups belonged to Barangay Associations contiguous to the project site;
  - 8.3.3. There was no documentation indicating that the Municipality appointed a Project Facilitator to assist in forming the Pakyaw Group and preparing the Pakyaw Contracts. Similarly, there was no evidence of meetings conducted or convened by the PF, in coordination with the Barangay Chairperson or officials, to facilitate the formation of the Pakyaw Groups; and
  - 8.3.4. It appears that the Group Leader functions solely as the signatory and the payment recipient on behalf of the group. Item 4.6 of the aforementioned guidelines requires that Pakyaw workers organize into groups and elect a Group Leader from among themselves.
- 8.4. The above-noted deficiencies were not in accordance with the provisions of Appendix 1 of the 2016 Revised IRR of RA No. 9184, casting doubt on the legality of the disbursements.
- 8.5. **We recommended and Management agreed to ensure strict compliance with the guidelines and provisions of R.A. No. 9184 and its Revised IRR in implementing infrastructure projects by the administration and submit the following:**
- 8.5.1. **The updated APP approved by the Municipal Mayor and the BAC resolution justifying any changes in the original mode of procurement or the omission of the infrastructure projects undertaken by the administration from the APP;**
  - 8.5.2. **A clearer copy of the laborers' identification cards;**
  - 8.5.3. **The name of the Project Facilitator per project and the related documents that would prove his/her appointment as such, duly approved by the Municipal Mayor; and**
  - 8.5.4. **Relevant documents for the formation of the Pakyaw Group showing that the barangay leaders and the community were actively involved.**

## C. OTHER MANDATORY AREAS

### *Compliance with Mandatory Deductions and Tax Laws*

- 9.1. The Municipality of Jimalalud complied with tax laws by withholding taxes from salaries, wages, and other services, and Value-Added Tax from purchases of goods and services, which were remitted to the Bureau of Internal Revenue regularly within the regulatory period. The outstanding balance amounting to ₱1,592,320.23 as of December 31, 2024, was remitted in January 2025, detailed as follows:

<b>Due to BIR Balance</b>	<b>Amount Remitted to BIR</b>	<b>Date of Remittance</b>
₱ 1,592,320.23	₱ 293,070.06	January 8, 2025  <i>*₱1,299,250.17 still had to be traced and reconciled by the agency;</i>

- 9.2. As of December 31, 2024, the accounts Due to GSIS, Due to Pag-IBIG, and Due to PhilHealth had balances of ₱192,692.23, ₱178,506.14, and ₱616,986.58, respectively, and were remitted to the respective agencies, as follows:

<b>Account</b>	<b>Balance as of December 31, 2024</b>	<b>Amount Remitted</b>	<b>Date of Remittance</b>
Due to GSIS	₱ 192,692.23	₱865,539.91	January 8, 2025 <i>*the difference still had to be traced and reconciled by the agency;</i>
Due to Pag-IBIG	178,506.14	52,736.92	January 8, 2025 <i>*₱125,769.22 still had to be traced and reconciled by the agency;</i>
Due to PhilHealth	616,986.58	145,496.80	January 8, 2025 <i>*₱471,489.78 still had to be traced and reconciled by the agency;</i>

## D. SETTLEMENT OF ACCOUNTS

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

	<b>Ending Balance</b> (As of 12/31/2023)	<b>NS/ND/NC Issued</b> from 01/01/2024 to 12/31/2024	<b>NS/ND/NC Settled</b> from 01/01/2024 to 12/31/2024	<b>Ending Balance</b> (As of 12/31/2024)
Suspensions	₱ 7,560,252.90	₱ 0.00	₱ 0.00	₱ 7,560,252.90
Disallowances	629,000.00	0.00	0.00	629,000.00
Charges	0.00	0.00	0.00	0.00

10.2. Further, the table below shows the respective balances of suspensions, disallowances, and charges of ₱7,560,252.90, ₱629,000.00, and ₱0.00, respectively, with breakdown as to timing and age as follows:

<b>Timing</b>	<b>Age</b>	<b>NS</b>	<b>ND</b>	<b>NC</b>
07/01/2022 to 12/31/2024 ( <i>Current Administration</i> )	Less than 1 year to 2.5 years	₱ 0.00	₱ 629,000.00	₱ 0.00
07/01/2019 to 06/30/2022	More than 2.5 to 5.5 years	0.00	0.00	0.00
07/01/2016 to 06/30/2019	More than 5.5 to 8.5 years	7,560,252.90	0.00	0.00
07/01/2013 to 06/30/2016	More than 8.5 to 11.5 years	0.00	16,000.00	0.00
07/01/2010 to 06/30/2013	More than 11.5 to 14.5 years	0.00	0.00	0.00
10/06/2009 <sup>2</sup> to 06/30/2010	More than 14.5 to 15.25 years	0.00	0.00	0.00
<b>Total</b>		<b>₱7,560,252.90</b>	<b>₱629,000.00</b>	<b>₱ 0.00</b>

10.3. Of the total balance of disallowances of ₱629,000.00, none is pending for appeal at various levels of adjudication pursuant to the COA Rules and Regulations on Settlement of Accounts (RRSA).

10.4. Lastly, of the total suspensions of ₱7,560,252.90, 100% is still for settlement by persons determined responsible. Under the RRSA, a suspension should be settled within 90 calendar days from receipt of the NS; otherwise, the transaction covered by it shall be disallowed/charged after the Auditor is fully satisfied that such action is appropriate. Consequently, the Auditor shall issue the corresponding ND/NC.

## **E. OTHER MATTERS**

11. We have audited the other areas included in the Focus Areas on the Audit of the CY 2024 Accounts of the Local Government Units covered under the COA Local Government Audit Sector Unnumbered Memoranda dated October 30, 2024. However, we have not yet obtained sufficient and competent evidence on other matters to warrant the inclusion of audit observations in this Report.

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<sup>2</sup> COA Circular No. 2009-006

**PART III**  
**STATUS OF IMPLEMENTATION OF PRIOR**  
**YEARS' AUDIT RECOMMENDATIONS**

## STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the remaining 66 audit recommendations, two were implemented and 64 were unimplemented, as shown in the results of validations presented below:

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
AAR 2023 2022 2021 2016	The accuracy and reliability of the depreciable Property, Plant, and Equipment with reported total carrying value of ₱240,958,937.73 as of December 31, 2023, could not be ascertained due to: (a) non-conduct of actual physical inventory of the PPE; (b) non-recognition of depreciation expenses for the completed and transferred infrastructure assets including recognition of depreciation for new PPE acquisition during the period; (c) discrepancy in the amount of depreciation expenses provided in the lapsing schedule and the amount recorded in the books which is not in accordance with International Public Sector Accounting Standards (IPSAS) 17 and Section 124, Volume I of the Manual on the New Government Accounting System for LGUs, thus affecting the fair presentation of PPE accounts in the financial statements.  <i>*Reiterated in Part II of this Report</i>	<ol style="list-style-type: none"> <li>1. We recommended that the LCE create an Inventory Committee to conduct an actual physical inventory count of the PPE and report the results thereof in the RPCPPE to be submitted to the Auditor and Accounting Unit not later than January 31 of each year. The RPCPPE shall be reconciled with the accounting records, and the necessary adjusting entries shall be prepared before the statement date.</li> <li>2. We also recommended that the Municipal Accountant review the records of the affected accounts, including the additional property acquired during the year, determine the correct date of acquisition of the property, and prepare the corresponding adjusting entries, if necessary, to take up the depreciation for the period in accordance with IPSAS 17.</li> <li>3. We likewise recommended that the Municipal Accountant update the lapsing schedule, reconcile the same with the book balances, and come up with reliable and accurate PPE balances for a fair presentation of the financial statements.</li> </ol>	<p>The LCE still had not issued an Office Order creating the Inventory Committee.</p> <p>The lapsing schedule had not been updated.</p> <p>The lapsing schedule remained unreconciled with the amounts presented in the financial statements.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>

<b>Ref.</b>	<b>Audit Observation</b>	<b>Audit Recommendation</b>	<b>Management Comment/Action</b>	<b>Status of Implementation</b>
AAR 2023	Deficiencies in preparing and maintaining the General Ledger (GL) and Subsidiary Ledger (SL) were noted. Hence, the purpose of the Books of Accounts, to produce true, honest, accurate, and reliable financial information, was not consistently carried out.	<p>4. We recommended and the Municipal Accountant agreed to prepare and maintain the required GLs and SLs for every controlling account, as well as fill out the proper and correct information that each column suggests, so that accurate and reliable financial information can be produced.</p> <p>5. We further recommended and the Municipal Accountant agreed to arrange the GL accounts according to the sequence appearing in the Chart of Accounts and observe the highest standards of honesty, objectivity, and consistency in the keeping of accounts in accordance with Section 111, Chapter 2 of P.D. No. 1445.</p>	<p>The Municipal Accountant had not submitted the CY 2024 GLs and SLs to the Audit Team.</p> <p>The Municipal Accountant had not submitted the CY 2024 GLs and SLs to the Audit Team.</p>	<p>Not Implemented</p> <p>Not Implemented</p>
AAR 2023	<p>The recorded balance of Biological Assets in the amount of ₱1,715,503.00, which has been in the books for more than five years, could not be relied upon due to the absence of documents and pertinent records evidencing the biological transformation of the assets as provided under Paragraph 16 of IPSAS 27, thus, rendering the existence and valuation of the account presented in the financial statements doubtful and unreliable.</p> <p><i>*Reiterated in Part II of this Report</i></p>	<p>6. We recommended that the Municipal Accountant exhaust all available remedies to secure the documents pertaining to the animals as reported in the books, with sufficient documentation of the validation undertaken.</p> <p>7. We further recommended that the Municipal Agriculturist verify the status of the animals, their conditions, and the present caretaker, through physical inspection, update the fair market values, and submit the corresponding report, which could also serve as the basis to support a</p>	<p>The Municipal Accountant had not acted upon the recommendation since it was agreed that the Municipal Agriculturist would establish that some of the breeding stocks no longer existed.</p> <p>The Municipal Agriculturist still had to submit a complete inventory report of the Breeding Stocks and the corresponding prevailing market price for each item.</p>	<p>Not Implemented</p> <p>Not Implemented</p>

<b>Ref.</b>	<b>Audit Observation</b>	<b>Audit Recommendation</b>	<b>Management Comment/Action</b>	<b>Status of Implementation</b>
		possible request for relief, if warranted under the circumstances.		
AAR 2023	Out of the total budget of ₱14,884,159.36 appropriated for the LDRRMF Mitigation Fund, only 15.52 percent, or ₱2,309,631.40, was utilized in CY 2023, contrary to RA No. 10121 and the DILG Memorandum Circular (MC) No. 2012-73 dated April 17, 2012, thereby not optimally utilizing the LDRRM funds and compromising the Municipality's preparedness and resilience to disasters and calamities.	8. We recommended and the LDRRM Council agreed to ensure that the 70% budget allocation for disaster prevention, mitigation, and preparedness is optimally utilized to better prepare the Municipality for any calamities that may happen in the future.  9. We further recommended and the LDRRM Council agreed to ensure that the programs and projects included in its LDRRM Plan and AIP are realistic and attainable.	Management had not taken any action.  The prior years' unexpended LDRRMF had not been incorporated in the LDRRMFIP for CY 2024.	Not Implemented  Not Implemented
AAR 2023	Monthly Bank Reconciliation Statements (BRS) for CY 2023 were not prepared and submitted to the Office of the Auditor, which is inconsistent with Section 74 of P.D. No. 1445 and Sections 3.2 and 3.4 of COA Circular No. 96-011, thus, adversely affecting the prompt audit of the Cash in Bank account of the Municipality.	10. We recommended that the Municipal Accountant submit the CY 2023 monthly bank reconciliation statements to the Auditor immediately and comply with the provisions of Section 74 of P.D. No. 1445 and Sections 3.2 and 3.4 of COA Circular No. 96-011.	The Municipal Accountant submitted the CY 2024 BRS, but it was not supported by bank statements.	Not Implemented
AAR 2022	The long-standing cash advances and receivables from officers and employees in the total amount ₱23,642,656.92, aged more than two years, remained unsettled as of December 31, 2022, due to failure to observe the provisions of COA	We recommended that Management require the Municipal Accountant to:  11. Issue final Demand Letters to the concerned personnel with unsettled cash advances, including those who have retired from service or transferred to other agencies; and	The Municipal Accountant had not taken any action.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	Circular No. 97-002 and Section 89 of Presidential Decree (P.D.) No. 1445 consistently, exposing government funds to risk of possible loss or misappropriation. Moreover, receivable accounts amounting to ₱6,003.00 that have been dormant for ten years or more remain in the books despite prevailing conditions precluding settlement thereof, thus, affecting the fair presentation of the related asset accounts.	<p>12. review and validate the unreconciled receivables to ascertain if they still represent valid claims to the extent possible. Otherwise, the Municipal Mayor shall file the request for authority to write-off dormant receivable accounts and unliquidated cash advances to the COA pursuant to Section 8.2 of COA Circular No. 2016-005, duly supported with the documentary requirements under Section 8.3 of the same Circular.</p> <p>13. We recommended further that Management strictly adhere to the provisions of COA Circular No. 97-002 dated February 10, 1997, and Section 89 of P.D. No. 1445 in the granting, utilization, and liquidation of cash advances.</p>	<p>The Municipal Accountant had not taken any action.</p> <p>Management had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p>
AAR 2022	The labor component of The Tourism Development Project (Phase II) in Barangay Dayoyo with an Approved Budget for the Contract (ABC) of ₱921,786.00 was implemented through pakyaw contract contrary to Section 4.8 of Appendix 1 of the Revised Implementing Rules and Regulations of R.A. No. 9184 which sets a limit of only P500,000.00 per contract, was only 80% completed more than a year after it was commenced allegedly due to lack of	<p>14. We recommended that Management submit the necessary supporting documents as enumerated above for review and evaluation by the audit team.</p> <p>15. We further recommended that Management strictly observe the guidelines provided in Appendix 1 of the Revised IRR of RA No. 9184 in the implementation of projects by administration and to desist from implementing projects through pakyaw labor contract if the ABC exceeds the limit of P500,000.00.</p>	<p>Management still had not submitted the supporting documents.</p> <p>Per verification of the pakyaw labor contracts in CY 2024, on a test basis, Management had already observed the ₱500,000.00 limit.</p>	<p>Not Implemented</p> <p>Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	laborers to complete the work, thus not yet usable, exposing the implemented portions thereof to deterioration, depriving intended users of the benefits therefrom and may even result in waste of government funds. Moreover, the 10% retention was not withheld from payments to the pakyaw contractor to the disadvantage of the municipal government, as it was left with no means to ensure compliance from the contractor.	16. In addition, we recommended that the Municipal Development Coordinator, together with the Municipal Engineer, supervise and monitor the implementation of the development projects to ensure that these will be completed as scheduled and in accordance with the plans and specifications.	On a sampling basis, the work under pakyaw labor contracts had already been completed as scheduled in accordance with the plans and specifications.	Implemented
AAR 2022	Monetization of leave credits was allowed despite non-compliance with the conditions stated in the pertinent provisions of the Omnibus Rules on Leave of the Civil Service Commission (CSC) and CSC Resolution No. 34 dated January 5, 2000, and Item 5.14 of COA Circular No. 2012-001 dated June 14, 2012, thus, affecting the validity of the disbursements incurred.	17. We recommended that Management require the HRMO head to strictly adhere to the provisions of the Omnibus Rules on Leave and CSC Resolution No. 34 on the granting and approval of monetization of leave credits and to adjust the leave credit balances for monetized leave erroneously charged to SL despite the existence of VL credits.  18. Moreover, we recommended that Management require the concerned personnel to submit to the auditor for evaluation and review the necessary documents to support their application for monetization pursuant to Item 5.14 of COA Circular No. 2012-001 dated June 14, 2012.	Management had not taken any action.  Management had not taken any action.	Not Implemented  Not Implemented

<b>Ref.</b>	<b>Audit Observation</b>	<b>Audit Recommendation</b>	<b>Management Comment/Action</b>	<b>Status of Implementation</b>
AAR 2022 2014	The Municipal Accountant did not submit the monthly and quarterly reports as well as the year-end financial statements (FS) of the Municipality for CY 2022 within the reglementary period, contrary to Section 41(2) of Presidential Decree (PD) No. 1445, Section 70 of the New Government Accounting Systems (NGAS) Manual for Local Government Units (LGUs), Volume I and Section 4.1 of COA Circular No. 2010-01 dated March 2, 2010, thereby, losing their relevance and usefulness for decision-making and precluding the Auditor from rendering audit opinion on the FS.	<p>19. We recommended that the Municipal Accountant fast-track the preparation and submission of the PPSAS-compliant CY 2022 FS to the Audit Team at the soonest possible time.</p> <p>20. We further recommended that Management closely monitor the invariable compliance with the submission of monthly and quarterly financial reports, together with the complete schedules in accordance with the requirements of pertinent laws and regulations.</p>	<p>The Municipal Accountant had already complied with the recommendation.</p> <p>The Municipal Accountant still had not complied with the monthly and quarterly submission of financial reports, along with the supporting schedules.</p>	<p>Implemented</p> <p>Not Implemented</p>
AAR 2021	The Municipality's low rate of collection of Real Property Taxes (RPT) compounded by incorrect basis used in recognizing RPT/Special Education Tax (SET) Receivables and failure to implement measures to collect these taxes resulted in the accumulation of uncollected RPT and SET Receivables amounting to ₱3,674,289.51 as of December 31, 2021, thus, depriving the Municipality of regular revenue stream that could have been utilized to finance programs, activities and	<p>21. We recommended that the Municipal Treasurer enforce the collection of delinquent real property taxes by strictly implementing Sections 254 and 256 of RA No. 7160.</p> <p>22. We further recommended that Management direct the Accounting and Treasurer's Offices to reconcile their records and account for the variance of ₱13,110,459.17 in tax delinquencies.</p>	<p>The Municipal Treasurer still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	<p>other major development projects. Moreover, RPT/SET receivables set-up at the beginning of the year were understated by ₱1,121,692.20 since it was based on estimates and not on the certified list of tax collectibles, contrary to Section 20, Volume I of the Manual on the New Government Accounting System for Local Government Units (MNGAS). Further, a difference of ₱13,110,459.17 existed between the accounting and treasurer's records on delinquent taxes due to the lack of appropriate records, contrary to Section 111 (1) of PD No. 1445, affecting the fairness of the balance presented in the financial statements.</p>	<p>23. We likewise recommended that Management require the Accountant to prepare a correcting entry to take up the understatement of ₱1,121,692.20 in RPT/SET Receivables for CY 2021, and to ensure henceforth full compliance with the requirement of Section 20 of the MNGAS.</p>	<p>The Municipal Accountant still had not taken any action.</p>	<p>Not Implemented</p>
<p>AAR 2021</p>	<p>The procurement of four (4) units of motorcycles totaling ₱369,900.00 through negotiated procurement did not adhere to the procedures provided under Sections 35 of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9184, thereby defeating the purpose of transparency, integrity, effectiveness, economy, and efficiency in the procurement process.</p>	<p>24. We recommended that Management adhere strictly to the provisions provided under the Negotiated Procurement as an alternative method of procurement pursuant to the pertinent provisions of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 for transparency, effectiveness, and efficiency in the procurement process.</p> <p>25. We further recommended that the Bids and Awards Committee (BAC) submit the other supporting documents with a written explanation on the noted discrepancies</p>	<p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		mentioned above for review and evaluation by the audit team.		
AAR 2021	The Purchase Orders issued to suppliers of goods and services by the Municipality did not indicate all the necessary information pertaining to the transactions. In addition, copies of perfected contracts with supporting documents were not furnished to the Office of the Auditor within the prescribed period as required under COA Circular Nos. 2009-001 and 96-010 dated February 12, 2009 and August 15, 1996 respectively, thus, precluding the timely auditorial review in terms of compliance with the requirements of applicable laws, rules and regulations, completeness of documentary requirements and initial evaluation that the contractual covenants were not disadvantageous to the government.	We recommended that Management:  26. furnish the Auditor copies of the contracts, purchase orders, and certificates of acceptance, together with all supporting documents thereto, within the required timeframe; and  27. indicate all the basic information in the purchase order as required under COA Circular Nos. 96-010 and 2009-001 to ensure delivery of items that meet the specification.	Management still had not taken any action.  Management still had not taken any action.	Not Implemented  Not Implemented
AAR 2020	The Municipality did not conduct physical count of its Inventory Held for Distribution and other inventory accounts as required in Section 124 of the Manual on the New Government Accounting System for Local Government Units, Volume I, nor did it maintain the necessary stock cards and supplies ledger	28. We recommended that the Municipal Inventory Committee conduct the required physical count of the inventory accounts to establish the existence and determine the reliability of the account balances shown in the financial statements at year-end. Likewise, we recommended and Municipal Treasurer and Municipal Accountant agreed to maintain the required	The Municipal Mayor still had not issued an Office Order creating the Inventory Committee.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	cards, thus the existence of these properties as well as the reliability of the account balances presented in the financial statements as of December 31, 2020 remained unreliable.	stock cards and supplies ledger cards for each type of supplies, respectively, pursuant to Sections 119 and 120 of the Manual on the New Government Accounting system for Local Government Units, Volume I.		
AAR 2020	Disbursement vouchers covering purchases of various food supplies, infrastructure contracts, medicine, vitamins and other medical supplies totaling to ₱9,217,574.40 were not supported with complete documentation contrary to Section 4(6) of P.D. No. 145 and section 6.1 of the Government Procurement Policy Board Circular Number 01-2020, thereby, casting doubt on the propriety, validity and legality of the transactions. Moreover, the Bids and Awards Committee (BAC) did not post the necessary documents in the GPPB Online Portal for Emergency Procurements contrary to Section 9 of the Circular, thus. Adversely affecting the promotion of accountability and transparency in the conduct of Emergency Procurement and the completeness of information included in the reportorial requirements under the Bayanihan Act.	<p>29. We recommended that the MSWD and the Local Disaster Risk Reduction Management Officer, as the case may be, submit the list bearing the names and corresponding signature of recipients of the food supplies procured and that the BAC submit the Omnibus Sworn Statement of each of the suppliers covered under the BGCM to the Office of the Auditor.</p> <p>30. We also recommended and the BAC/Municipal Health Officer/Municipal Accountant agreed to submit a Certificate of Product Registration and certification from the manufacturer that the supplier is an authorized distributor/dealer of the drugs and medicines purchased.</p> <p>31. We further recommended that the Municipal Engineer submit documents labeled 3.a-g above in compliance with Section 4(6) of P.D. No.1445 in order to ensure the validity, propriety, and legality thereof.</p>	<p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>

<b>Ref.</b>	<b>Audit Observation</b>	<b>Audit Recommendation</b>	<b>Management Comment/Action</b>	<b>Status of Implementation</b>
		32. Lastly, we recommended that Management submit a written explanation why the posting requirements under Section 9 of GPPB Circular No. 01-2020 were not complied with.	Management still had not taken any action.	Not Implemented
AAR 2018	As a result of the neglect of management to assign specific personnel to monitor and collect repayment of loans granted in CY 2010 to small-scale entrepreneurs as livelihood assistance, loans receivable amounting to ₱560,000.00 remained uncollected more than eight years after they were granted, thus may be difficult to collect, exposing government funds to loss.	33. We recommended that Management immediately issue demand letters to the borrowers to collect the receivables and to thereafter designate an employee to monitor payments, to prepare demand letters, and make personal follow-up on these debtors in order that the loans will be collected.	Management still had not taken any action.	Not Implemented
AAR 2018	The accounts Due to GSIS, Due to Pag-IBIG, Due to PhilHealth, and Guaranty/Security Deposits Payable showed abnormal balances contrary to generally accepted accounting principles, thereby adversely affecting the fairness of presentation of the accounts as of December 31, 2018.	34. We recommended that Management investigate the causes of the abnormal balances and effect the necessary correcting entries to fairly present the accounts in the financial statements as of December 31, 2018.	Management still had not taken any action.	Not Implemented
AAR 2018	More than 97% of the CY 2018 appropriations for Gender and Development amounting to 5,128,830.55 were allocated to programs, projects and activities which did not directly address	35. We recommended that the Municipal Social Welfare and Development Officer and the Budget Officer ensure that only those projects/programs/activities that address gender issues are allocated from	Management still had not taken any action.	Not Implemented

<b>Ref.</b>	<b>Audit Observation</b>	<b>Audit Recommendation</b>	<b>Management Comment/Action</b>	<b>Status of Implementation</b>
	gender issues contrary to Section 4.1.C.1.4 of PCW-DILG-DBM-NEDA Joint Memorandum Circular No. 2013-1, leaving nearly nothing for legitimate gender concerns thereby jeopardizing the attainment of GAD goals.	GAD appropriations to ensure the attainment of GAD goals.		
AAR 2017	Assets amounting to ₱14,409,716.02 acquired out of trust funds remained recorded in said funds despite completion of the projects or delivery of the equipment, contrary to Section 104, Volume I of the Manual on NGAS, hence misstating the asset accounts of the General and Trust Funds of the municipality. Moreover, the LGU failed to maintain property/property, plant and equipment ledger cards contrary to Section 114 of the Manual, thus the existence, reliability and accuracy of the recorded property accounts could not be ascertained.	<p>36. We recommended that the Office of the Municipal Accountant find all means to retrieve the records pertaining to the sources of the properties in order that assets recorded in the trust fund can be totally transferred to the proper accounts in the general fund for proper presentation of the financial statements pursuant to Section 104 of the Manual on NGAS.</p> <p>37. Also, we recommended that the Offices of the Municipal Accountant and Treasurer maintain property, plant, and equipment ledger cards and property cards, respectively, in accordance with existing regulations.</p> <p>38. Lastly, we recommended that the Municipality hire additional accounting personnel to augment the present manpower.</p>	<p>The Municipal Accountant still had not retrieved the records corresponding to the properties' sources.</p> <p>The Offices of the Municipal Accountant and Treasurer still had not maintained the property, plant, and equipment ledger cards and property cards, respectively.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>
AAR 2017	Job order personnel were assigned to perform clerical or administrative duties which are also being performed by the regular personnel	39. We recommended that the Municipality comply with existing regulations on the hiring and assignment of work to job order personnel, otherwise it should instead	Management still had not taken any action.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	of the municipality, contrary to Section 1.b of CSC Resolution No. 021480 which could adversely affect the quality of outputs of the offices to which they are assigned considering that they can be easily replaced.	create new positions that would best fit the needs of the LGU.		
AAR 2016	The municipal government did not take decisive action to address the long-outstanding accountabilities of four (4) former Disbursing Officers totaling ₱5,561,983.96 and three (3) collectors totaling ₱78,778.73 in violation of Sections 69, 89, and 128 of P.D. 1445, thereby adversely affecting the fairness of the related balances presented in the financial statements and precluding the utilization of such funds for other priority programs beneficial to its constituents.	<p>We recommended that the Municipal Mayor:</p> <p>40. Order the incumbent Paymaster/Disbursing Officer to withhold any payments due the said accountable officers until their respective accountabilities are extinguished;</p> <p>41. Direct the Municipal Accountant and Treasurer to desist from processing cash advances unless supported by:</p> <ul style="list-style-type: none"> <li>▪ Copy of the payroll or a list of payees with their net payments, for CAs for salaries, wages, allowances, and similar payments;</li> <li>▪ Estimate of expenses, for Cash advances for petty operating expenses; and</li> <li>▪ Budget for current operating expenses for the agency field activity;</li> </ul> <p>42. Undertake reforms in the treasury functions, in terms of personnel and procedures, to ensure that disbursements are always based on approved vouchers,</p>	<p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		<p>cash advances are regularly liquidated, collections are remitted daily and intact and the coffers of the government are of utmost priority; and,</p> <p>43. Direct the Municipal Accountant to monitor closely the timely submission of accounts from the Treasurer’s Office and to update regularly their records so that any discrepancies noted can be addressed immediately.</p> <p>44. We further recommended that a written report on the status of the foregoing accountabilities and the actions taken thereon be submitted to our office for further evaluation.</p>	<p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p>
AAR 2016	The municipal government did not get the 2016 Seal of Good Local Governance as it was not able to comply with the core element on disaster preparedness nor did it meet all the criteria on environmental management which included access to a sanitary landfill or alternative technology, contrary to the requirements under DILG MC Nos. 2012-79 and 2014-39 as well as R.A. 9003, hence missing the opportunity to receive the award including access to additional funding and incentives, and necessitating effective measures	45. We recommended that Management, spearheaded by the MENRO Designate and MPDC, fast-track the preparation of the required plans under the disaster preparedness component to provide effective guidance in the implementation of programs outlined therein, and fully undertake measures to comply with the requirements to pass the SGLG assessment which includes the sanitary landfill in order to gain access to the PCF and the incentives package which could provide essential funding for the LGU’s programs in addressing the eventuality of a disaster.	Management still had not taken any action.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	to address the potential effects of disasters to human life.			
AAR 2016 2010	The balances of Cash in Local Treasury and Cash in Bank per ledger and per cashbooks showed a variance of ₱9.74million due to the failure of the municipal treasurer to either update postings to her cashbooks and the existence of multiple accounting records for a single bank account, contrary to existing accounting and auditing rules and regulations particularly Section 111 of P.D. 1445, thereby preventing the prompt determination of accountability, which could also hinder the discovery of shortages or errors, if any, while adversely affecting the reliability of the balances presented in the financial statements.	<p>We recommended that the Municipal Mayor:</p> <p>46. Require the Municipal Treasurer to update her cashbooks daily, exercise adequate supervision over any personnel assigned to post the transactions, and ensure that all cashbooks are properly safeguarded against loss or misuse;</p> <p>Direct the Municipal Treasurer and the Municipal Accountant to:</p> <p>47. account for the differences noted between the ledger and cashbook balances, and henceforth conduct a quarterly reconciliation or as often as necessary;</p> <p>48. effect actual transfer of funds in accordance with the balances in the subsidiary ledgers for the two (2) bank accounts maintained under all the three (3) funds, and henceforth ensure that a bank account is maintained under only one fund;</p> <p>49. Instruct the Municipal Accountant to trace the difference noted in the Cash in Bank accounts per general ledger and per schedule;</p>	<p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>



<b>Ref.</b>	<b>Audit Observation</b>	<b>Audit Recommendation</b>	<b>Management Comment/Action</b>	<b>Status of Implementation</b>
	detection of inappropriate uses thereof.			
AAR 2014	The Municipal Government of Jimalalud paid its officials and employees a Productivity Enhancement Incentive for CY 2014 in excess of the amount of ₱5,000.00 each allowed under EO No. 80 dated July 20, 2012 as implemented by DBM Budget Circular No. 2014-3 dated December 2, 2014, thereby resulting in the disallowance of the total unauthorized payment of ₱629,000.00.	<p>54. We recommended that the persons liable for the excess payment of the CY 2014 PEI immediately reconstitute the same to the government, in accordance with Section 11.0 of DBM BC No. 2014-3. Henceforth, Management shall strictly observe the applicable regulations on the grant of any benefits/incentives and verify against double payments to avoid similar disallowances.</p> <p>55. We further recommended that the Municipal Accountant prioritize the submission of the employment documents of the Barangay Bookkeepers and the financial records showing the sources of funds from the barangays and the corresponding payments therefrom.</p>	<p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p>
AAR 2016	The existence and validity of bank deposits with PNB amounting to ₱40,008.36 is questionable since these were not confirmed by the bank nor were bank reconciliation statements prepared on these accounts, contrary to pertinent provisions under P.D. 1445 and COA Circular No. 96-011, thus, presenting an unreliable balance in the financial statements.	56. We recommended that Management instruct the Municipal Accountant to make representations with PNB to seek the necessary evidences/ documentation to provide an accounting trail of transactions that lead to the depletion of the said balances including the abnormal decrease in the time deposit account, determine accountability of the Municipal Treasurer and other accountable officers for the ensuing charges should these be borne out of negligence in the discharge of official	The Municipal Accountant still had not taken any action.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		<p>functions, and prepare the necessary adjusting entries in the books with the optimum intent of securing the government's rights over the said deposits, furnishing our office with a copy thereof.</p> <p>57. Henceforth, require the Municipal Accountant to regularly prepare the BRS of all existing bank accounts and monitor the opening and closure of new and old accounts.</p>	<p>The Municipal Accountant still had not prepared the bank reconciliation statements monthly.</p>	<p>Not Implemented</p>
AAR 2014	<p>The Municipality of Jimalalud still maintained time deposit and COMBO accounts with the Philippine National Bank (PNB), a private bank whose authority to accept government deposits has already expired, contrary to Section 311 of R.A. 7160 and DOF D.O. No. 27-05, thus exposing public funds to risk of loss in case of bank closure or bankruptcy.</p>	<p>58. We recommended Management to immediately effect the closure of the cash balance of the PNB Time Deposit and COMBO accounts, and transfer the same either to LBP or DBP, whichever offers the optimal value for the LGU, in compliance with Section 311 of R.A. 7160, DOF D.O. No. 27-05, COA Circular No. 92-382, and BTr TC No. 01-2013.</p>	<p>Management still had not taken any action.</p>	<p>Not Implemented</p>
AAR 2014	<p>The Municipality is still operating an open dump site for solid waste at Barangay Bala-as, contrary to Sections 17 (h) and 37 of Republic Act (R.A.) No. 9003, hence continually exposing the inhabitants living in the surrounding areas to health risks/hazards and the environment to further deterioration.</p>	<p>We recommended that Management thru the Municipal Solid Waste Mgt. Board:</p> <p>59. Concretize methods and procedures for the phase-out and the eventual closure of existing open and/or controlled dumps within a specific time frame;</p>	<p>Management still had not taken any action.</p>	<p>Not Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		<p>60. Request the members of the Sangguniang Bayan to prioritize the allocation of funds for the establishment and operation of a sanitary landfill in accordance with Sections 40 and 41 of R.A. 9003; and</p> <p>61. Advocate for a full-time MENRO with its own office and staff to focus and spearhead the implementation of the approved Integrated Solid Waste Management Plan, which was painstakingly formulated.</p>	<p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p>
AAR 2014	The Municipal Government approved and paid ₱1.495 million for one (1) unit backhoe charged to the 2011 LDRRMF despite non-compliance to the technical specifications contained in the bidding documents and the contract, in violation of pertinent provisions of R.A. 9184, thereby posing a risk to the validity and regularity of such disbursement, which was clearly detrimental to the government.	<p>62. We recommended that Management submit a written explanation for the discrepancies noted above to enable us to properly evaluate the transaction.</p> <p>63. We further recommend that the BAC, Inspectorate Team and other officers involved in the approval of the subject disbursement be made accountable for lapses in the performance of their functions, as warranted.</p>	<p>Management still had not taken any action.</p> <p>Management still had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p>
AAR 2012	The lot purchased by the Municipality of Jimalalud under TCT No. FT-5263 lacked sufficient documentation and did not have the requisite Certificate of Title under the name of the LGU in violation of Section 148 of COA Circular No. 92-386 and Section 449 of the Government Accounting and	64. We recommended that management require the OIC-Municipal Treasurer, the OIC-Municipal Accountant and the Municipal Assessor to submit the required documents and to secure the Transfer Certificate of Title to the lot purchased as an indispensable requirement.	Management still had not taken any action.	Not Implemented

<b>Ref.</b>	<b>Audit Observation</b>	<b>Audit Recommendation</b>	<b>Management Comment/Action</b>	<b>Status of Implementation</b>
	Auditing Manual (GAAM), Volume I, thus casting doubt on the legality of the said transaction amounting to ₱6,000,000.00.			
AAR 2012	Receivables amounting to ₱150,243.28 as of December 31, 2010 have remained outstanding in the books for more than two years and have not been reviewed as to validity or recommended for write-off as required under Sec. 64 of GAAM, Volume 1 and COA Circular No. 76-27, thus the reported asset accounts may no longer be valid and recoverable.	65. We recommended that management notify the concerned individuals or entities to settle their accounts or initiate appropriate actions to recover the amounts and to request authority from the Commission on Audit through the Sanguniang Bayan to write off the amounts determined to be no longer valid.	Management still had not taken any action.	Not Implemented
AAR 2012	The absence of subsidiary records for the land account recorded in the books at ₱3,154,476.21 as of December 31, 2010, makes it difficult to determine the proper composition thereof. Moreover, various parcels of land acquired from previous years up to the present are not yet covered by transfer certificates of title in favor of the Municipality of Jimalalud thus the Municipality still has no tangible evidence of ownership of these properties.	66. We recommended that Management instruct the Municipal Treasurer and Municipal Accountant-Designate to maintain their respective property records for each real property and the Municipal Assessor to prioritize the filing of application for titling of all real properties acquired by the Municipal government so that transfer certificates of title in favor of the Municipality of Jimalalud can be issued to establish the Municipality's ownership thereto.	Management still had not taken any action.	Not Implemented

**PART IV**  
**APPENDICES**

**PART IV**  
**APPENDICES**

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

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and Cash Equivalents	147,855,818.34	162,711,822.73
Receivables	15,628,736.10	17,086,775.93
Inventories	6,709,224.00	6,709,224.00
Payments and Deferred Charges	105,700.00	105,700.00
<b>Total Current Assets</b>	<b>170,299,478.44</b>	<b>186,613,522.66</b>
<i>Non-Current Assets</i>		
Receivables	613,859.49	613,859.49
Property, Plant, and Equipment	400,093,255.82	254,992,695.19
Biological Assets	1,715,503.00	1,715,503.00
Intangible Assets	100,000.00	100,000.00
<b>Total Non-Current Assets</b>	<b>402,522,618.31</b>	<b>257,422,057.68</b>
<b>Total Assets</b>	<b>572,822,096.75</b>	<b>444,035,580.34</b>
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Financial Liabilities	4,202,018.10	523,650.23
Inter-Agency Payables	3,066,692.69	2,090,267.90
Intra-Agency Payables	109,700.22	109,700.22
Trust Liabilities	8,136,910.40	393,747.94
Deferred Credits/Unearned Income	5,614,672.21	5,127,271.84
Other Payables	297,970.03	298,676.96
<b>Total Current Liabilities</b>	<b>21,427,963.65</b>	<b>8,543,315.09</b>
<i>Non-Current Liabilities</i>		
Financial Liabilities	88,610,869.99	0.00
<b>Total Non-Current Liabilities</b>	<b>88,610,869.99</b>	<b>0.00</b>
<b>Total Liabilities</b>	<b>110,038,833.64</b>	<b>8,543,315.09</b>
<b>NET ASSET/EQUITY</b>		
Government Equity	<b>462,783,263.11</b>	<b>435,492,265.25</b>
<b>Total Liabilities and Net Assets/Equity</b>	<b>572,822,096.75</b>	<b>444,035,580.34</b>

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

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and Cash Equivalents	1,071,557.56	1,311,336.44
Receivables	2,582,171.08	1,847,434.58
Inventories	0.00	0.00
Payments and Deferred Charges	0.00	0.00
<b>Total Current Assets</b>	<b>3,653,728.64</b>	<b>3,158,771.02</b>
<i>Non-Current Assets</i>		
Receivables	0.00	0.00
Property, Plant, and Equipment	2,422,317.19	2,422,317.19
Biological Assets	0.00	0.00
Intangible Assets	0.00	0.00
<b>Total Non-Current Assets</b>	<b>2,422,317.19</b>	<b>2,422,317.19</b>
<b>Total Assets</b>	<b>6,076,045.83</b>	<b>5,581,088.21</b>
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Financial Liabilities	50,823.75	50,823.75
Inter-Agency Payables	(228,940.52)	13,984.91
Intra-Agency Payables	0.00	0.00
Trust Liabilities	0.00	0.00
Deferred Credits/Unearned Income	999,298.74	546,100.79
Other Payables	0.00	0.00
<b>Total Current Liabilities</b>	<b>821,181.97</b>	<b>610,909.45</b>
<b>Total Liabilities</b>	<b>821,181.97</b>	<b>610,909.45</b>
<b>NET ASSET/EQUITY</b>		
Government Equity	5,254,863.86	4,970,178.76
<b>Total Liabilities and Net Assets/Equity</b>	<b>6,076,045.83</b>	<b>5,581,088.21</b>

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

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and Cash Equivalents	24,604,671.01	29,382,821.27
Receivables	6,676,067.39	6,770,627.39
Inventories	0.00	0.00
Payments and Deferred Charges	0.00	0.00
<b>Total Current Assets</b>	<b>31,280,738.40</b>	<b>36,153,448.66</b>
<i>Non-Current Assets</i>		
Receivables	67,568.34	67,568.34
Property, Plant, and Equipment	0.00	226,162.66
Biological Assets	0.00	0.00
Intangible Assets	0.00	0.00
<b>Total Non-Current Assets</b>	<b>67,568.34</b>	<b>293,731.00</b>
<b>Total Assets</b>	<b>31,348,306.74</b>	<b>36,447,179.66</b>
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Financial Liabilities	206.05	206.05
Inter-Agency Payables	14,015,713.40	20,376,630.29
Intra-Agency Payables	500.00	500.00
Trust Liabilities	16,173,543.52	15,119,555.23
Deferred Credits/Unearned Income	0.00	0.00
Other Payables	1,148,038.28	939,982.60
<b>Total Current Liabilities</b>	<b>31,338,001.25</b>	<b>36,436,874.17</b>
<b>Total Liabilities</b>	<b>31,338,001.25</b>	<b>36,436,874.17</b>
<b>NET ASSET/EQUITY</b>		
Government Equity	<b>10,305.49</b>	<b>10,305.49</b>
<b>Total Liabilities and Net Assets/Equity</b>	<b>31,348,306.74</b>	<b>36,447,179.66</b>

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

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Tax Revenue	2,271,933.06	2,196,870.46
Share from Internal Revenue Collections	158,457,756.00	149,131,908.00
Service and Business Income	5,635,000.65	5,055,875.74
Shares, Grants, and Donations	0.00	0.00
Other Income	372,952.00	138,358.96
<b>Total Revenue</b>	<b>166,737,641.71</b>	<b>156,523,013.16</b>
<b>Less: Current Operating Expenses</b>		
Personnel Services	60,122,380.76	58,570,643.72
Maintenance and Other Operating Expenses	60,783,739.53	61,347,991.03
Non-cash Expenses	7,070,220.38	4,408,796.50
<b>Current Operating Expenses</b>	<b>127,976,340.67</b>	<b>124,327,431.25</b>
<b>Surplus (Deficit) from Current Operation</b>	<b>38,761,301.04</b>	<b>32,195,581.91</b>
Add (Deduct):		
Transfers, Assistance, and Subsidy From	0.00	0.00
Transfers, Assistance, and Subsidy To	(5,838,108.49)	(5,390,738.64)
<b>Surplus(Deficit) for the period</b>	<b>32,923,192.55</b>	<b>26,804,843.27</b>

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

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Tax Revenue	599,053.10	606,230.17
Share from Internal Revenue Collections	0.00	0.00
Service and Business Income	0.00	0.00
Shares, Grants, and Donations	0.00	0.00
Other Income	0.00	0.00
<b>Total Revenue</b>	<b>599,053.10</b>	<b>606,230.17</b>
<b>Less: Current Operating Expenses</b>		
Personnel Services	0.00	0.00
Maintenance and Other Operating Expenses	0.00	224,358.00
Non-cash Expenses	0.00	0.00
<b>Current Operating Expenses</b>	<b>0.00</b>	<b>224,358.00</b>
<b>Surplus (Deficit) from Current Operation</b>	<b>599,053.10</b>	<b>381,872.17</b>
Add (Deduct):		
Transfers, Assistance, and Subsidy From	0.00	0.00
Transfers, Assistance, and Subsidy To	0.00	0.00
<b>Surplus(Deficit) for the period</b>	<b>599,053.10</b>	<b>381,872.17</b>

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

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Tax Revenue	0.00	0.00
Share from Internal Revenue Collections	0.00	0.00
Service and Business Income	0.00	0.00
Shares, Grants, and Donations	0.00	0.00
Other Income	0.00	0.00
<b>Total Revenue</b>	<b>0.00</b>	<b>0.00</b>
 <b>Less: Current Operating Expenses</b>		
Personnel Services	0.00	0.00
Maintenance and Other Operating Expenses	0.00	0.00
Non-cash Expenses	0.00	0.00
<b>Current Operating Expenses</b>	<b>0.00</b>	<b>0.00</b>
 <b>Surplus (Deficit) from Current Operation</b>	<b>0.00</b>	<b>0.00</b>
Add (Deduct):		
Transfers, Assistance, and Subsidy From	0.00	0.00
Transfers, Assistance, and Subsidy To	0.00	0.00
<b>Surplus(Deficit) for the period</b>	<b>0.00</b>	<b>0.00</b>

Province of Negros Oriental  
**Municipality of Jimalalud**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
 General Fund  
 As of December 31, 2024  
*(With Comparative Figures for CY 2023)*

	<b>2024</b>	<b>2023</b>
<b>Balance at January 1, 2024</b>	<b>435,492,265.25</b>	<b>412,748,049.27</b>
Add (Deduct)		
Change in Accounting Policy	0.00	0.00
Prior Period Errors	(5,632,194.69)	(4,060,627.29)
<b>Restated Balance</b>	<b>429,860,070.56</b>	<b>408,687,421.98</b>
<b>Add (Deduct) Changes in net assets/equity during the year</b>		
Adjustment of net revenue recognized directly in net assets/equity	0.00	0.00
Surplus (Deficit) for the period	32,923,192.55	26,804,843.27
<b>Total recognized revenue and expenses for the period</b>	<b>32,923,192.55</b>	<b>26,804,843.27</b>
<b>Balance at December 31, 2024</b>	<b>462,783,263.11</b>	<b>435,492,265.25</b>

Province of Negros Oriental  
**Municipality of Jimalalud**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
Special Education Fund  
As of December 31, 2024  
*(With Comparative Figures for CY 2023)*

	2024	2023
<b>Balance at January 1, 2024</b>	<b>4,970,178.76</b>	<b>4,588,306.59</b>
Add (Deduct)		
Change in Accounting Policy	0.00	0.00
Prior Period Errors	(314,368.00)	0.00
<b>Restated Balance</b>	<b>4,655,810.76</b>	<b>4,588,306.59</b>
<b>Add (Deduct) Changes in net assets/equity during the year</b>		
Adjustment of net revenue recognized directly in net assets/equity	0.00	0.00
Surplus (Deficit) for the period	599,053.10	381,872.17
<b>Total recognized revenue and expenses for the period</b>	<b>599,053.10</b>	<b>381,872.17</b>
<b>Balance at December 31, 2024</b>	<b>5,254,863.86</b>	<b>4,970,178.76</b>

Province of Negros Oriental  
**Municipality of Jimalalud**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
Trust Fund  
As of December 31, 2024  
*(With Comparative Figures for CY 2023)*

	2024	2023
<b>Balance at January 1, 2024</b>	<b>10,305.49</b>	<b>10,305.49</b>
Add (Deduct)		
Change in Accounting Policy	0.00	0.00
Prior Period Errors	0.00	0.00
<b>Restated Balance</b>	<b>10,305.49</b>	<b>10,305.49</b>
<b>Add (Deduct) Changes in net assets/equity during the year</b>		
Adjustment of net revenue recognized directly in net assets/equity	0.00	0.00
Surplus (Deficit) for the period	0.00	0.00
<b>Total recognized revenue and expenses for the period</b>	<b>0.00</b>	<b>0.00</b>
<b>Balance at December 31, 2024</b>	<b>10,305.49</b>	<b>10,305.49</b>

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

	<b>2024</b>	<b>2023</b>
<b>Cash Inflows</b>		
Collection from Taxpayers	7,906,933.71	7,252,746.20
Share from Internal Revenue Allotment	158,457,756.00	149,131,908.00
Receipts from Business/Service Income	0.00	0.00
Interest Income	0.00	0.00
Dividend Income	0.00	0.00
Other Receipts	372,952.00	138,358.96
<b>Total Cash Inflows</b>	<b>166,737,641.71</b>	<b>156,523,013.16</b>
<b>Cash Outflows</b>		
Payment of Expenses	66,621,848.02	66,738,729.67
Payments to Suppliers and Creditors	0.00	0.00
Payments to Employees	60,122,380.76	58,570,643.72
Interest Expense	0.00	0.00
Other Expenses	0.00	0.00
<b>Total Cash Outflows</b>	<b>126,744,228.78</b>	<b>125,309,373.39</b>
<b>Net Cash Flows from Operating Activities</b>	<b>39,993,412.93</b>	<b>31,213,639.77</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Inflows</b>		
Proceeds from Sale of Investment Property	0.00	0.00
Proceeds from Sale/Disposal of Property, Plant, and Equipment	0.00	0.00
Proceeds from Sale of Non-Current Investments	0.00	0.00
Collection of Principal on Loans to Other Entities	0.00	0.00
<b>Total Cash Inflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash Outflows</b>		
Purchase/Construction of Investment Property	0.00	0.00
Purchase/Construction of Property, Plant, and Equipment	145,071,394.04	34,356,825.43
Investment	0.00	0.00
Purchase of Bearer Biological Assets	0.00	0.00
Purchase of Intangible Assets	0.00	0.00
Grant of Loans	0.00	0.00
<b>Total Cash Outflows</b>	<b>145,071,394.04</b>	<b>34,356,825.43</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(145,071,394.04)</b>	<b>(34,356,825.43)</b>
<b>Cash Flows from Financing Activities</b>		
<b>Cash Inflows</b>		
Proceeds from Issuance of Bonds	0.00	0.00
Proceeds from Loans	90,221,976.72	0.00
<b>Total Cash Inflows</b>	<b>90,221,976.72</b>	<b>0.00</b>
<b>Cash Outflows</b>		
Payment of Long-Term Liabilities	0.00	0.00
Retirement/Redemption of Debt Securities	0.00	0.00
Payment of Loan Amortization	0.00	0.00
<b>Total Cash Outflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Cash Flows from Financing Activities</b>	<b>90221976.72</b>	<b>0.00</b>
<b>Total Cash Provided by Operating, Investing, and Financing Activities</b>	<b>(14,856,004.39)</b>	<b>(3,143,185.66)</b>
<b>Add: Cash at the Beginning of the Year</b>	<b>162,711,822.73</b>	<b>165,855,008.39</b>
<b>Cash Balance at the End of the Year</b>	<b>147,855,818.34</b>	<b>162,711,822.73</b>

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

	<b>2024</b>	<b>2023</b>
<b>Cash Inflows</b>		
Collection from Taxpayers	599,053.10	606,230.17
Share from Internal Revenue Allotment	0.00	0.00
Receipts from Business/Service Income	0.00	0.00
Interest Income	0.00	0.00
Dividend Income	0.00	0.00
Other Receipts	0.00	0.00
<b>Total Cash Inflows</b>	<b>599,053.10</b>	<b>606,230.17</b>
<b>Cash Outflows</b>		
Payment of Expenses	493,494.34	224,358.00
Payments to Suppliers and Creditors	0.00	0.00
Payments to Employees	0.00	0.00
Interest Expense	0.00	0.00
Other Expenses	345,337.64	0.00
<b>Total Cash Outflows</b>	<b>838,831.98</b>	<b>224,358.00</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(239,778.88)</b>	<b>381,872.17</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Inflows</b>		
Proceeds from Sale of Investment Property	0.00	0.00
Proceeds from Sale/Disposal of Property, Plant, and Equipment	0.00	0.00
Proceeds from Sale of Non-Current Investments	0.00	0.00
Collection of Principal on Loans to Other Entities	0.00	0.00
<b>Total Cash Inflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash Outflows</b>		
Purchase/Construction of Investment Property	0.00	0.00
Purchase/Construction of Property, Plant, and Equipment	0.00	896,939.64
Investment	0.00	0.00
Purchase of Bearer Biological Assets	0.00	0.00
Purchase of Intangible Assets	0.00	0.00
Grant of Loans	0.00	0.00
<b>Total Cash Outflows</b>	<b>0.00</b>	<b>896,939.64</b>
<b>Net Cash Flows from Investing Activities</b>	<b>0.00</b>	<b>(896,939.64)</b>
<b>Cash Flows from Financing Activities</b>		
<b>Cash Inflows</b>		
Proceeds from Issuance of Bonds	0.00	0.00
Proceeds from Loans	0.00	0.00
<b>Total Cash Inflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash Outflows</b>		
Payment of Long-Term Liabilities	0.00	0.00
Retirement/Redemption of Debt Securities	0.00	0.00
Payment of Loan Amortization	0.00	0.00
<b>Total Cash Outflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Cash Flows from Financing Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Cash Provided by Operating, Investing, and Financing Activities</b>	<b>(239,778.88)</b>	<b>(515,067.47)</b>
<b>Add: Cash at the Beginning of the Year</b>	<b>1,311,336.44</b>	<b>1,826,403.91</b>
<b>Cash Balance at the End of the Year</b>	<b>1,071,557.56</b>	<b>1,311,336.44</b>

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

	<b>2024</b>	<b>2023</b>
<b>Cash Inflows</b>		
Collection from Taxpayers	0.00	300.00
Share from Internal Revenue Allotment	0.00	300.00
Receipts from Business/Service Income	0.00	300.00
Interest Income	0.00	300.00
Dividend Income	0.00	0.00
Other Receipts	43,172,089.47	38,481,060.46
<b>Total Cash Inflows</b>	<b>43,172,089.47</b>	<b>38,482,260.46</b>
<b>Cash Outflows</b>		
Payment of Expenses	47,950,239.73	29,719,328.45
Payments to Suppliers and Creditors	0.00	0.00
Payments to Employees	0.00	0.00
Interest Expense	0.00	0.00
Other Expenses	0.00	0.00
<b>Total Cash Outflows</b>	<b>47,950,239.73</b>	<b>29,719,328.45</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(4,778,150.26)</b>	<b>8,762,932.01</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Inflows</b>		
Proceeds from Sale of Investment Property	0.00	0.00
Proceeds from Sale/Disposal of Property, Plant, and Equipment	0.00	0.00
Proceeds from Sale of Non-Current Investments	0.00	0.00
Collection of Principal on Loans to Other Entities	0.00	0.00
<b>Total Cash Inflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash Outflows</b>		
Purchase/Construction of Investment Property	0.00	0.00
Purchase/Construction of Property, Plant, and Equipment	0.00	8,279,692.83
Investment	0.00	0.00
Purchase of Bearer Biological Assets	0.00	0.00
Purchase of Intangible Assets	0.00	0.00
Grant of Loans	0.00	0.00
<b>Total Cash Outflows</b>	<b>0.00</b>	<b>8,279,692.83</b>
<b>Net Cash Flows from Investing Activities</b>	<b>0.00</b>	<b>(8,279,692.83)</b>
<b>Cash Flows from Financing Activities</b>		
<b>Cash Inflows</b>		
Proceeds from Issuance of Bonds	0.00	0.00
Proceeds from Loans	0.00	0.00
<b>Total Cash Inflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash Outflows</b>		
Payment of Long-Term Liabilities	0.00	0.00
Retirement/Redemption of Debt Securities	0.00	0.00
Payment of Loan Amortization	0.00	0.00
<b>Total Cash Outflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Cash Flows from Financing Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Cash Provided by Operating, Investing, and Financing Activities</b>	<b>(4,778,150.26)</b>	<b>483,239.18</b>
<b>Add: Cash at the Beginning of the Year</b>	<b>29,382,821.27</b>	<b>28,900,782.09</b>
<b>Cash Balance at the End of the Year</b>	<b>24,604,671.01</b>	<b>29,384,021.27</b>

**Municipality of Jimalalud, Negros Oriental**  
 Statement of Comparison of Budget and Actual Amounts  
**General Fund**  
 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				Final Budget and Actual	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Revenue</b>										
<b>A. Local Sources</b>										
1. Tax Revenue										
a. Tax Revenue - Property	1,970,714.00	1,970,714.00	1,970,714.00	1,970,714.00	-	-	2,271,933.06	1,936,564.77	(301,219.06)	34,149.23
b. Tax Revenue - Goods and Services	-	-	-	-	-	-	-	-	-	-
c. Other Local Taxes	-	-	-	-	-	-	-	-	-	-
Total Tax Revenue	1,970,714.00	1,970,714.00	1,970,714.00	1,970,714.00	-	-	2,271,933.06	1,936,564.77	(301,219.06)	34,149.23
2. Non-Tax Revenue										
a. Service Income	701,925.00	701,925.00	701,925.00	701,925.00	-	-	872,607.39	803,009.00	(170,682.39)	(101,084.00)
b. Business Income	2,126,340.00	3,911,340.00	2,126,340.00	3,911,340.00	-	-	4,762,393.26	4,513,172.43	(2,636,053.26)	(601,832.43)
c. Other Income and Receipts	4,810,979.00	21,000.00	4,810,979.00	21,000.00	-	-	372,952.00	138,358.96	4,438,027.00	(117,358.96)
Total Non-Tax Revenue	7,639,244.00	4,634,265.00	7,639,244.00	4,634,265.00	-	-	6,007,952.65	5,454,540.39	1,631,291.35	(820,275.39)
<b>B. External Sources</b>										
1. Share from the National Internal Revenue Taxes (IRA)	139,397,443.00	149,202,422.00	158,457,756.00	149,202,422.00	(19,060,313.00)	-	158,457,756.00	149,131,908.00	-	70,514.00
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	-	-	-	-	-	-	-	-	-	-
<b>C. Receipts from Borrowings</b>										
<b>Total Revenue and Receipts</b>	<b>149,007,401.00</b>	<b>155,807,401.00</b>	<b>168,067,714.00</b>	<b>155,807,401.00</b>	<b>(19,060,313.00)</b>	<b>-</b>	<b>166,737,641.71</b>	<b>156,523,013.16</b>	<b>1,330,072.29</b>	<b>(715,612.16)</b>
<b>Expenditures</b>										
<b>Current Appropriations</b>										
<b>General Public Services</b>										
Personal Services	48,386,479.56	48,501,052.96	50,892,933.21	48,751,052.96	(2,506,453.65)	250,000.00	47,430,074.69	32,059,098.35	3,462,858.52	16,691,954.61
Maintenance and Other Operating Expenses	39,934,209.99	36,455,063.82	37,461,285.73	35,237,083.82	2,472,924.26	(1,217,980.00)	28,849,086.37	23,413,861.47	8,612,199.36	11,823,222.35
Capital Outlay	200,000.00	-	410,000.00	-	(210,000.00)	-	-	-	410,000.00	-
<b>Education</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	384,000.00	384,000.00	384,000.00	384,000.00	-	-	162,645.42	84,181.27	221,354.58	299,818.73
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Health, Nutrition and Population Control</b>										
Personal Services	7,957,853.88	7,952,369.48	8,091,986.37	8,152,369.48	(134,132.49)	200,000.00	7,877,529.91	7,472,215.78	214,456.46	680,153.70
Maintenance and Other Operating Expenses	1,910,424.00	1,910,424.00	1,910,424.00	1,720,424.00	-	(190,000.00)	1,838,855.96	1,194,123.19	71,568.04	526,300.81
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Labor and Employment</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Housing and Community Development</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Social Services and Social Welfare</b>										
Personal Services	2,280,187.40	2,280,187.40	1,449,256.24	1,449,256.24	830,931.16	(830,931.16)	1,321,895.45	1,321,895.45	127,360.79	127,360.79
Maintenance and Other Operating Expenses	8,806,400.00	1,131,800.00	2,026,800.00	2,026,800.00	6,779,600.00	895,000.00	1,902,316.00	1,902,316.00	124,484.00	124,484.00
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Economic Services</b>										
Personal Services	987,987.52	1,039,903.12	1,024,802.96	1,139,903.12	(36,815.44)	100,000.00	999,052.15	987,998.84	25,750.81	151,904.28
Maintenance and Other Operating Expenses	1,250,000.00	1,250,000.00	1,250,000.00	1,195,000.00	-	(55,000.00)	663,139.90	903,005.80	586,860.10	291,994.20
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Other Purposes:</b>										
Debt Service	-	-	-	-	-	-	-	-	-	-
Financial Expense	-	-	-	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-	-	-
<b>LDRRMF</b>										
Maintenance and Other Operating Expenses	7,335,111.02	7,700,370.04	7,335,111.02	7,700,370.04	-	-	1,701,462.39	2,309,631.40	5,633,648.63	5,390,738.64
Capital Outlay	115,259.03	-	115,259.03	-	-	-	99,000.00	-	16,259.03	-
<b>20% Development Fund</b>										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	27,879,488.60	29,840,484.00	28,179,488.60	29,840,484.00	(300,000.00)	-	4,380,033.76	-	23,799,454.84	29,840,484.00
<b>Share from National Wealth</b>										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Allocation for Senior Citizens and PWD</b>										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Others</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	1,580,000.00	17,361,746.18	1,580,000.00	17,361,746.18	-	-	-	-	1,580,000.00	17,361,746.18
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Total Current Appropriations</b>	<b>149,007,401.00</b>	<b>155,807,401.00</b>	<b>142,111,347.16</b>	<b>154,958,489.84</b>	<b>6,896,053.84</b>	<b>848,911.16</b>	<b>97,225,092.00</b>	<b>71,648,327.55</b>	<b>44,886,255.16</b>	<b>83,310,162.29</b>
<b>Continuing Appropriations</b>										
<b>General Public Services</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Education</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Health, Nutrition and Population Control</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Labor and Employment</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Housing and Community Development</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Social Services and Social Welfare</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Economic Services</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Other Purposes:</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Total Continuing Appropriations</b>	<b>149,007,401.00</b>	<b>155,807,401.00</b>	<b>142,111,347.16</b>	<b>154,958,489.84</b>	<b>6,896,053.84</b>	<b>848,911.16</b>	<b>97,225,092.00</b>	<b>71,648,327.55</b>	<b>44,886,255.16</b>	<b>83,310,162.29</b>
<b>Total Appropriations</b>	<b>149,007,401.00</b>	<b>155,807,401.00</b>	<b>142,111,347.16</b>	<b>154,958,489.84</b>	<b>6,896,053.84</b>	<b>848,911.16</b>	<b>97,225,092.00</b>	<b>71,648,327.55</b>	<b>44,886,255.16</b>	<b>83,310,162.29</b>

**Municipality of Jimalalud, Negros Oriental**  
 Statement of Comparison of Budget and Actual Amounts  
**Special Education Fund**  
 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				Final Budget and Actual	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Revenue</b>										
A. Local Sources										
1. Tax Revenue										
a. Tax Revenue - Property	500,000.00	500,000.00	500,000.00	500,000.00	-	-	599,053.10	606,230.17	(99,053.10)	(106,230.17)
b. Tax Revenue - Goods and Services	-	-	-	-	-	-	-	-	-	-
c. Other Local Taxes	-	-	-	-	-	-	-	-	-	-
Total Tax Revenue	500,000.00	500,000.00	500,000.00	500,000.00	-	-	599,053.10	606,230.17	(99,053.10)	(106,230.17)
2. Non-Tax Revenue										
a. Service Income	-	-	-	-	-	-	-	-	-	-
b. Business Income	-	-	-	-	-	-	-	-	-	-
c. Other Income and Receipts	-	-	-	-	-	-	-	-	-	-
Total Non-Tax Revenue	-	-	-	-	-	-	-	-	-	-
B. External Sources										
1. Share from the National Internal Revenue Taxes (IRA)	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue and Receipts</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>-</b>	<b>-</b>	<b>599,053.10</b>	<b>606,230.17</b>	<b>(99,053.10)</b>	<b>(106,230.17)</b>
<b>Expenditures</b>										
<b>Current Appropriations</b>										
<b>General Public Services</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Education</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	500,000.00	220,000.00	500,000.00	220,000.00	-	-	-	224,358.00	500,000.00	(4,358.00)
Capital Outlay	-	280,000.00	-	280,000.00	-	-	-	381,872.17	-	(101,872.17)
<b>Health, Nutrition and Population Control</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Labor and Employment</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Housing and Community Development</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Social Services and Social Welfare</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Economic Services</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Other Purposes:</b>										
Debt Service	-	-	-	-	-	-	-	-	-	-
Financial Expense	-	-	-	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-	-	-
<b>LDRRMF</b>										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>20% Development Fund</b>										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Share from National Wealth</b>										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Allocation for Senior Citizens and PWD</b>										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Others</b>										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Total Current Appropriations</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>606,230.17</b>	<b>500,000.00</b>	<b>(106,230.17)</b>
<b>Continuing Appropriations</b>										
<b>General Public Services</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Education</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Health, Nutrition and Population Control</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Labor and Employment</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Housing and Community Development</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Social Services and Social Welfare</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Economic Services</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Other Purposes:</b>										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Total Continuing Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Appropriations</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>606,230.17</b>	<b>500,000.00</b>	<b>(106,230.17)</b>

Comparative Analysis of PPE Net Book Value: Financial Records and Lapsing Schedule  
Ad of December 31, 2024

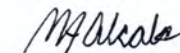
Account Name	Acquisition Cost	Per FS		Per Lapsing Schedule	Difference
		Accumulated Depreciation	Net Book Value		
<b>Land Improvements</b>	<b>4,602,846.15</b>	<b>0.00</b>	<b>4,602,846.15</b>	<b>701,467.21</b>	<b>3,901,378.94</b>
<b>Infrastructure Assets</b>					
Road Networks	91,174,909.77	7,856,967.15	83,317,942.62	77,507,081.30	5,810,861.32
Flood Control Systems	9,538,642.43	0.00	9,538,642.43	-	9,538,642.43
Water Supply Systems	15,500,014.17	1,427,085.87	14,072,928.30	591,329.00	13,481,599.30
Power Supply Systems	1,578,490.55	0.00	1,578,490.55	-	1,578,490.55
Seaport Systems	8,378,857.24	0.00	8,378,857.24	-	8,378,857.24
Parks, Plazas and Monuments	7,544,673.85	0.00	7,544,673.85	1,833,626.21	5,711,047.64
Other Infrastructure Assets	12,279,224.53	0.00	12,279,224.53	90,000.00	12,189,224.53
<b>Total Infrastructure Assets</b>	<b>145,994,812.54</b>	<b>9,284,053.02</b>	<b>136,710,759.52</b>	<b>80,022,036.51</b>	<b>56,688,723.01</b>
<b>Buildings and Other Structures</b>		<b>10,711,138.89</b>			
Buildings	34,577,629.63	0.00	34,577,629.63	7,814,613.91	26,763,015.72
School Buildings	12,939,146.92	0.00	12,939,146.92	7,529,218.55	5,409,928.37
Hospitals and Health Centers	3,003,221.24	0.00	3,003,221.24	1,711,622.69	1,291,598.55
Markets	22,493,209.94	0.00	22,493,209.94	2,097,749.21	20,395,460.73
Other Structures	48,506,643.18	2,435,671.35	46,070,971.83	8,326,364.85	37,744,606.98
<b>Total Buildings and Other Structures</b>	<b>121,519,850.91</b>	<b>2,435,671.35</b>	<b>119,084,179.56</b>	<b>27,479,569.21</b>	<b>91,604,610.35</b>
<b>Machinery and Equipment</b>					
Machinery	846.50	0.00	846.50	-	846.50
Office Equipment	681,434.90	29,313.30	652,121.60	22,076.60	630,045.00
Information and Communication Technology Equipment	4,886,054.00	2,540,933.50	2,345,120.50	229,922.65	2,115,197.85
Agricultural and Forestry Equipment	40,638.00	0.00	40,638.00	-	40,638.00
Communication Equipment	525,872.40	393,625.48	132,246.92	26,293.62	105,953.30
Construction and Heavy Equipment	13,444,464.00	11,089,139.98	2,355,324.02	866,023.20	1,489,300.82
Disaster Response and Rescue Equipment	1,920,333.00	1,348,342.42	571,990.58	104,181.00	467,809.58
Military, Police and Security Equipment	55,000.00	0.00	55,000.00	2,750.00	52,250.00
Medical Equipment	420,135.00	0.00	420,135.00	2,669.00	417,466.00
Sports Equipment	132,520.00	0.00	132,520.00	-	132,520.00
Technical and Scientific Equipment	3,288.95	0.00	3,288.95	-	3,288.95
Other Machinery and Equipment	1,070,517.75	318,584.80	751,932.95	27,225.80	724,707.15
<b>Total Machinery and Equipment</b>	<b>23,181,104.50</b>	<b>15,719,939.48</b>	<b>7,461,165.02</b>	<b>1,281,141.87</b>	<b>6,180,023.15</b>
<b>Transportation Equipment</b>					
Motor Vehicles	34,581,637.31	13,361,625.23	21,220,012.08	14,475,463.09	6,744,548.99
<b>Total Transportation Equipment</b>	<b>34,581,637.31</b>	<b>13,361,625.23</b>	<b>21,220,012.08</b>	<b>14,475,463.09</b>	<b>6,744,548.99</b>
<b>Furniture, Fixtures, and Books</b>					
Furniture and Fixtures	5,254,991.75	823,769.85	4,431,221.90	112,418.44	4,318,803.46
Books	183,500.00	0.00	183,500.00	9,175.00	174,325.00
<b>Total Furniture, Fixtures, and Books</b>	<b>5,438,491.75</b>	<b>823,769.85</b>	<b>4,614,721.90</b>	<b>121,593.44</b>	<b>4,493,128.46</b>
<b>Other Property, Plant and Equipment</b>					
Other Property, Plant and Equipment	3,631,678.77	2,260,886.65	1,370,792.12	1,167.09	1,369,625.03
<b>Total Other Property, Plant, &amp; Equipment</b>	<b>3,631,678.77</b>	<b>2,260,886.65</b>	<b>1,370,792.12</b>	<b>1,167.09</b>	<b>1,369,625.03</b>
<b>TOTAL DEPRECIABLE PPE</b>	<b>338,950,421.93</b>	<b>43,885,945.58</b>	<b>295,064,476.35</b>	<b>124,082,438.42</b>	<b>170,982,037.93</b>

Prepared by:

  
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