



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

ANNUAL AUDIT REPORT

ON THE

MUNICIPALITY OF LA LIBERTAD

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 24, 2025

HONORABLE EMMANUEL LAURENCE DANIEL L. IWAY

Municipal Mayor

Municipality of La Libertad

Province of Negros Oriental

Dear Mayor Iway:

We are pleased to transmit the Annual Audit Report (AAR) of the Municipal Government of La Libertad, 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.

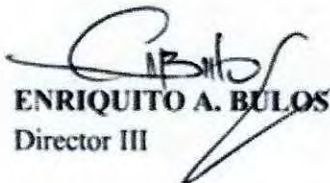
We rendered a qualified opinion on the fairness of the presentation of the financial statements (FS) for the year then ended.

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 La Libertad.

Very truly yours,


ENRIQUITO A. BULOS
Director III

Copy furnished:

1. The Honorable Sangguniang Bayan Members
Thru: The Secretary, Sangguniang Bayan
Municipality of La Libertad
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 La Libertad
OFFICE OF THE MAYOR
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Contact No. _____

MUNICIPALITY OF LA LIBERTAD

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

June 20, 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 La Libertad, 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 10, 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,



MARIFE A. ALCALA
State Auditor IV
Audit Team Leader

EXECUTIVE SUMMARY

Introduction

The Municipality of La Libertad was created in 1902 under the Municipal Code (Act No. 82) enacted by the Second Philippine Commission. In April 1903, the Philippine Commission passed Resolution (Act No. 715), adopting a policy to reduce the number of municipalities in each province. Under this Act, the Municipalities of La Libertad and Jimalalud were merged with the Municipality of Tayasan. Under Resolution No. 368 passed by the Provincial Board of Negros Oriental on July 11, 1918, the Municipality of La Libertad was separated from the Municipalities of Tayasan and Jimalalud on January 10, 1919. It is presently classified as a third-class municipality.

As of December 31, 2024, the Municipality had a personnel complement of 471, as shown below:

<i>Nature of Appointment to Office</i>	<i>Quantity</i>
Elective Officials	10
Permanent/Regular Positions	47
Casual Plantilla	46
Job Orders (Office-based)	368
TOTAL	471

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 La Libertad 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 La Libertad as of December 31, 2024, with comparative figures for CY 2023, are summarized as follows:

Statement of Financial Position	2024 (in ₱)	2023 (in ₱)	Increase/ (Decrease)
Assets	566,789,741.89	564,697,674.99	2,092,066.90
Liabilities	170,063,502.20	174,920,768.24	(4,857,266.04)
Government Equity	396,726,239.69	389,776,906.75	2,092,066.90

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

Results of Operations	2024	2023	Increase/ (Decrease)
Revenue	193,214,101.41	182,002,445.24	11,211,656.17
Personnel Services	58,073,083.77	59,198,444.88	(1,125,361.11)
Maintenance and Other Operating Expenses	92,749,752.22	153,802,769.83	(61,053,017.61)
Non-cash Expenses	19,003,666.36	15,932,279.46	3,071,386.90
Net Financial Assistance/ Subsidy	(1,386,852.28)	(9,892,157.21)	8,505,304.93
Non-operating Income	370,879.40	571,706.46	(200,827.06)
Net Surplus (Deficit)	22,371,626.18	(56,251,499.68)	78,623,125.86

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 La Libertad 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 ₱401,189,329.31 in the financial statements (FS) at year-end.

2. The existence, validity, and correctness of the Inventory accounts totalling ₱3,013,247.40 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 ₱457,500.00 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 the 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 unexpended balances of the LDRRMF from prior years amounting to ₱25,522,828.72 which were transferred to the Special Trust Fund (STF) were not considered and integrated into the LDRRMFIP for CY 2024 and may result in inefficiencies in allocating and utilizing funds for disaster risk reduction and management efforts, as well as missed opportunities for disaster resilience and preparedness initiatives.

We recommended that the LDRRMO and the MDRRMC:

- a. Include PPAs that are chargeable against the prior years' unexpended LDRRMF in the annual LDRRMFIP of the current year, in accordance with the format prescribed under Annex A of COA Circular No. 2012-002; and
 - b. Establish an efficient review and monitoring system to ensure that the LDRRMFIP complies with the requirements outlined in COA Circular No. 2012-002.
2. Purchases of medicines and animal bite vaccines for RHU and infirmary totaling ₱4,994,218.25 and honoraria for volunteer rescue responders totaling ₱910,798.21 were improperly charged to the LDRRMF, hence reducing the funds available for disaster risk reduction and management activities.

We recommended that Management:

- a. Desist from charging the cost of medicines and animal bite vaccines for the RHU and honoraria for volunteer rescue responders to the LDRRMF;
- b. Reimburse the LDRRMF from the General Fund for the cost of honoraria for volunteer rescue responders and medicines and animal bite vaccines used for purposes other than those related to disaster risk reduction and management; and

- c. Adhere strictly to the provisions of DILG Memorandum Circular No. 2012-73 dated April 17, 2012, and NDRRMC-DBM-DILG JMC No. 2013-1 dated March 25, 2013, on the utilization of the LDRRMF.

Summary of Suspensions, Disallowances, and Charges

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

	Ending Balance (As of 12/31/2023)	NS/ND/NC Issued from 01/01/2024 to 12/31/2024	NS/ND/NC Settled from 01/01/2024 to 12/31/2024	Ending Balance (As of 12/31/2024)
Suspensions	₱ 4,212,000.00	₱ 0.00	₱ 0.00	₱ 4,212,000.00
Disallowances	16,000.00	0.00	0.00	16,000.00
Charges	0.00	0.00	0.00	0.00

Further, the table below shows the respective balances of suspensions, disallowances, and charges of ₱4,212,000.00, ₱16,000.00, and ₱0.00, respectively, with breakdown as to timing and age as follows:

Timing	Age	NS	ND	NC
07/01/2022 to 12/31/2024 (Current Administration)	Less than 1 year to 2.5 years	₱ 0.00	₱ 0.00	₱ 0.00
07/01/2019 to 06/30/2022	More than 2.5 to 5.5 years	0.00	0.00	0.00
07/01/2016 to 06/30/2019	More than 5.5 to 8.5 years	0.00	0.00	0.00
07/01/2013 to 06/30/2016	More than 8.5 to 11.5 years	4,212,000.00	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 ¹ to 06/30/2010	More than 14.5 to 15.25 years	0.00	0.00	0.00
Total		₱4,212,000.00	₱16,000.00	₱ 0.00

Of the total balance of disallowances of ₱16,000.00, none is pending appeal at various levels of adjudication pursuant to the COA Rules and Regulations on Settlement of Accounts (RRSA).

Lastly, of the total suspensions of ₱4,212,000.00, 100% is still for settlement by persons determined responsible. Under the RRSA, a suspension should be settled within ninety (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.

¹ COA Circular No. 2009-006

Status of Implementation of Prior Years' Recommendations

Of the 88 prior years' audit recommendations, 17 were implemented and 71 were unimplemented.

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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 EMMANUEL LAURENCE DANIEL L. IWAY

Municipal Mayor
Municipality of La Libertad
Province of Negros Oriental

Qualified Opinion

We have audited the financial statements of the Municipality of La Libertad, 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 La Libertad 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 La Libertad 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 ₱401,189,329.31 in the financial statements (FS) at year-end;

2. The existence, validity, and correctness of the Inventory accounts totalling ₱3,013,247.40 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; and
3. Biological Assets valued at ₱457,500.00 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 the 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 10, 2025



Republic of the Philippines
Province of Negros Oriental
MUNICIPALITY OF LA LIBERTAD

Statement of Management Responsibility for Financial Statements

The Management of the **Municipality of La Libertad** is responsible for all information and representation contained in the Statement of Financial Position as of **December 31, 2024** and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Changes in Net Assets/Equity and Statement of Comparison between Actual and Budgeted Amounts for the period then ended. The financial statements have been prepared in conformity with generally accepted accounting 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.


STEVEN V. AGRAVIADOR
Municipal Accountant


EMMANUEL LAURENCE DANIEL L. IWAY
Municipal Mayor

February 14, 2025

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

	Note	2024	2023
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	4	₱ 115,421,308.80	₱ 122,161,169.08
Receivables	5	43,766,755.42	26,333,490.87
Inventories	6	3,013,247.40	2,804,947.40
Total Current Assets		₱ 162,201,311.62	₱ 151,299,607.35
<i>Non-Current Assets</i>			
Property, Plant, and Equipment	7	₱ 401,189,329.31	₱ 412,940,567.64
Biological Assets	8	457,500.00	457,500.00
Total Non-Current Assets		₱ 401,646,829.31	₱ 413,398,067.64
Total Assets		₱ 563,848,140.93	₱ 564,697,674.99
LIABILITIES			
<i>Current Liabilities</i>			
Financial Liabilities	9	6,736,594.14	27,775,661.43
Inter – Agency Payables	10	103,346,732.33	88,062,333.73
Intra – Agency Payables	11	0.00	9,920,760.43
Trust Liabilities	12	30,678,683.51	23,569,562.62
Deferred Credits/Unearned Income	13	18,482,371.45	14,007,106.78
Provisions		27,803.40	0.00
Other Payables	14	7,249,795.92	11,585,343.25
Total Current Liabilities		₱ 167,121,901.24	₱ 174,920,768.24
Total Liabilities		₱ 167,121,901.24	₱ 174,920,768.24
NET ASSETS/EQUITY			
Government Equity		₱ 396,726,239.69	₱ 389,776,906.75
Total Liabilities and Net Assets/Equity		₱ 563,848,140.93	₱ 564,697,674.99

See accompanying Notes to Financial Statements.

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

	Note	2024	2023
Revenue			
Tax Revenue	15	₱ 1,439,093.12	₱ 1,481,150.43
Share from Internal Revenue Collections	16	178,830,803.00	168,293,697.00
Service and Business Income	17	10,955,428.29	12,227,597.81
Shares, Grants, and Donations	18	1,988,777.00	0.00
Total Revenue		₱193,214,101.41	₱ 182,002,445.24
Less: Current Operating Expenses			
Personnel Services	19	₱ 58,073,083.77	₱ 59,198,444.88
Maintenance and Other Operating Expenses	20	92,749,752.22	153,802,769.83
Non-cash Expenses	21	19,003,666.36	15,932,279.46
Current Operating Expenses		₱169,826,502.35	₱ 228,933,494.17
Surplus (Deficit) From Current Operation		₱ 23,387,599.06	₱ (46,931,048.93)
Add (Deduct):			
Transfer, Assistance, and Subsidy From		₱ 995,824.21	₱ 0.00
Transfer, Assistance, and Subsidy To	22	2,382,676.49	9,892,157.21
Net Financial Assistance/Subsidy		₱ (1,386,852.28)	₱ (9,892,157.21)
Other Non-Operating Income (Losses)			
Miscellaneous Income	23	₱ 370,879.40	₱ 571,706.46
Net Other Non-Operating Income (Losses)		₱ 370,879.40	₱ 571,706.46
Surplus (Deficit) for the period		₱ 22,371,626.18	₱ (56,251,499.68)

See accompanying Notes to Financial Statements.

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

	2024	2023
Cash Flows from Operating Activities:		
Cash Inflows:		
Collection from Taxpayers	₱ 1,439,093.12	₱ 2,686,455.32
Share from Internal Revenue Allotment	236,670,237.36	190,539,492.64
Interest Income	57,572.34	367,012.34
Receipts from Business/Service Income	10,939,074.25	16,960,277.02
Other Receipts	12,323,772.89	24,373,957.40
Total Cash Inflow	₱ 261,429,749.96	₱ 234,927,194.72
Cash Outflows:		
Payment of expenses	₱ 151,991,265.19	₱ 151,723,650.13
Payment of Suppliers and Creditors	25,012,767.90	25,100,210.47
Payment of employees	51,710,170.06	83,045,174.05
Other Expenses	27,948,432.34	38,750,732.62
Total Cash Outflows	₱ 256,662,635.49	₱ 298,619,767.27
Net Cash from Operating Activities	₱ 4,767,114.47	₱ (63,692,572.55)
Cash Outflows from Investing Activities		
Cash Outflows:		
Purchase/Construction of Property, Plant, and Equipment	₱ 11,506,974.75	₱ 16,775,209.58
Total Cash Outflows	₱ 11,506,974.75	₱ 16,775,209.58
Net Cash from Investing Activities	₱ (11,506,974.75)	₱ (16,775,209.58)
Total Cash Provided by Operating and Investing Activities	₱ (6,739,860.28)	₱ (80,467,782.13)
Cash, Beginning of the Period	122,161,169.08	202,628,951.21
Cash, end of the Period	₱ 115,421,308.80	₱ 122,161,169.08

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

	2024	2023
Balance at January 1, 2024	₱ 389,776,906.75	₱ 394,107,202.47
Add (Deduct)		
Changes in Accounting Policy	0.00	0.00
Prior Period Errors	(15,422,293.24)	(1,250,330.87)
Restated Balance	₱ 374,354,613.51	₱ 446,028,406.43
 Add (Deduct) Charges in net assets/equity during the year		
Surplus (Deficit) for the period	22,371,626.18	(56,251,499.68)
Balance at December 31, 2024	₱ 396,726,239.69	₱ 389,776,906.75

Municipality of La Libertad
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		2024	2023	Final Budget and Actual	
	2024	2023	2024	2023	2024	2023			2024	2023
Revenue										
A. Local Sources										
1. Tax Revenue										
a. Tax Revenue - Property	675,000.00	675,000.00	675,000.00	675,000.00	-	-	1,083,841.01	1,361,547.93	(408,841.01)	(686,547.93)
b. Tax Revenue - Goods and Services		750,000.00		750,000.00	-	-	135,803.50	119,602.50	(135,803.50)	630,397.50
c. Other Local Taxes	260,000.00	260,000.00	260,000.00	260,000.00	-	-	219,448.61		40,551.39	260,000.00
Total Tax Revenue	935,000.00	1,685,000.00	935,000.00	1,685,000.00	-	-	1,439,093.12	1,481,150.43	(504,093.12)	203,849.57
2. Non-Tax Revenue										
a. Service Income	1,740,000.00	1,030,000.00	1,740,000.00	1,030,000.00	-	-	2,342,408.56	2,521,128.23	(602,408.56)	(1,491,128.23)
b. Business Income	8,600,000.00	7,010,000.00	8,600,000.00	7,010,000.00	-	-	8,596,589.69	9,334,999.24	3,410.31	(2,324,999.24)
c. Other Income and Receipts	1,326,108.46	2,000,000.00	1,326,108.46	2,000,000.00	-	-	16,430.04	371,470.34	1,309,678.42	1,628,529.66
Total Non-Tax Revenue	11,666,108.46	10,040,000.00	11,666,108.46	10,040,000.00	-	-	10,955,428.29	12,227,597.81	710,680.17	(2,187,597.81)
B. External Sources										
1. Share from the National Internal Revenue Taxes (IRA)	178,809,297.00	168,343,141.00	178,809,297.00	168,343,141.00	-	-	178,830,803.00	168,293,697.00	(21,506.00)	49,444.00
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							1,988,777.00		(1,988,777.00)	
b. Other Subsidy Income							1,988,777.00		(1,988,777.00)	
5. Inter-local Transfer										
6. Capital /Investment Receipts										
a. Sale of Capital Assets										
b. Sale of Investments										
c. Proceeds from Collections of Loan Receivables										
C. Receipts from Borrowings										
Total Revenue and Receipts	191,410,405.46	180,068,141.00	191,410,405.46	180,068,141.00	-	-	193,214,101.41	182,002,445.24	(1,803,695.95)	(1,934,304.24)
Expenditures										
Current Appropriations										
General Public Services										
Personal Services	47,511,233.53	50,727,923.88	40,590,821.94	45,937,617.00	6,920,411.59	4,790,306.88	40,124,507.56	42,232,049.87	40,124,507.56	3,705,567.13

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	32,262,179.04	46,690,766.27	48,386,134.76	91,072,984.95	(16,123,955.72)	(44,382,218.68)	46,065,770.69	87,879,693.95	46,065,770.69	3,193,291.00
Capital Outlay	1,000,000.00	-	296,649.00	-	703,351.00	-	209,287.56	-	209,287.56	-
Education										
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses	8,501,108.46	9,339,140.28	6,251,108.46	9,089,140.28	2,250,000.00	250,000.00	4,657,231.69	6,997,600.83	4,657,231.69	2,091,539.45
Capital Outlay					-	-			-	-
Health, Nutrition and Population Control										
Personal Services	17,693,463.36	15,353,115.08	13,878,112.81	14,271,375.08	3,815,350.55	1,081,740.00	13,640,771.41	11,550,015.17	13,640,771.41	2,721,359.91
Maintenance and Other Operating Expenses	15,210,464.85	35,849,491.57	15,804,220.10	27,399,491.57	(593,755.25)	8,450,000.00	14,448,115.83	24,700,429.33	14,448,115.83	2,699,062.24
Capital Outlay					-	-			-	-
Labor and Employment										
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay					-	-			-	-
Housing and Community Development										
Personal Services					-	-			-	-
MOOE					-	-			-	-
Capital Outlay					-	-			-	-
Social Services and Social Welfare										
Personal Services	633,369.20	610,505.08	630,193.08	630,505.08	3,176.12	(20,000.00)	629,871.20	629,420.16	629,871.20	1,084.92
Maintenance and Other Operating Expenses	15,315,202.06	19,324,409.41	14,859,270.15	24,624,409.41	455,931.91	(5,300,000.00)	13,906,071.51	23,657,778.82	13,906,071.51	966,630.59
Capital Outlay					-	-			-	-
Economic Services										
Personal Services	3,989,967.74	5,284,546.80	3,891,942.93	5,424,546.80	98,024.81	(140,000.00)	3,872,453.76	3,715,232.13	3,872,453.76	1,709,314.67
Maintenance and Other Operating Expenses	2,090,000.00	2,911,035.00	1,613,743.10	2,711,035.00	476,256.90	200,000.00	1,288,069.55	2,415,430.46	1,288,069.55	295,604.54
Capital Outlay					-	-			-	-
Other Purposes:										
Debt Service										
Financial Expense					-	-			-	-
Amortization					-	-			-	-
LDRRMF										
Maintenance and Other Operating Expenses	9,510,464.85	8,883,907.05	9,510,464.85	8,883,907.05	-	-	7,127,788.36	2,133,547.74	2,382,676.49	6,750,359.31
Capital Outlay					-	-			-	-
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	35,761,859.40	33,668,628.20	35,761,859.40	35,901,909.32		(2,233,281.12)	29,785,816.82	34,628,780.35	5,976,042.58	1,273,128.97
Share from National Wealth										
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
Allocation for Senior Citizens and PWD										
Maintenance and Other Operating Expenses	1,902,092.97	2,293,770.99	1,902,092.97	2,293,770.99	-	-	1,475,880.00	1,733,371.50	426,212.97	560,399.49
Capital Outlay					-	-			-	-
Others										
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses	29,000.00	29,000.00	29,000.00	29,000.00	-	-	29,000.00	29,000.00	-	1,273,128.97
Capital Outlay					-	-			-	-
Total Current Appropriations	191,410,405.46	230,966,239.61	193,405,613.55	268,269,692.53	(1,995,208.09)	(37,303,452.92)	177,260,635.94	242,302,350.31	16,144,977.61	25,967,342.22
Continuing Appropriations										
General Public Services										
Capital Outlay	16,564,824.32	59,671,090.90	16,564,824.32	24,600,919.10		35,070,171.80		8,132,150.52		16,468,768.58
Education										
Capital Outlay					-	-			-	-
Health, Nutrition and Population Control										
Capital Outlay					-	-			-	-
Labor and Employment										
Capital Outlay					-	-			-	-
Housing and Community Development										
Capital Outlay	7,730,338.00	18,938,746.02	7,730,338.00	16,705,464.90		2,233,281.12		8,888,878.00		7,816,586.90
Social Services and Social Welfare										
Capital Outlay	3,316,232.00	3,326,039.74	3,316,232.00	3,326,039.74	-	-				3,326,039.74
Economic Services										
Capital Outlay					-	-				
Other Purposes:										
Capital Outlay					-	-				
Total Continuing Appropriations	27,611,394.32	81,935,876.66	27,611,394.32	44,632,423.74		37,303,452.92	-	17,021,028.52	27,611,394.32	27,611,395.22
Total Appropriations	219,021,799.78	312,902,116.27	221,017,007.87	312,902,116.27	(1,995,208.09)	-	177,260,635.94	259,323,378.83	43,756,371.93	53,578,737.44

Notes to Financial Statements

(All amounts in Philippine Peso unless otherwise stated)

Note 1 - Profile

The Municipality of La Libertad was created in 1902 under the Municipal Code (Act No.82), which was enacted by the Second Philippine Commission.

In April 1903, the Philippine Commission passed a resolution (Act No. 715) adopting the policy of reduction of the number of municipalities in each province. The number of municipalities was reduced from 24 to 14, wherein the municipalities of La Libertad and Jimalalud were merged with the Municipality of Tayasan. Later, the Provincial Board of Negros Oriental separated the Municipality of La Libertad from the Municipalities of Tayasan and Jimalalud on January 10, 1919 under Resolution No. 368 passed on July 11, 1918.

Presently, it is a 3rd class municipality which is composed of 29 barangays with a population of 41,089 and a total land area of 13,960 hectares.

The Municipality's major concern is the continuing expansion of rural electrification and water services, which are the vital needs of the constituents, especially in the upper barangays, and the continuing project for the concreting of farm-to-market roads (concreting Barangay Guihob to Barangay Pacuan provincial road). The LGU also constructed a new market in North Poblacion, replacing the old ones to provide a more convenient place for the buying public as well as those farmers selling their own products coming from the upper barangays locally known as "Paunay".

- 1.1 Pursuant to Republic Act No. 7160, the Local Government Code of 1991, LGUs have the following goals:
- a. To improve the quality of life of the constituents and alleviate poverty through sustainable activities to meet the minimum basic needs;
 - b. To attain economic growth and social equity through agricultural development with a balanced ecology;
 - c. To maximize the development of business and industry to generate employment and increase the income and purchasing power of the constituents;
 - d. To provide infrastructures and utilities in support of the people's economic, social, political, and ecological activities, as well as develop and create a climate favorable to industrialization;
 - e. To ensure effective governance through a responsive fiscal and administrative management;
 - f. To encourage active participation of Non-Governmental Organizations/Private Organizations (NGOs/POs) and special bodies in the planning and implementation of community programs and projects; and
 - g. To provide livelihood and employment opportunities.

Note 2. Basis of Financial Statement Preparation

The financial statements were prepared in accordance with and in compliance with the International Public Sector Accounting Standards (IPSAS). The financial statements are presented in pesos, which is the functional and reporting currency of the Municipalities. The accounting policies have been applied starting the year 2015.

Note 3. Summary of Significant Accounting Policies

3.1 Basis of accounting

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

3.2 Revenue recognition

Revenue from non-exchange transactions

Taxes, fees, and fines

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

Transfers from other government entities

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

Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the LGU.

Interest income

Interest income is recorded based on the actual interest net of withholding tax as indicated in the bank statements.

Rental income

Rental income is income generated by Lalimar Resort, which is under an operating lease from private individuals.

3.3 Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

3.4 Property, plant, and equipment

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

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

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

Leased assets may consist of vehicles and machinery. The assets' residual values and useful lives are reviewed and adjusted prospectively, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount. The Municipality derecognizes PPE items 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 from the asset's derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

Public 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 (2015), the LGUs did not recognize the Public Infrastructure in the books of accounts.

3.5 Impairment of non-financial assets

Impairment of cash-generating assets

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

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

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

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

Impairment of non-cash-generating assets

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

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

In assessing value in use, the LGU adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated based on such cost, to reflect the already consumed or expired service potential of the asset. In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used.

If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the LGU determines fair value less cost to sell based on the best available information.

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

3.6 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The LGU determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the LGU commits to purchase or sell the asset.

The LGU's financial assets include: cash and short-term deposits; trade and other receivables; loans and other receivables; and quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus and deficit. Financial assets are classified as held for trading if they are acquired to sell or repurchase in the near term. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with changes in fair value recognized in surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the LGU has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Derecognition

The LGU derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when:

- (a) The rights to receive cash flows from the asset have expired or are waived; and
- (b) The LGU has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the LGUs have transferred substantially all the risks and rewards of the asset; or (b) the LGUs have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The LGU assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- (a) The debtors or a group of debtors are experiencing significant financial difficulty;
- (b) Default or delinquency in interest or principal payments;
- (c) The probability that debtors will enter bankruptcy or other financial reorganization; and
- (d) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults).

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the LGU first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the LGU determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Loans and borrowings

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

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

Derecognition

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

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

Offsetting of financial instruments

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

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

3.7 Cash and cash equivalents

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

3.8 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of LGU operations.

3.9 Provisions

Provisions are recognized when the LGU has a present obligation (legal or constructive) because of a past event, an outflow of resources embodying economic benefits or service potential will probably be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the LGU expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Rehabilitation liability

Rehabilitation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current rate that reflects the risks specific to the rehabilitation liability. The unwinding of the discount is expensed as incurred and recognized in the statement of financial performance as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or the discount rate applied are added to or deducted from the cost of the asset.

3.10 Changes in accounting policies and estimates

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

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

3.11 Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further, borrowing costs are charged to the statement of financial performance.

3.12 Related parties

The LGU regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the LGU, or vice versa. Members of key management are regarded as related parties and comprise the Mayor and Vice-Mayor, Sanggunian Members, Committee Officials and Members, Accountant, Treasurer, Budget Officer, and all Chiefs of Departments/Divisions.

3.13 Budget information

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

3.14 Significant judgments and sources of estimation uncertainty

Judgments

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

Operating lease commitments – LGU as lessor

The LGU has entered into property leases for certain of its properties. The LGU has determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts as operating leases.

Estimates and assumptions

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

Useful lives and residual values

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

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

Impairment of non-financial assets – cash-generating assets

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

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

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

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

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

Fair value estimation – financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Held-to-maturity investments and loans and receivables

The LGU assesses its loans and receivables (including trade receivables) and its held-to-maturity investments at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the LGU evaluates the indicators present in the market to determine if those indicators are indicative of impairment in its loans and receivables or held-to-maturity investments. Where specific impairments have not been identified the impairment for trade receivables, held-to-maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

3.15 Impairment Loss

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

3.16 Financial instruments - financial risk management

Exposure to currency, commodity, interest rate, liquidity, and credit risks arises in the normal course of the LGU's operations. This note presents information about the LGU's exposure to each of the mentioned risks, policies, and processes for measuring and managing risk, and the LGU's management of capital. Further quantitative disclosures are included throughout these financial statements. The fair values set out below are a comparison by class of the carrying amounts and fair value of the LGU's financial instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The following methods and assumptions were used to estimate the fair values:

- (a) Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- (b) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the LGU based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the incurred losses of these receivables and market-related interest rates. As at 31 December 2022, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values;
- (c) Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities;

- (d) Fair value of financial assets is derived from quoted market prices in active markets, if available;
- (e) Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques.

Fair value hierarchy

The LGU uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices);
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Credit risk

Credit risk is the risk of financial loss to the LGU if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the LGU's investments, loans, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

Credit quality is assessed risk of default attached to counterparties to which the LGU extends credit and also those parties with whom the LGU invests. As such, the credit quality assessed extends to the customers, investments, and banks servicing the LGU.

For financial statement purposes, the investments and balances with banks are limited to the investments, loans receivable, and cash and cash equivalents line items in the statement of financial position. The LGU follows Department Order No. 27-05 of the Department of Finance (DOF) in the maintenance of depository accounts. It also determines the credit quality of investments and banks using information obtained from external rating agencies.

The customer base of the LGU is diverse and consists of individuals, companies, non-profit organizations, and government entities. Credit ratings, from external rating agencies, are not readily available for all customers. Also, it is not financially viable to obtain external credit ratings for all customers due to the nature of the customer base. Furthermore, the LGUs are mandated under Republic Act No. 7160 or the Local Government Code to provide basic services to all their constituents irrespective of their financial standing. As such, the LGUs are required, by legislation, to extend services and extended payment terms to all customers irrespective of their financial standing. To determine the credit quality of customers, the LGUs apply their past experience with customers in determining the risk of default posed by customers. In line with the methodology applied, customers are classified into the following credit quality groups:

- (a) High - Those customers who have no history of defaulting on payments to the LGU and only include customers who settle their accounts in full and within the prescribed minimum period;

- (b) Medium - Those customers with a history of late payments only. These customers usually arrange ahead of time with the LGU in settling balances in arrears, and when payments are made, the outstanding amounts (including interest) are settled in full; and
- (c) Low - Those customers with a significant history of defaults. The balances of these customers are rarely settled in full. The recovery of outstanding balances from these customers is problematic.

Investments

The LGU limits its exposure to credit risk by investing with only reputable financial institutions that have a sound credit rating (rated BB and above), which are within the specific guidelines set in accordance with the LGU's Finance Committee and the Sanggunian-approved investment policy. Consequently, the LGU does not consider there to be any significant exposure to credit risk.

Receivables

Receivables are amounts owed by consumers and are presented net of impairment losses. The LGU has a credit risk policy in place, and the exposure to credit risk is monitored on an ongoing basis. The LGU is compelled, by its constitutional mandate, to provide all of its residents with basic minimum services, without recourse to an assessment of creditworthiness. There were no material changes in the exposure to credit risk and its objectives, policies, and processes for managing and measuring the risk during the year under review.

The LGU's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance. The LGU has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographic area.

The LGU establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables.

The average credit period on services rendered is 30 days from date of invoice. Interest is raised at the three-month government bond rate plus 1% on any unpaid accounts after the due date. The LGU provided fully for all receivables outstanding over 365 days where there was no evidence of expected recovery. Receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

Cash and cash equivalents

The LGU limits its exposure to credit risk by investing cash and cash equivalents with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with the Sanggunian's approved investment policy. Consequently, the LGU does not consider there to be any significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk of the LGU not being able to meet its obligations as they fall due. The LGU's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the LGU's reputation.

The LGU ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

Capital management

The primary objective of managing the LGU's capital is to ensure that there is sufficient cash available to support the LGU's funding requirements, including capital expenditure, to ensure that the LGU remains financially sound. The LGU monitors capital using a gearing ratio, which is net debt, divided by total capital, plus net debt. In a capital intensive industry, a gearing ratio of 54.5% or less can be considered reasonable. Included in net debt are interest-bearing loans and borrowings, payables, less investments.

Currency risk

The LGU is exposed to foreign-currency risk through the importation of goods and services, either directly or indirectly, through the award of contracts to local importers. The LGU manages any material direct exposure to foreign-currency risk by entering into forward exchange contracts. The LGU manages its indirect exposure by requiring the local importer to take out a forward exchange contract at the time of procurement, in order to predetermine the peso value of the contracted goods or services. The LGU is not a direct party to any outstanding forward exchange contracts at the reporting date. The movement in the currency was not material to the LGU's procurement.

Market risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the LGU's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.

Note 4. Cash and Cash Equivalents

This account is composed of the following:

	2024	2023
Cash on Hand		
Cash in Local Treasury	₱ 201,736.33	₱ 563,948.79
Petty Cash	0.00	0.00
Cash in Banks - Local Currency		
Cash in Banks - Local Currency, Current Account	115,219,572.47	121,597,220.29
Total Cash and Cash Equivalents	₱ 115,421,308.80	₱ 122,161,169.08

Cash in banks earns interest based on the prevailing bank deposit rates. Cash in Bank –Local Currency Current account includes balances of closed bank accounts at PNB and LBP Guihulngan, which could not be closed per book due to unreconciled prior years’ differences, which include the following:

Bank	Account	Amount	Fund	Remarks
PNB	4296-9550-0017	₱ (65,214.60)	General Fund	LALIMAR
PNB	2890-9780-0027	385,553.89	General Fund	
LBP	0912-1085-11	400,213.69	General Fund	
PNB	2890-9780-0043	5,345,132.12	Trust Fund	
PNB	2890-9780-0051	(18,751,816.90)	Trust Fund	
LBP	09-12-060-63	99,297.12	Trust Fund	CBRM
LBP	0292-1060-17	1,180,998.60	Trust Fund	SEDIP
		₱ (11,405,836.08)		

Cash in Local Treasury account is still subject to reconciliation.

Note 5. Receivables, Net

This account is composed of the following:

Current Receivables, Net

Loans and Receivable Accounts	2024	2023
Real Property Tax Receivable	₱ 9,388,284.96	₱ 7,145,070.26
<i>Allowance for Impairment - RPT Receivable</i>	0.00	0.00
Special Education Tax Receivable	9,115,656.14	6,840,243.15
<i>Allowance for Impairment - SET Receivable</i>	0.00	0.00
Loans Receivables-Others	18,564.00	18,564.00
<i>Allowance for Impairment - Loans Receivable-Others</i>	0.00	0.00
Interest Receivable	0.00	0.00
Inter-Agency Receivables		
Due from NGAs	319,724.09	319,724.09
<i>Allowance for Impairment - Due from NGAs</i>	0.00	0.00
Due from GOCCs	0.00	0.00
<i>Allowance for Impairment - Due from GOCCs</i>	0.00	0.00
Due from LGUs	257,678.58	257,678.58
<i>Allowance for Impairment - Due from LGUs</i>	0.00	0.00
Intra-Agency Receivables		
Due from Other Funds	2,941,600.96	2,661,965.07
<i>Elimination of Reciprocal Account</i>	(2,941,600.96)	0.00
Advances		
Advances for Operating Expenses	116,773.00	126,773.00
Advances for Payroll	15,580,410.93	39,600.00
Advances to Officers and Employees	59,809.00	14,018.00

	2024	2023
Other Receivables		
Receivables - Disallowances/Charges	15,173.40	15,173.40
<i>Allowance for Impairment - Receivables- Disallowances/Charges</i>	0.00	0.00
Due from Officers and Employees	8,214,239.08	8,214,239.08
Other Receivables	680,442.24	680,442.24
<i>Allowance for Impairment - Other Receivables</i>	0.00	0.00
Total Current Receivables, Net	₱ 43,766,755.42	₱ 26,333,490.87

Due from Officers and Employees is the balance of receivable from the Municipal Treasurer Elenita Caballero for unsubmitted vouchers set up in 2009, 2010, 2011, 2012, and 2013.

Note 6. Inventories

This account is composed of the following:

Inventory Held for Distribution		
Agricultural Produce for Distribution	₱ 8,500.00	₱ 0.00
Inventory Held for Consumption		
Office Supplies Inventory	0.02	0.02
Accountable Forms, Plates, and Stickers	324,208.02	324,208.02
Drugs and Medicines Inventory	0.15	0.15
Medical, Dental, and Laboratory Supplies Inventory	155,454.60	54,654.60
Construction Materials Inventory	1,405,135.00	1,405,135.00
Other Supplies and Materials Inventory	1,119,949.61	1,020,949.61
Total Inventories	₱ 3,013,247.40	₱ 2,804,947.40

At December 31, 2024, ₱ 3,013,247.40 of total inventory was carried at cost.

No inventory items were pledged as security during the current or prior financial year.

Note 7. Property, Plant, and Equipment, Net

This account is composed of the following:

	2024	2023
Land	₱ 50,802,566.41	₱ 40,802,566.41
Road Networks	13,165,828.64	19,085,061.72
Water Supply Systems	13,819,707.58	18,996,553.14
Power Supply Systems	176,668.38	185,455.88
Other Infrastructure Assets	3,479,429.23	4,081,865.06
Buildings	8,118,086.77	9,460,793.78
School Buildings	804,222.79	986,155.22
Hospitals and Health Centers	10,215,259.26	14,049,615.62
Markets	3,845,881.22	4,598,537.08
Other Structures	9,148,125.31	11,485,525.41
Office Equipment	314,763.50	382,451.47
Information and Communication Technology Equipment	1,416,017.13	1,711,859.62
Agricultural and Forestry Equipment	1,785,000.00	2,450,000.00
Communication Equipment	164,988.40	193,488.40
Construction and Heavy Equipment	11,303,953.88	14,781,136.31
Disaster Response and Rescue Equipment	47,171.45	80,737.99
Medical Equipment	2,429,924.65	4,246,655.25
Other Machinery and Equipment	2,056,585.02	2,736,639.40
Motor Vehicles	₱ 25,995,322.39	₱ 32,150,535.29
Furniture and Fixtures	255,143.36	330,678.62
Construction in Progress - Land Improvements	104,728.40	104,728.40
Construction in Progress - Infrastructure Assets	201,097,358.48	190,250,701.21
Construction in Progress - Buildings and Other Structures	40,583,352.21	39,681,770.40
Work/Zoo Animals	45,500.00	45,500.00
Other Property, Plant, and Equipment	13,744.85	61,555.96
Total Property, Plant, and Equipment, net	₱ 401,189,329.31	₱ 412,940,567.64

The LGU measured the residual value of all items of property, plant, and equipment, but does not expect a residual value of these assets, because these will be utilized for their entire economic lives and do not have a significant scrap value. During the current financial year, the LGU reviewed the estimated useful lives and residual values of property, plant, and equipment, where appropriate.

The LGU has a total of __ kilometers of roads with a total cost of Php13,165,829. For the year ended, the agency spent a total of Php180,540 for major. Reductions in the amount of Php82,400 were recorded due to derecognition.

Note 8. Biological Assets

This account is composed of the following:

	2024	2023
Bearer Biological Assets		
Breeding Stocks	₱ 457,500.00	₱ 457,500.00
Total Bearer Biological Assets	₱ 457,500.00	₱ 457,500.00

The above balances are stated in net recoverable value. Write-downs were treated as an expense in the current year.

Note 9. Financial Liabilities

This account is composed of the following:

Current Financial Liabilities

Payables		
Accounts Payable	₱ 5,976,056.73	₱ 27,324,690.88
Due to Officers and Employees	760,537.41	450,970.55
Total Financial Liabilities	₱ 6,736,594.14	₱ 27,775,661.43

Trade Payables are non-interest-bearing and are normally settled on 60-day terms. Other payables are non-interest-bearing and have an average term of six months. Interest payable is normally settled quarterly throughout the financial year.

The Accounts Payable account includes amounts accrued at December 31, 2024.

Note 10. Inter-Agency Payables

This account is composed of the following:

Due to BIR	₱ 279,346.58	₱ 445,375.75
Due to GSIS	1,597,840.30	5,940.06
Due to PAG-IBIG	89,151.76	21,157.90
Due to PHILHEALTH	777,284.76	1,129,267.75
Due to NGAs	96,344,176.38	77,988,594.15
Due to LGUs	4,258,932.55	8,471,998.12
Total Inter-Agency Payables	₱ 103,346,732.33	₱ 88,062,333.73

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

Note 11. Intra–Agency Payables

This account is composed of the following:

	2024	2023
Due to Other Funds	₱ 3,541,521.45	₱ 9,920,760.43
<i>Elimination of Reciprocal Account</i>	(2,941,600.96)	0.00
Total Intra-Agency Payables	₱ 599,920.49	₱ 9,920,760.43

Note 12. Trust Liabilities

This account is composed of the following:

Trust Liabilities	₱ 1,072,035.65	₱ 1,589,240.45
Trust Liabilities - Disaster Risk Reduction and Management Fund	27,905,505.11	19,758,193.62
Guaranty/Security Deposits Payable	1,701,142.75	2,222,128.55
Total Trust Liabilities	₱ 30,678,683.51	₱ 23,569,562.62

Note 13. Deferred Credits/Unearned Income

This account is composed of the following:

Current Deferred Credits/Unearned Income

Deferred Real Property Tax	₱ 10,992,923.96	₱ 7,145,070.26
Deferred Special Education Tax	7,489,447.49	6,839,822.60
Other Deferred Credits	0.00	22,213.92
Total Deferred Credits/Unearned Income	₱ 18,482,371.45	₱ 14,007,106.78

Note 14. Other Payables

This account is composed of the following:

Current

Other Payables	₱ 7,249,795.92	₱ 11,585,343.25
Total Other Payables	₱ 7,249,795.92	₱ 11,585,343.25

Note 15. Tax Revenue

This account is composed of the following:

	2024	2023
Tax Revenue - Individual and Corporation		
Community Tax	₱ 219,448.61	₱ 226,552.70
Tax Revenue - Property		
Real Property Tax- Basic	363,272.02	369,113.27
Discount on Real Property Tax- Basic	(34,894.87)	(27,333.93)
Special Education Tax	476,053.39	455,414.49
Discount on Special Education Tax	(39,217.72)	(36,602.28)
Tax Revenue - Goods and Services		
Tax on Sand, Gravel, and Other Quarry Products	13,200.00	0.00
Amusement Tax	116,603.50	114,602.50
Franchise Tax	6,000.00	5,000.00
Tax Revenue - Fines and Penalties		
Tax Revenue - Fines and Penalties - Property Taxes	318,628.19	374,403.68
Total Tax Revenue	₱ 1,439,093.12	₱ 1,481,150.43

Note 16. Share from National Taxes

This account is composed of the following:

Share from Internal Revenue Collections (IRA)	₱ 178,830,803.00	₱ 168,293,697.00
Total Share from National Taxes	₱ 178,830,803.00	₱ 168,293,697.00

Note 17. Service and Business Income

This account is composed of the following:

	2024	2023
Service Income		
Permit Fees	₱ 1,366,203.64	₱ 1,281,073.84
Registration Fees	143,990.00	172,180.00
Clearance and Certification Fees	44,800.00	47,230.00
Supervision and Regulation Enforcement Fees	22,700.00	67,280.00
Occupation Fees	1,058.84	0.00
Fees for Sealing & Licensing of Weights & Measures	98,630.00	100,970.00
Fines and Penalties - Service Income	236,347.08	405,263.39
Other Service Income	428,679.00	447,131.00
Business Income		
Rent Income	4,569,233.29	5,256,598.36
Waterworks System Fees	2,356,351.36	2,709,117.88
Parking Fees	0.00	23,820.00
Receipt from Market Operations	1,601,700.04	1,333,083.00
Receipt from Cemetery Operations	12,020.00	12,380.00
Sales Revenue	19,430.00	17,115.00
Garbage Fees	1,125.00	8,840.00
Hospital Fees	36,730.00	32,420.00
Interest Income	16,354.04	313,095.34
Other Business Income	76.00	0.00
Total Service and Business Income	₱ 10,955,428.29	₱ 12,227,597.81

Note 18. Shares, Grants, and Donations

Grants and Donations in Cash	₱ 1,988,777.00	₱ 0.00
Total Shares, Grants, and Donations	₱ 1,988,777.00	₱ 0.00

Note 19. Personnel Services

This account is composed of the following:

	2024	2023
Salaries and Wages		
Salaries and Wages - Regular	₱ 30,097,342.56	₱ 28,632,893.09
Salaries and Wages - Casual/Contractual	5,835,379.50	6,522,650.74
Other Compensation		
Personal Economic Relief Allowance (PERA)	2,548,272.77	2,612,909.11
Representation Allowance (RA)	1,650,800.00	1,449,000.00
Transportation Allowance (TA)	1,639,200.00	1,449,000.00
Clothing/Uniform Allowance	741,000.00	654,000.00
Subsistence Allowance	288,614.00	276,863.88
Laundry Allowance	28,861.00	27,586.12
Productivity Incentive Allowance	0.00	530,000.00
Hazard Pay	206,500.00	199,326.46
Overtime and Night Pay	2,572,992.36	2,871,300.63
Year-End Bonus	5,978,495.92	5,864,189.89
Cash Gift	519,000.00	530,000.00
Other Bonuses and Allowances	0.00	2,124,000.00
Personnel Benefits Contributions		
Retirement and Life Insurance Premiums	4,073,496.09	3,989,294.48
Pag-IBIG Contributions	149,136.55	76,804.41
PhilHealth Contributions	916,257.07	715,354.12
Employees' Compensation Insurance Premiums	115,968.65	118,413.50
Other Personnel Benefits		
Terminal Leave Benefits	711,767.30	554,858.45
Total Personnel Services	₱ 58,073,083.77	₱ 59,198,444.88

These includes the payment for services rendered by government employees occupying regular plantilla positions, allowances granted to government personnel, payment given to professionals for services in recognition of their expertise, and extra compensation paid to government employees who are authorized to work for more than the normal 40 hours in one work week, the amount granted annually to government officials and employees as authorized by the law, government's share in the premium contributions to GSIS, PAG-IBIG, PHILHEALTH, the money value of the accumulated leave credits of government officials and employees.

Note 20. Maintenance and Other Operating Expenses (MOOE)

This account is composed of the following:

	2024	2023
Traveling Expenses		
Traveling Expenses - Local	₱ 2,832,875.36	₱ 2,805,783.93
Training and Scholarship Expenses		
Training Expenses	186,011.00	695,376.00
Supplies and Material Expenses		
Office Supplies Expenses	1,489,688.08	4,710,642.40
Accountable Forms Expenses	432,845.00	351,113.50
Animal/Zoological Supplies Expenses	187,450.00	16,000.00
Welfare Goods	974,960.00	11,160,323.25
Drugs and Medicines Expenses	5,185,464.08	9,025,271.96
Medical, Dental, and Laboratory Supplies Expenses	4,217,363.91	5,521,654.05
Fuel, Oil, and Lubricants Expenses	6,255,841.31	7,795,953.73
Agricultural and Marine Supplies Expenses	239,200.00	2,602,806.36
Other Supplies and Materials Expenses	4,909,307.19	22,730,100.28
Utility Expenses		
Electricity Expenses	3,112,019.54	3,424,927.86
Communication Expenses		
Postage and Courier Services	564.00	104,028.87
Telephone Expenses	250,056.65	298,213.34
Internet Subscription Expenses	953,110.23	673,063.36
Awards/Rewards and Prizes		
Awards/Rewards Expenses	0.00	56,500.00
Survey, Research, Exploration, and Development Expenses		
Survey Expenses	15,000.00	75,000.00
Professional Services		
Legal Services	13,800.00	7,700.00
Other Professional Services	8,059,274.58	6,882,615.87
General Services		
Environment/Sanitary Services	512,521.44	1,253,420.61
Janitorial Services	1,097,907.00	832,889.91
Other General Services	27,594,977.07	31,622,026.62
Repairs and Maintenance -		
Infrastructure Assets	283,389.50	170,953.06
Buildings and Other Structures	167,810.00	100,315.94
Machinery and Equipment	260,283.48	195,467.19
Transportation Equipment	2,042,598.36	2,819,111.00

	2024	2023
Furniture and Fixtures	6,316.00	0.00
Leased Assets Improvements	8,000.00	271,200.00
Leased Assets	450.00	0.00
Taxes, Insurance Premiums, and Other Fees		
Taxes, Duties, and Licenses	30,200.00	0.00
Fidelity Bond Premiums	5,250.00	5,850.00
Insurance Expenses	5,520.20	57,450.00
Other Maintenance and Operating Expenses		
Advertising Expenses	0.00	10,000.00
Membership Dues and Contributions to Organizations	0.00	71,000.00
Donations	10,144,270.00	16,325,629.00
Other Maintenance and Operating Expenses	11,275,428.24	21,130,381.74
Total Maintenance and Other Operating Expenses	₱ 92,749,752.22	₱ 153,802,769.83

Other Professional Services amount is composed of the compensation given to the various teacher aids in the municipality, compensation of personnel under contract of service (Medical Doctors, Accountant, and Music Band Instructor, etc.), and monthly assistance/subsidy given to the Trial Court Judges.

Donations are the different assistance given to individuals in crisis situations in 2023, both within and outside the municipality.

Note 21. Non-Cash Expenses

This account is composed of the following:

Depreciation -		
Infrastructure Assets	₱ 2,650,177.33	₱ 1,149,933.20
Buildings and Other Structures	3,238,255.02	2,306,009.89
Machinery and Equipment	4,847,897.74	5,009,362.57
Transportation Equipment	8,143,989.90	7,192,514.40
Furniture, Fixtures, and Books	75,535.26	75,535.26
Other Property, Plant, and Equipment	47,811.11	198,924.14
Total Non-Cash Expenses	₱ 19,003,666.36	₱ 15,932,279.46

Note 22. Transfers, Assistance, and Subsidy From

This account is composed of the following:

	2024	2023
Assistance and Subsidy from		
Subsidy from Other Funds	₱ 10,100.00	₱ 0.00
Transfers from		
Transfers from the General Fund of Unspent DRRMF	985,724.21	0.00
Total Transfers, Assistance, and Subsidy to	₱ 995,824.21	₱ 0.00

Note 23. Transfers, Assistance, and Subsidy To

This account is composed of the following:

Transfers to		
Transfers of Unspent Current Year DRRM Funds to the Trust Funds	₱ 2,382,676.49	₱ 6,750,359.21
Transfer for Project Equity Share/LGU Counterpart	0.00	3,141,798.00
Total Transfers, Assistance, and Subsidy to	₱ 2,382,676.49	₱ 9,892,157.21

Note 24. Other Non-Operating Income

This account is composed of the following:

Miscellaneous Income		
Miscellaneous Income	₱ 370,879.40	₱ 571,706.46
Other Non-Operating Income	₱ 370,879.40	₱ 571,706.46

Miscellaneous income includes sales of produce generated from the various lots purchased by the municipality, tractor rentals, bid documents etc.

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 unutilized from both Quick Response and Mitigation Fund for the year 2024 is as follows:

Particulars	LDRRM Fund		NDRRM Fund	From Other LGUs	From Other Sources	Total
	Quick Response Fund (QRF) 30%	Mitigation Fund 70%				
CY 2024						
A. Sources of Funds						
Current Appropriations	2,853,139.46	6,657,325.39	-	-	-	9,510,464.85
Previous Years' Appropriations Transferred to the Special Trust Fund						
2019	-	3,752,519.57	-	-	-	3,752,519.57
2020	-	4,799,598.63	-	-	-	4,799,598.63
2021	-	2,477,536.53	-	-	-	2,477,536.53
2022	3,053,299.13	4,689,515.55	-	-	-	7,742,814.68
2023	2,665,172.11	4,085,187.10	-	-	-	6,750,359.21
Transfer/Grants	-	-	-	-	3,819,016.00	3,819,016.00
Total Funds Available	8,571,610.70	26,461,682.77	-	-	3,819,016.00	38,852,309.47
B. Utilization						
Medicines	1,008,690.75	4,752,671.67	-	-	-	5,761,362.42
Honorarium of Volunteers	-	975,000.19	-	-	-	975,000.19
Equipment & Supplies	-	391,425.75	-	-	-	391,425.75
Total Utilization	1,008,690.75	6,119,097.61	-	-	-	7,127,788.36
Unutilized Balance	7,562,919.95	20,342,585.16	-	-	3,819,016.00	31,724,521.11
CY 2023						
A. Sources of Funds						
Current Appropriations	2,665,172.11	6,218,734.94				8,883,907.05
Previous Years' Appropriations Transferred to the Special Trust Fund						
2018	-	985,724.11				985,724.11
2019	-	3,752,519.57				3,752,519.57
2020	-	4,799,598.63				4,799,598.63
2021	-	2,477,536.53				2,477,536.53
2022	3,053,299.13	4,689,515.55				7,742,814.68
Transfer/Grants	-	-			3,819,016.00	3,819,016.00
Total Funds Available	5,718,471.24	22,923,629.33	-	-	3,819,016.00	32,461,116.57
B. Utilization						
Medicines		78,432.50				78,432.50
Honorarium of Volunteers		1,121,719.99				1,121,719.99
Training		236,482.00				236,482.00
Equipment & Supplies		696,913.25				696,913.25
Total Utilization	-	2,133,547.74	-	-	-	2,133,547.74
Unutilized Balance	5,718,471.24	20,790,081.59	-	-	3,819,016.00	30,327,568.83

Note 26. 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	Personal Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlay
Comparison Statement of Budget and Actual	15,953,465.47	58,267,603.93	88,997,927.63	-	29,995,104.38
Entity Differences					
Basis Differences:	6,418,160.71	(194,520.16)	3,751,824.59	-	(6,280,868.30)
Income/Expense not considered budgetary items	15,254,286.26	-	-	-	-
Non-cash income	19,003,666.36		-		
Interest income on deposits					
Gain on Sale of Assets					
Discount on Real Property Tax					
Losses					
Transfers/Assistance and Subsidy	(3,378,500.70)				
Income/Expense from Trust Fund /(Miscellaneous income)	(370,879.40)				
Receipts not considered as income	-	-	-	-	-
Sale of capital assets					
Borrowings					
Budgetary items not considered as expenses	-	(194,520.16)	-	-	(2,529,043.71)
Debt Service (Loan Amortization, Retirement of Debt Instruments)					
Interest Expenses capitalized					
Capital Expenditures					
Capital Outlay Recognized thru Payroll liquidation		(194,520.16)			(2,529,043.71)
Budgetary adjustments (cancelled checks & other adjustments)					
Timing Differences:	(8,836,125.55)	-	3,751,824.59	-	(3,751,824.59)
Prepayments charged to current appropriations					
Incurred/Used prepayments					
Unconsumed Inventories charged to current appropriations					
Consumed Inventories and deferred charges					
Unliquidated Advances and Prepayments					
Commitments (Obligated but not delivered/billed)					
CAPEX Obligated but accrued at year end					
Other Adjustments (Erroneous entry and etc.)	(8,836,125.55)	-	3,751,824.59	-	(3,751,824.59)
Per Statement of Financial Performance	22,371,626.18	58,073,083.77	92,749,752.22	-	23,714,236.08

PART II

**AUDIT OBSERVATIONS AND
RECOMMENDATIONS**

AUDIT OBSERVATIONS AND RECOMMENDATIONS

A. FINANCIAL AUDIT

Property, Plant, and Equipment (PPE)

1. **The Municipality of La Libertad 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 PPE, thus affecting the fairness of presentation of the PPE accounts amounting to ₱401,189,329.31 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 ₱401,189,329.31, as follows:

Account	Cost	Accumulated Depreciation	Net Book Value
Immovable Properties			
Land	₱ 50,802,566.41	₱ 0.00	₱ 50,802,566.41
Infrastructure Assets	47,193,840.13	16,552,206.30	30,641,633.83
Buildings and Other Structures	59,012,491.41	26,880,916.06	32,131,575.35
Construction in Progress	241,785,439.09	0.00	241,785,439.09
Subtotal – Immovable Properties	₱398,794,337.04	₱ 43,433,122.36	₱355,361,214.68
Movable Properties			
Machinery and Equipment	₱ 48,245,682.91	₱ 28,727,278.88	₱ 19,518,404.03
Transportation Equipment	70,000,300.38	44,004,977.99	25,995,322.39
Furniture, Fixtures, and Books	611,566.73	356,423.37	255,143.36
Other Property, Plant, and Equipment	1,701,401.63	1,642,156.78	59,244.85
Subtotal – Movable Properties	₱120,558,951.65	₱ 74,730,837.02	₱ 45,828,114.63
Total PPE	₱519,353,288.69	₱ 118,163,959.38	₱401,189,329.31

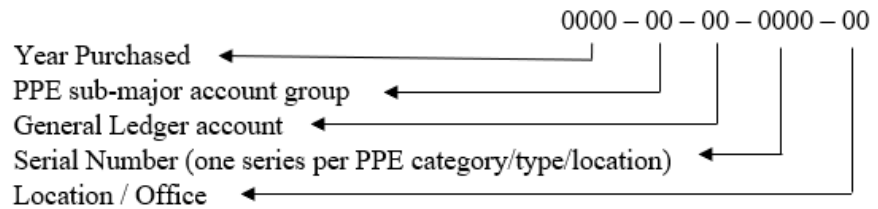
1.3. Our review of the local government unit’s (LGU’s) compliance with the said circular revealed the following points that need to be addressed:

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. On April 10, 2025, we issued an Audit Query to Management on their compliance with the required physical count. In response, 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 a phone inquiry, the Acting Municipal Treasurer mentioned that no Office Order was issued to reconstitute the Inventory Committee, which would focus on and carry out the physical count of all PPEs. He added that although the Municipality previously had an Inventory Committee, the Office Order creating it could no longer be located, and its members comprising the committee could not be recalled.
- 1.3.1.4. The inability to verify the existence of PPE and the accuracy of book balances totaling ₱401,189,329.31 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, the Acting Municipal Treasurer also confirmed that 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-reconstitution 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 that the Municipal Mayor issue an Office Order reconstituting 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/reconstituted, 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;**³
 - 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.**
- 1.7. **During the exit conference, Management acknowledged that the inventory count of its properties had been a longstanding deficiency of the Municipality. To facilitate the issuance of an Office Order reconstituting the Inventory Committee, the department heads present agreed to draft the proposed composition of the committee for the Municipal Mayor's approval.**

Local Road Network (LRN)

2. The accuracy and reliability of the LRN account totaling ₱13,165,828.64 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.

2.1. COA Circular No. 2015-008 dated November 23, 2015, prescribes the accounting and reporting guidelines on the local roads asset management system for a fair presentation of the account Infrastructure Assets in the financial statements.

2.2. The circular covers the accounting guidelines for local road and road network systems on initial recognition, subsequent measurement, and derecognition to ensure that all roads are properly valued and recorded.

2.3. Our review of the financial statements as of December 31, 2024, disclosed that the Road Networks account with a net book value of ₱13,165,828.64 showed the following deficiencies, which were inconsistent with the subject circular:

2.3.1. Non-conduct of inventory of local roads and non-preparation of Report on the Physical Count of the Road Network (RPCLR N)

2.3.1.1. 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 RPCLR N to be submitted to the Auditor concerned and Accounting Division/Unit not later than January 31 of each year.

2.3.1.2. In a phone interview, the Acting Municipal Treasurer confirmed that no physical count of local roads had been conducted due to the absence of a reconstituted Inventory Committee to carry out the task. He added that although the Municipality previously had an Inventory Committee, the Office Order creating it could no longer be located, and its members comprising the said committee could not be recalled.

2.3.1.3. Management's response to the Audit Query dated April 10, 2025, also confirmed that a physical count of the local roads had not been conducted.

2.3.1.4. Consequently, no RPCLR N 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.

2.3.2. Non-segregation of the costs of road components of local roads in the books of accounts

2.3.2.1. 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.

2.3.2.2. 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.

2.3.2.3. 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.”

2.3.2.4. Our review of the PPE Schedule submitted by the Municipal Accountant showed only the total cost of each road network. The road asset components' breakdown and corresponding costs were neither identified nor reflected in the books.

2.3.2.5. 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.

2.3.2.6. 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.

2.3.2.7. 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.

2.3.3. Incomplete disclosure of the total road network system in the Notes to Financial Statements

2.3.3.1. Item IV.2 of the Circular states that the total road network system shall be disclosed in the agency's Notes to Financial Statements. 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.”

2.3.3.2. However, contrary to the above requirement, our review of the Notes to Financial Statements for CY 2024 found no disclosure of the total kilometers comprising the Municipality’s Road Network account. This omission limits the FS users from being adequately informed of the nature and scope of the Road Network account.

- 2.4. 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.
- 2.5. 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 financial statements of the Municipality.
- 2.6. **We reiterated our recommendation that the Local Chief Executive create an Inventory Committee to focus on the physical count of local roads and enjoin 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.**
- 2.7. **We further recommended and the Municipal Engineer agreed to provide the Municipal Accountant and the Municipal Treasurer with a complete description and segregation of road components for road projects.**
- 2.8. **We furthermore recommended and the Municipal Accountant agreed to disclose the total road network system in the Notes to Financial Statements.**
- 2.9. During the exit conference, Management acknowledged that this had been a longstanding deficiency of the Municipality. To facilitate the issuance of an Office Order reconstituting the Inventory Committee, the department heads present agreed to draft the proposed composition of the committee for the Municipal Mayor’s approval.

Inventory Accounts

3. The existence, validity, and correctness of the Inventory accounts totaling **₱3,013,247.40** 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.

3.1. As of December 31, 2024, the financial statements showed an Inventory account balance of **₱3,013,247.40**, which consisted of the following:

Account	Amount
Inventory Held for Distribution	
Agricultural Produce for Distribution	₱ 8,500.00
Inventory Held for Consumption	
Office Supplies Inventory	0.02
Accountable Forms, Plates, and Stickers	324,208.02
Drugs and Medicines Inventory	0.15
Medical, Dental, and Laboratory Supplies Inventory	155,454.60
Construction Materials Inventory	1,405,135.00
Other Supplies and Materials Inventory	1,119,949.61
Total	₱ 3,013,247.40

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

3.2.1. Non-conduct of year-end physical count

3.2.1.1. Section 124, Volume I, of the Manual on the New Government Accounting System (NGAS) for 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.

3.2.1.2. However, in a phone inquiry, the Acting Municipal Treasurer disclosed that no Office Order was issued to reconstitute the Inventory Committee, which would carry out the physical count of its inventories. He added that although the Municipality previously had an Inventory Committee, the Office Order creating it could no longer be located, and its members comprising the said committee could not be recalled. Hence, verification of the above amounts could not be performed, affecting the existence and correctness of the inventory accounts in the financial statements.

3.2.2. Non-compliance with the Perpetual Inventory Method

3.2.2.1. 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.

3.2.2.2. 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. In addition, detailed inventory records must be kept for each inventory item.

3.2.2.3. Our analysis of the year-end balances of the inventory accounts disclosed that out of the ₱3,013,247.40 balance at year-end, ₱1,729,343.19 were carried over from CY 2023 ending balances, broken down as follows:

Account	Amount
Office Supplies Inventory	₱ 0.02
Accountable Forms, Plates, and Stickers	324,208.02
Drugs and Medicines Inventory	0.15
Construction Materials Inventory	1,405,135.00
Total	₱ 1,729,343.19

3.2.2.4. 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.

3.2.2.5. 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 ₱23,892,119.57 in CY 2024, which consists of the following:

Account	Amount
Office Supplies Expenses	₱ 1,489,688.08
Accountable Forms Expenses	432,845.00
Animal/Zoological Supplies Expenses	187,450.00

Account	Amount
Welfare Goods	974,960.00
Drugs and Medicines Expenses	5,185,464.08
Medical, Dental, and Laboratory Supplies Expenses	4,217,363.91
Fuel, Oil, and Lubricants Expenses	6,255,841.31
Agricultural and Marine Supplies Expenses	239,200.00
Other Supplies and Materials Expenses	4,909,307.19
Total	₱ 23,892,119.57

3.2.2.6. 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 financial statements. Inaccuracy of the amounts would affect and misrepresent the Municipality's financial report.

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

3.2.3.1. 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).”

3.2.3.2. 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
Office Supplies for Inventory	₱ 0.02	2024, 2023, 2022
Accountable Forms, Plates, and Stickers	324,208.02	2024, 2023, 2022
Drugs and Medicines Inventory	0.15	2024, 2023, 2022
Construction Materials Inventory	1,405,135.00	2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017
Total	₱ 1,729,343.19	

- 3.2.3.3. 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.
- 3.3. 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 financial statements.
- 3.4. **We recommended that the:**
- 3.4.1. **Local Chief Executive reconstitute the Inventory Committee to include members who can be relieved of their regular duties to devote full time to conducting the physical inventory taking until the same is completed; and**
- 3.4.2. **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;**
- 3.5. **We further recommended and the Municipal Accountant and Municipal Treasurer agreed to maintain the supplies ledger cards and stock cards, respectively.**
- 3.6. **We furthermore recommended and the Municipal Accountant agreed to strictly follow the Perpetual Inventory Method for recording purchases of supplies and materials as required in the NGAS Manual.**
- 3.7. During the exit conference, Management acknowledged that this had been a longstanding deficiency of the Municipality. To facilitate the issuance of an Office Order reconstituting the Inventory Committee, the department heads present agreed to draft the proposed composition of the committee for the Municipal Mayor's approval.

Biological Assets

4. Biological Assets valued at ₱457,500.00 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 the 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.

4.1. Paragraphs 16 and 19 of International Public Sector Accounting Standards (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.”

4.2. 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 clearly 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”

4.3. 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.

4.4. 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.”

- 4.5. Our examination of the financial statements showed that the biological assets account balance of ₱457,500.00 remained unchanged for more than five years ending December 31, 2024, composed of the following:

Biological Asset	Amount
Breeding Stocks – 10801010	
15 carabaos at ₱26,000.00 each (CY 2019 – Sagip-Saka, Department of Agriculture)	₱ 390,000.00
Purchase of upgraded does and poultry (CY 2014)	67,500.00
Total	₱ 457,500.00

- 4.6. 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.
- 4.7. 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.
- 4.8. 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 their records, only ₱390,000.00, representing 15 carabaos, could be traced, while the quantities of upgraded does and poultry corresponding to the remaining ₱67,500.00 could not be identified, as these were merely carried over as beginning balances.
- 4.9. In a phone inquiry, the Municipal Agricultural Officer explained that he was unaware of the requirement to submit the inventory and prevailing market prices of breeding stocks at the end of each reporting period to the Municipal Accountant. He added that the inventory only accounted for the 15 carabaos dispersed to five barangays in CY 2019, while they could not trace the does and poultry acquired in CY 2014 due to the unavailability of the documents. As a result, changes in market value, births, and reductions due to death or distribution were not recorded in the books.
- 4.10. 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.

4.11. We recommended and the Municipal Agriculturist agreed to:

4.11.1. **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**

4.11.2. **Keep a systematic record of the Municipality's breeding stocks, reporting births, deaths, and disposal, and in case of death and disposal, facilitate request for relief of accountability in accordance with COA Circular No. 92-386 dated October 20, 1992, to appropriately drop the amount from the books.**

4.12. **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

Local Disaster Risk Reduction and Management Fund (LDRRMF)

5. **The unexpended balances of the LDRRMF from prior years amounting to ₱25,522,828.72 which were transferred to the Special Trust Fund (STF) were not considered and integrated into the LDRRMFIP for CY 2024, contrary to Sections 5.1.2 and 5.1.15 of COA Circular No. 2012-002 dated September 12, 2012 and may result in inefficiencies in allocating and utilizing funds for disaster risk reduction and management efforts, as well as missed opportunities for disaster resilience and preparedness initiatives.**

5.1. Sections 5.1.2 and 5.1.15 of COA Circular No. 2012-002 dated September 12, 2012, provide:

“5.1.2 A LDRRMFIP for the DRRM program shall be prepared annually. It shall present the 30% allocation for QRF in lumpsum and the allocation for disaster mitigation, prevention and preparedness with details as to projects and activities to be funded. The LDRRMFIP shall also include under a separate caption, the list of projects and activities charged to the unexpended LDRRMF of previous years. Xxx.

5.1.15 The LDRRMFIP shall be reviewed and updated annually to include the activities to be funded from the unexpended QRF and DRRMF-MOOE of the previous years which were transferred to the Special Trust Fund.”

- 5.2. The Local Disaster Risk Reduction and Management Council (LDRRMC) shall monitor and evaluate the use and disbursement of the LDRRMF based on the Local Disaster Risk Reduction and Management Fund Investment Plan (LDRRMFIP), which shall be incorporated into the local development plans and annual work and financial plan and included in the Annual Investment Plan (AIP).
- 5.3. On June 9, 2023, the Municipal Disaster Risk Reduction and Management Council (MDRRMC) approved Resolution No. 2023-23, formulating the programs/projects/activities (PPAs) of the LDRRMF for CY 2024, amounting to ₱9,510,464.85. However, we noted that the unexpended LDRRMF from previous years was not included in the approved resolution nor the approved CY 2024 LDRRMFIP, contrary to the above-mentioned regulations.
- 5.4. Our review of the monthly Fund Utilization Reports of the LDRRMF for the Municipality showed that as of December 31, 2024, the available current and prior years' unexpended balances transferred to the STF total ₱35,033,293.57, as shown:

Year	Quick Response Fund	Mitigation Fund – MOOE	Total Available Appropriation	Per LDRRMFIP CY 2024	Difference
Current Appropriation:					
2024	2,853,139.46	6,657,325.39	9,510,464.85	9,510,464.85	0.00
Continuing Appropriations Transferred to the STF:					
2023	2,665,172.11	4,085,187.20	6,750,359.31	0.00	6,750,359.31
2022	3,053,299.13	4,689,515.55	7,742,814.68	0.00	7,742,814.68
2021	550,000.00	1,927,536.53	2,477,536.53	0.00	2,477,536.53
2020	0.00	4,799,598.63	4,799,598.63	0.00	4,799,598.63
2019	1,935,805.87	1,816,713.70	3,752,519.57	0.00	3,752,519.57
Sub-total	8,204,277.11	17,318,551.61	25,522,828.72	0.00	25,522,828.72
TOTAL	11,057,416.57	23,975,877.00	35,033,293.57	9,510,464.85	25,522,828.72

- 5.5. In comparison, the CY 2024 LDRRMFIP only showed the current appropriation of ₱9,510,464.85 as a source of funds for the Municipality's disaster risk reduction and prevention programs and activities, resulting in a significant difference of ₱25,522,828.72.
- 5.6. The Local Disaster Risk Reduction and Management Officer (LDRRMO) explained that they were unaware that the PPAs chargeable to the STF should be included in the annual LDRRMFIP. Consequently, these PPAs were not incorporated into the AIP.
- 5.7. It is emphasized that the unutilized prior years' LDRRMF in the STF may only be released and utilized upon the inclusion of its PPAs in the annually prepared LDRRMFIP, which serves as the basis for the AIP preparation, to be approved by the Sangguniang Bayan. This necessitates an annual review and update of the LDRRMFIP to include PPAs to be funded from the current and unexpended balances of the LDRRMF from previous years.

5.8. The non-inclusion of the unexpended LDRRMF balances in the LDRRMFIP and AIP for CY 2024 may lead to inefficiencies in allocating and utilizing funds for disaster risk reduction and management efforts. It could also result in missed opportunities for disaster resilience and preparedness initiatives, considering that a substantial amount of funds could have been made available to the Municipality had the unexpended balances from previous years been considered.

5.9. **We recommended and the LDRRMO agreed to:**

5.9.1. **Include PPAs that are chargeable against the prior years' unexpended LDRRMF in the annual LDRRMFIP of the current year, in accordance with the format prescribed under Annex A of COA Circular No. 2012-002; and**

5.9.2. **Establish an efficient review and monitoring system to ensure that the LDRRMFIP complies with the requirements outlined in COA Circular No. 2012-002.**

6. Purchases of medicines and animal bite vaccines for RHU and infirmary totaling ₱4,994,218.25 and honoraria for volunteer rescue responders totaling ₱910,798.21 were improperly charged to the LDRRMF inconsistent with Section 5.0 of NDRRMC-DBM-DILG JMC No. 2013-1 dated March 25, 2013 and Sections A and B of DILG MC No. 2012-73 dated April 17, 2012, hence, reducing the funds available for disaster risk reduction and management activities.

6.1. The National Disaster Risk Reduction and Management Council (NDRRMC), Department of Budget and Management (DBM), and Department of the Interior and Local Government (DILG) Joint Memorandum Circular (JMC) No. 2013-1 dated March 25, 2013, serves as guidelines on the LDRRMF allocation and utilization. It explicitly provides the necessary measures to avoid, lessen, or limit potential adverse impacts of hazards and related disasters. It also enables governments, communities, and individuals to effectively anticipate and manage emergencies and achieve orderly transitions from response to sustained recovery.

6.2. Section 5.0 of the JMC defines disaster prevention and mitigation, preparedness, response, rehabilitation, and recovery. It also enumerates the PPAs under the four thematic areas of disaster risk reduction and management for which the LDRRMF may be utilized.

6.3. Likewise, DILG Memorandum Circular (MC) No. 2012-73 dated April 17, 2012, lists the PPAs for which the LDRRMF may also be used.

6.4. However, our review of the LDRRMF Utilization for CY 2024 revealed that the following items were improperly charged to the fund:

6.4.1. Purchases of medicines and animal bite vaccines for the Rural Health Unit (RHU) and infirmary totaling ₱1,008,690.75 and ₱3,985,527.50 were charged to the 30% QRF and 70% MF-MOOE, respectively

6.4.1.1. On April 26, 2024, the Sangguniang Panlalawigan of Negros Oriental issued Resolution No. 537 series of 2024, placing the entire province under a State of Calamity due to the ill effects of the El Niño Phenomenon including the following:

6.4.1.1.1. Substantial damage to the agriculture sector due to extreme heat and a decrease in water supply, resulting in reduced crop production and animal population; and

6.4.1.1.2. Damage to the environment from wildfires, agricultural fires, and grassfires.

6.4.1.2. On May 9, 2024, the Office of the Sangguniang Bayan (SB) issued SB Resolution No. 2024-131 declaring the Municipality of La Libertad and its component barangays under a State of Calamity due to the damage caused by the El Niño Phenomenon to crops (rice, corn, high-value crops), livestock, and fisheries that affect the entire municipality.

6.4.1.3. Following the declaration, the Municipality purchased medicines and animal bite vaccines totaling ₱1,008,690.75 and ₱3,985,527.50 out of the 30% QRF and 70% MF-MOOE, respectively, as follows:

Particulars	30% QRF	70% MF-MOOE	Total
Medicines	₱ 146,595.75	₱ 970,704.50	₱ 1,117,300.25
Animal Bite Vaccines	862,095.00	3,014,823.00	3,876,918.00
Total	₱ 1,008,690.75	₱ 3,985,527.50	₱ 4,994,218.25

6.4.1.4. However, our verification showed that the medicines and vaccines were intended for the infirmary and the RHU’s regular operations and animal bite patients.

6.4.1.5. In a phone inquiry, the Municipal Budget Officer confirmed that the procurement of anti-rabies vaccines was charged to the LDRRMF in response to the increased incidence of animal bites, which may be attributed to the extreme heat conditions.

6.4.1.6. The LDRRMO further stated that the vaccines and medicines were intended for the RHU and infirmary, serving residents of the Municipality and nearby LGUs.

6.4.1.7. It should be noted that the State of Calamity was declared to facilitate the prompt delivery of assistance and mitigate the adverse effects of the El Niño Phenomenon on the constituents' welfare, livelihood, and economy, particularly the damage to crops (rice, corn, high-value crops), livestock, and fisheries.

6.4.1.8. Hence, the cost of medicines and vaccines for the RHU and infirmary's regular operation should not have been charged to the LDRRMF because these are unrelated to the State of Calamity declaration. Since the medicines and animal bite vaccines were procured for the infirmary and RHU's daily operations, these should have been charged to the General Fund.

6.4.2. Monthly honoraria for volunteer rescue responders totaling ₱910,798.21 were charged to 70% MF-MOOE

6.4.2.1. In CY 2024, honoraria totaling ₱910,798.21 were paid to volunteer rescue responders for their regular rescue operations and service during the Municipality's Pandanyag Festival, out of the LDRRMF, as detailed below:

Month	Amount
January	₱ 64,251.74
February	91,438.79
March	52,070.83
April	63,281.04
May	63,770.66
June	58,841.47
July	82,091.32
August	80,645.98
September	86,082.47
October	143,292.14
November	0.00
December	2,438.02
Sub-total	₱ 788,204.46
Pandanyag Festival	122,593.75
Total	₱ 910,798.21

6.4.2.2. On a test basis, our review of the documents supporting the disbursement vouchers (DVs) showed that payments were granted to volunteer rescue responders for performing their regular duties as standby responders, taking part in clearing operations, and assisting in training activities conducted by the LDRRMO for the barangays within its jurisdiction.

- 6.4.2.3. In a phone interview, the Municipal Budget Officer mentioned that during events such as the Pandanyag Festival, the volunteer rescue responders are tasked with managing traffic and serving as standby rescue personnel.
- 6.4.2.4. In a phone inquiry with the Municipal Accountant and Municipal Budget Officer, they explained that the Municipality opted to provide honoraria to the volunteers to encourage and sustain volunteer participation.
- 6.4.2.5. However, honoraria for rescue volunteers are not among the disaster prevention and mitigation, preparedness, response, rehabilitation, and recovery PPAs authorized under Section 5.0 of NDRRMC-DBM-DILG JMC No. 2013-1 and Sections A and B of DILG MC No. 2012-73.
- 6.4.2.6. It is emphasized that appropriations for the LDRRMF should only be utilized for specific disaster risk management activities, support to other LGUs affected by disasters/calamities, and quick response or standby funds for relief and recovery purposes. Section 4.3 of NDRRMC, DILG, DBM, and Civil Service Commission (CSC) JMC No. 2014-1 dated April 4, 2014, provides that “the budgetary requirements for personal services, maintenance and other operating expenditures, and capital outlay of the LDRRMO shall be sourced from the General Fund of the LGU, subject to Section 76 of RA 7160.”

6.5. We recommended and Management agreed to:

- 6.5.1. **Desist from charging the cost of medicines and animal bite vaccines for the RHU and infirmary and honoraria for volunteer rescue responders to the LDRRMF;**
- 6.5.2. **Reimburse the LDRRMF from the General Fund for the cost of honoraria for volunteer rescue responders and medicines and animal bite vaccines charged against the Quick-Response Fund; and**
- 6.5.3. **Adhere strictly to the provisions of DILG Memorandum Circular No. 2012-73 dated April 17, 2012, and NDRRMC-DBM-DILG JMC No. 2013-1 dated March 25, 2013, on the utilization of the LDRRMF.**

C. OTHER MANDATORY AREAS

Compliance with Mandatory Deductions and Tax Laws

- 7.1. The Municipality of La Libertad 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 ₱279,346.58 as of December 31, 2024, was remitted in January 2025, detailed as follows:

Due to BIR Balance	Amount Remitted to BIR	Date of Remittance
₱ 279,346.58	₱ 168,196.31	January 10, 2025
		<i>* ₱111,150.27 still had to be traced and reconciled by the agency;</i>

- 7.2. As of December 31, 2024, the accounts Due to GSIS, Due to Pag-IBIG, and Due to PhilHealth had balances of ₱1,597,840.30, ₱89,151.76, and ₱777,284.76, respectively, and were remitted to the respective agencies, as follows:

Account	Balance as of December 31, 2024	Amount Remitted	Date of Remittance
Due to GSIS	₱1,597,840.30	₱806,353.64	January 2, 2025 <i>* ₱791,486.66 still had to be traced and reconciled by the agency;</i>
Due to Pag-IBIG	89,151.76	42,203.30	January 8, 2025 <i>* ₱46,948.46 still had to be traced and reconciled by the agency;</i>
Due to PhilHealth	777,284.76	151,772.16	January 2, 2025 <i>* ₱625,512.60 still had to be traced and reconciled by the agency;</i>

D. SETTLEMENT OF ACCOUNTS

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

	Beginning Balance (01/01/2024)	Issued this Period (1/1/2024 to 12/31/2024)		Ending Balance (12/31/2024)
		NS/ND/NC	NSSDC	
Suspension	₱4,212,000.00	0.00	0.00	₱4,212,000.00
Disallowance	16,000.00	0.00	0.00	16,000.00
Charge	0.00	0.00	0.00	0.00

8.2. These ending balances pertain to audit suspensions issued and received in the following years:

Year Issued	Balance as of 12/31/2024	Transaction Year	Remarks
Notice of Suspension (NS)			
2015	₱ 4,212,000.00	2011	₱1,750,000.00 - Lacking docs pertaining to the purchase of a tractor funded out of DA Funds (GMA Program)
		2014	₱2,462,000.00 – Lacking docs for lot purchase
Total NS	₱ 4,212,000.00		
Notice of Disallowance (ND)			
2015	₱ 16,000.00	2014	₱3,000.00 – Excessive PEI for CY 2014
		2014	₱10,000.00 – Excessive PEI for CY 2014
		2014	₱3,000.00 – Excessive PEI for CY 2014
Total ND	₱ 16,000.00		

8.3. We would like to note that the aforesaid balances do not include Notices of Suspension, Disallowance, and Charge issued prior to the effectivity of the Rules and Regulations on Settlement of Accounts, which are still subject to reconciliation with the balances of the accounting record.

E. OTHER MATTERS

9. 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.

PART III
STATUS OF IMPLEMENTATION OF PRIOR
YEARS' AUDIT RECOMMENDATIONS

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the remaining 88 audit recommendations, 17 were implemented and 71 were unimplemented, as shown in the results of validations presented below:

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
AAR 2023	The carrying value of the Property, Plant, and Equipment (PPE) other than the Land and Road Network account as of December 31, 2023, is overstated by ₱2,280,930.35 due to non-recognition of depreciation expense, which is not in accordance with IPSAS 17 and Section 262 of the GAM for LGUs, Volume 1, thus affecting the fair presentation of PPE accounts in the financial statements.	1. We recommended and the Municipal Accountant agreed to review the records of the affected accounts, determine the correct date of acquisition of the property, and prepare the corresponding adjusting entries, if necessary, to recognize the depreciation for the period in accordance with IPSAS 17 and Section 262 of the GAM for LGUs, Volume 1.	An entry to adjust the Accumulated Depreciation for the unrecorded depreciation expenses in CY 2023 had already been recorded.	Implemented
		2. We likewise recommended and the Municipal Accountant agreed to check the accuracy of PPE accounts recorded in the Trust Fund books and verify if there are items included in the account but did not meet the capitalization threshold required and prepare the adjusting entry if necessary, in compliance with Section 139, of the GAM for LGUs, Volume 1.	The items recorded in the PPE accounts only included those that meet the capitalization threshold.	Implemented
AAR 2023	The accuracy and reliability of the Local Road Network (LRN) with a reported net balance of ₱19,085,061.72 could not be ascertained due to : (a) the non-conduct of an inventory of local roads and the non-preparation of the Report on the Physical count of Local Road Network (RPCLRN); (b) the	3. We recommended and the Municipal Accountant agreed to record the accumulated depreciation of the additional road networks, net of the cost of road lots, prepare the necessary corrections, and provide the required disclosures in the notes in accordance with IPSAS 17 and	The Municipal Accountant still had to coordinate with the Municipal Engineer's Office for the updated records since the latter had already implemented the geotagging.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	<p>non-recognition of depreciation amounting to ₱4.828 million for depreciable components of LRN; and (c) the non-disclosure of the total road networks in the Notes to the Financial Statements, which is not in accordance with IPSAS 17 and COA Circular No. 2015-008 dated November 23, 2015, thereby affecting the fair presentation of the account in the financial statements.</p> <p><i>Reiterated in Part II of this AAR.</i></p>	<p>COA Circular No. 2015-008 dated November 23, 2015.</p> <p>4. We also recommended and the Municipal Accountant agreed to regularly review the Local Road Network Ledger Card, request updated records from the Municipal Engineering Office for its infrastructure projects, and continuously provide depreciation for each depreciable component of the local road network system.</p> <p>5. We further recommended and Management agreed to create an Inventory Committee to conduct an actual physical count of the local road network system and report the results thereof in the RPCLRN to be submitted to the Auditor and Accounting unit not later than January 31 of each year. The RPCLRN shall be reconciled with the accounting records, and the necessary adjusting entries shall be prepared before the statement date.</p>	<p>The Municipal Engineer's Office still had to provide the Municipal Accountant's Office with the updated records.</p> <p>Management acknowledged that this had been a longstanding deficiency of the Municipality. To facilitate the issuance of an Office Order reconstituting the Inventory Committee, the department heads present agreed to draft the proposed composition of the committee for the Municipal Mayor's approval.</p>	<p>Not Implemented</p> <p>Not Implemented</p>
AAR 2023	<p>Unutilized balance of the Local Disaster Risk Reduction and Management Fund (LDRRMF) for CY 2023 amounting to ₱6,750,359.21 was not transferred to the Special Trust Fund contrary to Section 21 of Republic Act (R.A.) 10121 and Item 5.1.10 of COA Circular No. 2012-002,</p>	<p>We recommended and Management agreed to:</p> <p>6. Direct the Municipal Treasurer to transfer the unexpended balances of the LDRRM Fund for CY 2023 from the General Fund to the Special Trust Fund.</p>	<p>The Municipal Treasurer had already transferred the unexpended LDRRMF balance amounting to ₱6,750,359.21 to the Special Trust Fund last December 2024.</p>	<p>Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	making the amount unavailable for disaster risk management activities in the next five years.	7. Require the Municipal Accountant to record the transfer of unexpended LDRRMF by drawing a Journal Entry Voucher taking the appropriate accounting entries under General Fund and Trust Fund. 8. Henceforth, strictly comply with the provisions of Section 21 of R.A.10121 and Item 5.1.10 of COA Circular No. 2012-002.	The Municipal Accountant had already prepared the corresponding journal entry in the books. Management had already complied with the provisions of Section 21 of R.A. 10121 and Item 5.1.10 of COA Circular No. 2012-002.	Implemented Implemented
AAR 2023	The Municipality's failure to adopt Shopping as the alternative mode of procurement of two units of three-wheeled Motorcycles as required under Section 52.1 and Annex H of the 2016 Revised Implementing Rules and Regulations (IRR) of R.A. No. 9184, defeated the purpose of achieving a transparent, economical, and efficient procurement process.	9. We recommended and Management agreed to strictly adhere to the provisions for Shopping under the alternative method of procurement pursuant to Section 52.1 and Annex H of the 2016 Revised IRR of R.A. No. 9184.	Management discussed with the BAC Secretariate to ensure that procurement should follow the procedures as per RA 9184.	Implemented
AAR 2023	The foreign travel of the Municipal Mayor to South Korea costing ₱105,120.00 was made without an approved appropriation ordinance as required under Section 4 (1) of Presidential Decree (P.D.) No. 1445 and Section 305 (a) of R.A. No. 7160, otherwise known as the Local Government Code of 1991, and, hence, deemed illegal expenditures. Moreover, the covering disbursement	10. We recommended and Management agreed to strictly adhere to the provisions of Section 305(a) of R.A. No. 7160 and Section 4(1) of P.D. No. 1445 in the disbursement of government funds and refrain from using public funds without the proper specific authority of law to avoid audit suspension and/or disallowance.	Requesting for the documents from the email account of the accountable person.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	vouchers lacked the required supporting documents, rendering the same irregular.	11. We further recommended and the accountable official concerned agreed to submit the required supporting documents to the Audit Team for validation and evaluation, otherwise the same will be disallowed in audit.	The supporting documents still had not been submitted to the Audit Team for validation.	Not Implemented
AAR 2023	Purchases of drugs and medicines, including medical, dental, and laboratory supplies in the total amount of ₱14,546,929.01, were directly recorded as expenses, contrary to Section 114 of the New Government Accounting System (NGAS) Manual for LGUs, Volume I, thus, eliminating the required accounting of the receipt and utilization established through the use of Requisitions and Issue Slips (RIS) and Summary of Supplies and Materials Issued (SSMI), which could result in the misstatement of inventory and expense accounts at the end of the year.	12. We recommended that Management install internal control mechanisms by using the RIS to issue medicines and medical supplies and consolidate the same in the Report of Supplies and Materials Issued (RSMI), which shall be submitted to the Municipal Accountant to record the appropriate expense accounts in the books for the supplies consumed. 13. We further recommended that the Municipal Accountant stop the practice of directly recording purchases of pharmaceutical products and medical supplies in the related expense accounts and henceforth record purchases and utilization thereof in accordance with Section 114 of the NGAS Manual for LGUs to present the expense and inventory accounts fairly in the financial statements.	No personnel can focus on the implementation or revision of procedures. The Municipal Accountant still had not implemented the Perpetual Inventory Method.	Not Implemented Not Implemented
AAR 2023	The Municipal Treasurer does not utilize a vault to store her collections nor is a safe provided for the safekeeping of accountable forms such	14. We recommended that Management repair or replace the locks of the vault and steel cabinets where cash on hand and unused accountable forms may be kept and safeguarded.	The Management has now installed locks on the vault and steel cabinet.	Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	as checks and official receipts, exposing these items to the risk of loss.	15. We also recommended that Management provide additional security equipment like a CCTV camera or a security guard as additional safeguards of government funds and property to protect them from possible loss or defalcation in consonance with the provision of Sections 2 and 123 of P.D. No. 1445.	CCTV camera and/or additional security personnel were not yet installed/assigned.	Not Implemented
AAR 2023	The payments for overtime pay in the total amount of ₱1,172,424.37 to the Chief of Hospital and Medical Specialists were not in accordance with existing policies, rules, and regulations provided under CSC-DBM Joint Circular No. 1 s. 2015 dated November 25, 2015, and the Revised IRR of R.A. No. 7305. Moreover, deficiencies in the documentary requirement affect the validity of the payments pursuant to COA Circular No. 2012-01 dated June 14, 2012.	16. We recommended that Management revisit the existing policies, guidelines, rules, and regulations on the payment of overtime services to medical personnel in accordance with CSC-DBM Joint Circular No. 1 s. 2015 and the Revised IRR of R.A. No. 7305. 17. We also recommended that Management review its internal rules and procedures on the rendition of overtime services of their personnel in consonance with the policies and guidelines provided under the aforesaid Joint Circular. 18. We further recommended that the Municipal Accountant submit the proper documentary requirements, like the duly accomplished DTR, overtime work program, and regular monthly duty hours, for review by the audit team pursuant to COA Circular No. 2012-001.	Management hired additional doctors to “do away” with overtime pay. They are yet to revisit and revise the computation as per the audit recommendation.	Not Implemented Not Implemented Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		19. In addition, we recommended that the Municipal Budget Officer submit if there are additional documents relative to the augmentation of funds for overtime services.		Not Implemented
AAR 2023	Unfilled positions of Local DRRM Officers, mandatory plantilla items in the establishment of Local DRRM Offices (LDRRMOs), are not consistent with Item 5.5.3 of the NDRRMC-DILG-DBM-CSC Joint Memorandum Circular No. 2014-1, dated April 4, 2014, thus, hampering Municipality's efforts in mitigating, responding to, preventing, and management of potential disaster risks that may come their way.	20. We recommended that Management fill up the vacant positions of Local DRRM Officer III and the three assistants to head the LDRRMO with a sense of urgency, in compliance with Item 5.5.3 of the NDRRMC-DILG-DBM-CSC Joint Memorandum Circular No. 2014-1.	There is still no qualified personnel to fill up the vacant position.	Not Implemented
AAR 2023	The payment of compensation amounting to ₱211,877.50 to personnel hired under the Contract of Service (COS) is not in accordance with the guidelines of CSC-COA-DBM Joint Circular No. 2 dated October 20, 2020, and the terms of the contract of service agreement executed by both the municipality and the individual service worker, consequently rendering the payment thereof irregular.	21. We recommended and Management agreed to adhere to the existing policies and guidelines for hiring contract of service and job order workers pursuant to CSC-DBM Joint Circular No. 1, dated June 15, 2017. 22. We also recommended and Management agreed to review its internal rules and procedures on the rendition of overtime services of their personnel in consonance with the policies and guidelines provided under the aforesaid Joint Circular.	All COS personnel and Job Order Personnel are required to submit DTRs before payment will be processed.	Not Implemented Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		23. We further recommended and Management agreed that the concerned COS personnel submit the proper documentary requirements, like the properly accomplished DTR, accomplishment report, and regular monthly duty hours, for review and evaluation by the Audit Team.		Not Implemented
AAR 2022 2021 2020 2016 2007	<p>The existence, completeness, and accuracy of movable Property, Plant and Equipment (PPE) accounts with a carrying amount of ₱64,180,729.16 as of December 31, 2022, could not be ascertained due to the absence of year-end physical inventory reports contrary to Section 124, Volume 1 of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs).</p> <p><i>Reiterated in Part II of this AAR.</i></p>	<p>24. We recommended that the Municipality create the Inventory Committee to conduct the required annual physical inventory pursuant to Section 124, Volume 1 of the NGAS Manual for LGUs and to review the guidelines and procedures on inventory taking under COA Circular No. 2020-006 dated January 31, 2020, for the one-time cleansing of the PPE accounts to establish balances that are verifiable and reliable. Discrepancies between the physical inventory, custodial, and accounting records must be verified, investigated, and reconciled.</p> <p>25. We further recommended that the Municipal Mayor should ensure that the conduct of physical inventory is regularly undertaken yearly and reports are submitted accordingly</p>	<p>Management acknowledged that this had been a longstanding deficiency of the Municipality. To facilitate the issuance of an Office Order reconstituting the Inventory Committee, the department heads present agreed to draft the proposed composition of the committee for the Municipal Mayor's approval.</p> <p>The Municipal Mayor still had not issued an Office Order reconstituting the Inventory Committee.</p>	<p>Not Implemented</p> <p>Not Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	<p><i>From AAR 2016 and 2007:</i></p> <p>Current year purchases of movable Property, Plant and Equipment (PPE) totaling ₱5.67 million were not fully accounted for, hence precluding the determination of the validity of the said payments.</p>	<p><i>From AAR 2016 and 2007:</i></p> <p>26. Municipal Treasurer, as property custodian in the absence of a General Services Officer, secure all copies of the ARE and update the filing thereof, ensuring that these are principally considered especially during the separation of accountable officers from the government service;</p> <p>27. Municipal Accountant invariably require that the ARE be fully complied with, in form and quantity, as an indispensable supporting documentsr purchases of movable PPE;</p> <p>28. Management submit the Schedule of PPE additions and disposals from CYs 2014-2016, complete with data on the property tag, ARE, accountable officer, office/location of the equipment, and the actual DVs and ARE; otherwise, those that cannot be accounted for shall be accordingly disallowed; and</p> <p>29. Municipal Accountant attaches the formatted and detailed schedule of PPE additions and disposals to the yearly financial report of the LGU and regularly updates it to facilitate the conduct of the</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>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		physical inventory and to pinpoint responsibility for government properties.		
AAR 2022	The consolidated balances of reciprocal accounts, Due from Other Funds and Due to Other Funds for CY 2022 showed an unreconciled difference of ₱11,065,087.36, indicating some neglect by the Accounting Office in monitoring and reconciling the accounts, thus rendering both accounts unreliable.	<p>30. We recommended that the Municipal Accountant reconcile the balances of the reciprocal accounts under the three funds and book the necessary adjustments to bring their balances into an agreement and to closely monitor transactions affecting reciprocal accounts and ensure that these are recorded in the different funds simultaneously to avoid any error of omission.</p> <p>31. We further recommended Management that the transactions between funds be settled immediately in order to minimize monitoring and reconciliation work and, more importantly, to avoid erroneous account balances.</p>	<p>The Municipality lacked qualified personnel to analyze, reconcile, and prepare the necessary journal entry.</p> <p>Management had not taken any action.</p>	<p>Not Implemented</p> <p>Not Implemented</p>
AAR 2022 2018	The Due to NGAs account, with a total balance of ₱138,690,373.40, includes various fund transfers from national government agencies amounting to ₱125,075,766.58 (or 90.18%), which have remained outstanding for more than two years, and negative balances aggregating ₱1,836,999.32, contrary to Section 2 of Presidential Decree (P.D.) No. 1445 and the pertinent provisions of COA Circular No. 94-013 dated December 13, 1994, thereby depriving the intended beneficiaries of the	<p>32. We recommended that Management re-evaluate and verify the status of all projects and activities related to the funds due to NGAs. Any unused balances from completed projects should be returned to the source agency. Alternatively, request authority from the source agency to use the balances for other projects that require additional funding.</p> <p>33. For unimplemented projects, we recommend that Management assess their viability and necessity. If they are deemed</p>	<p>The Municipality lacked qualified personnel to analyze, reconcile, and prepare the necessary journal entry.</p> <p>Management 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
	immediate use of the benefits that could have been attained therefrom, and the source agencies of the opportunity to put the resources to better use in other activities or agencies that may need assistance.	viable and necessary, we suggest that Management promptly pursue their implementation. 34. We further recommended that the Municipal Accountant trace or determine the cause(s) of the negative balances and prepare the necessary adjustments to reflect the accurate balances of the Due to NGAs account in the financial statements.	Management had not taken any action.	Not Implemented
AAR 2021 2017 2016 2013 And 2015 ML	The Cash in Bank – Local Currency, Current Account (LCCA) balance amounting to ₱181,102,938.72 as of December 31, 2021, could not be relied upon due to: (a) the existence of unrecorded/unadjusted reconciling items which have accumulated over the years; (b) non-cancellation of checks which have been outstanding beyond the six month period; and (c) closed bank accounts with an abnormal balance of ₱18,817,031.50 in the books, contrary to Item 3.3 of COA Circular No. 96-011 dated October 2, 1996, and the pertinent provisions of the New Government Accounting Systems (NGAS) Manual, hence affecting the fair presentation of the financial statements.	We recommended that Management: 35. exert extra effort to secure the relevant documents pertaining to the unrecorded withdrawals with incomplete documentary requirements, otherwise, it shall be disallowed in audit; 36. require the Municipal Accountant to review the reconciling items as reflected in the Bank Reconciliation Statement and prepare the necessary adjusting entries to correct the discrepancies noted in accordance with COA Circular No. 96-011 dated October 2, 1996; and 37. verify the closed bank accounts with abnormal balances in the books of accounts and, thereafter, proper reconciliation shall be made to correct the deficiencies.	Management still had to coordinate with DBP and other banks to obtain data from their archives for 2008 and prior years. Management still had not taken any action. Management still had not taken any action.	Not Implemented Not Implemented Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		<p>38. We further recommended that Management submit a written explanation on the disbursement of funds with incomplete documentary requirements and submit the status of the action(s) taken by the Management regarding the unidentified and unreconciled differences between the balance per books and per banks, stating the reasons therein why it remained unacted to date.</p> <p><i>From AARs 2016 and 2017 - ₱52,140,199.60</i></p> <p>39. We recommended that the Municipal Treasurer and Municipal Accountant reconcile the cashbooks and ledgers at least quarterly in order that differences between the two records can be adjusted right away to ensure the accuracy and reliability of both records as well as to prevent the incurrence of cash overdrafts.</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 2021	Long outstanding cash advances and receivables from officers and employees in the total amount ₱8,435,513.98, aged over six months to over five years, remained unsettled as of December 31, 2021, due to failure to observe the provisions of COA Circular No. 97-002 and Section 89 of P.D. No. 1445 consistently, thus,	40. We recommended that the Municipal Accountant demand the DO to submit the paid vouchers and settle the unliquidated cash advances from CYs 2009, 2010, 2011, 2013, as mentioned in the accompanying Notes to FS, together with an explanation of why cash advances remained unliquidated as of reporting date.	The outstanding account pertains to the unsubmitted Vouchers from 2009-2010. There are various personnel handling the distribution and releasing of checks during that time, thus tracing on the completeness of documents submitted were not done that documents were misplaced.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	exposes government funds to risk of possible loss or misappropriation.	<p>41. We recommended further that Management require the Municipal Accountant to issue final Demand Letters to the concerned personnel with unsettled cash advances, including those who have retired from service or transferred to other agencies.</p> <p>42. Henceforth, strictly adhere to the provisions of COA Circular No. 97-002 dated February 10, 1997, in the granting, utilization and liquidation of cash advance and Section 89 of P.D. No. 1445 in granting additional cash advance if the previous cash advance is not settled.</p>	<p>Management is still trying to retrieve the documents.</p> <p>Cash advances are no longer granted to those accountable officers with existing unliquidated cash advances.</p>	<p>Not Implemented</p> <p>Implemented</p>
AAR 2021 2019 2017 2013 2011	The Municipality's low rate of collection of Real Property Taxes (RPT) and failure to implement measures to collect these taxes resulted in the accumulation of uncollected RPT Receivables/Special Education Tax (SET) Receivables amounting to ₱9,003,114.88 as of December 31, 2021, thus, depriving the Municipality of regular revenue stream that could have been utilized to finance programs, activities, and other major development projects. Moreover, RPT/SET receivables set-up at the beginning of the year were understated by ₱1,815,224.10 since it was based on estimates and not on the certified list of	<p>43. We recommended that the Municipal Treasurer enforce the collection of delinquent real property taxes by strictly implementing Sections 254 and 259 of R.A. No. 7160.</p> <p>44. We further recommended that Management direct the Accounting and Treasurer's Offices to reconcile their records and account for tax delinquencies. We likewise recommended that Management require the Accountant to prepare a correcting entry to take up the understatement of ₱1,815,224.10 in RPT/SET Receivables for CY 2021 and to henceforth ensure full compliance with</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
	tax collectibles, contrary to Section 20, Volume I of the Manual on the New Government Accounting System for Local Government Units (MNGAS). Further, the tax receivables per accounting records and tax delinquencies per treasurer's record were not reconciled due to the lack of appropriate records, contrary to Section 111 (1) of P.D. No. 1445, hence affecting the fairness of the balance presented in the financial statements.	the requirement of Section 20 of the MNGAS.		
AAR 2021	The valuation and accuracy of Property, Plant and Equipment (PPE) with a net book value of ₱114,210,809.54 could not be relied upon due to: (a) non-recognition of depreciation expense on PPE under Trust Fund (TF) which were not transferred to the General Fund (GF); (b) inconsistent application of the five percent (5%) residual in computing depreciation expense; (c) inclusion of semi expendable items under the PPE accounts, contrary to International Public Sector Accounting Standards (IPSAS) 17 and Sections 97 and 104 (i) of the Manual on the New Government Accounting System for LGUs, Volume I (MNGAS), thereby resulting in the misstatement of depreciation expense	<p>45. We recommended that the Management require the Municipal Accountant to verify its records, 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.</p> <p>46. We further recommended that the Accounting Office transfer the completed PPE accounts from the TF to the GF pursuant to Sections 97 and 104(i) of the MNGAS, and maintain the corresponding Property/Equipment Ledger Cards so that proper monitoring and accurate computation of depreciation for each PPE can be generated.</p>	<p>Lack of technically qualified manpower to complete the task. There were still items for verification.</p> <p>Most of the completed projects recorded under the Construction in Progress accounts under the Trust Fund had already been transferred to the General Fund. However, there were still items for verification.</p>	<p>Not Implemented</p> <p>Not Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	and PPE accounts by an undetermined amount.			
AAR 2021	The procurement, storage, distribution, or dispensing of pharmaceutical products by the Municipality was conducted without the supervision of a duly registered and licensed pharmacist as required under Section 30 of Republic Act No. 10918, otherwise known as the Pharmacy Law. In addition, the procurements of drugs and medicines amounting to ₱ 5,324,809.85 were done without complying with the requirements set forth under Item 9.1.3.1 of COA Circular No. 2012-001 dated June 14, 2012, hence, the validity of the procurement could not be ascertained	47. We recommended that Management strictly adhere to the provisions of COA Circular No. 2012-001, dated June 14, 2012, and R.A. No. 10918. Furthermore, we recommended that Management submit the necessary supporting documents related to the procurement of drugs and medicines for review and evaluation by the audit team.	Management had already undertaken measures to hire a licensed pharmacist, but to no avail. Thus, Management opted to hire an underboard pharmacist waiting for her examination results.	Not Implemented
AAR 2021	The disposal of some unserviceable and/or unrepairable vehicles of the LGU has not been acted upon as provided in Section 79 of Presidential Decree (P.D.) No. 1445 and Title V, Rule 21 of COA Circular No. 92-386 dated October 20, 1992, thereby, contributing to further deterioration of the property and an opportunity loss to earn additional revenue for the local government had the said property has been sold thru public auction.	48. We recommended that the Management speed up the disposal process of the unserviceable vehicles that are beyond economic repair in accordance with Section 79 of P.D. No. 1445 and COA Circular No. 92-386. We further recommended that Management provide an area wherein these vehicles are kept secured and protected from the elements, natural and man-made, to prevent further deterioration and loss of salvageable parts of the vehicle.	Management acknowledged that this had been a longstanding deficiency of the Municipality. To facilitate the issuance of an Office Order reconstituting the Inventory and Disposal Committees, the department heads present agreed to draft the proposed composition of the committees for the Municipal Mayor's approval.	Not Implemented
AAR 2021	The valuation and existence of inventories totaling ₱2,631,756.94	We recommended that Management strengthen the internal control system in		

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
2013	<p>could not be established due to the weak internal control system in the management thereof, including the recording of purchases as outright expenses, non-maintenance of supply records, and non-conduct of semi-annual physical count, contrary to existing regulations provided in Chapter 7 of the Manual on the New Government Accounting System for LGUs Volume 1 (MNGAS), hence, overstating expenses and understating assets and government equity by an undetermined amount at year end.</p> <p><i>Reiterated in Part II of this AAR.</i></p>	<p>the handling of supplies by requiring the Municipal Treasurer/Supply Officer to:</p> <p>49. maintain the necessary stock and property cards to monitor the purchases, issuances and distributions of supplies and materials;</p> <p>50. conduct the regular physical count of these items, prepare the required report of physical count and submit the same to the office of the auditor; and</p> <p>51. provide ample storage and physical safeguards for supplies in stock against damage and risk of loss.</p> <p>52. directing the Accounting Unit to follow the perpetual inventory method in the purchase of supplies and materials, including the maintenance of supply and property ledger cards in compliance with Chapter 7, Sections 114 and 121 of the MNGAS, and to make the necessary adjusting entries to properly recognize the appropriate inventory accounts upon purchase instead of expenses.</p>	<p>Management still had not taken any action.</p> <p>Management still had not conducted a physical count of its inventories.</p> <p>Management still had no warehouse that could store the supplies.</p> <p>Management still had to implement the Perpetual Inventory Method.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>
AAR 2021	<p>Municipal government-owned vehicles were not marked with the words “For Official Use Only” and had no written name of the Municipality, nor did they bear the government plate as required under the existing COA Circular No. 75-06 dated November 7,</p>	<p>53. We recommended that Management require the concurrent supply officer to have all the vehicles of the Municipality marked “For Official Use Only,” including the name and the logo of the local government unit, in compliance with</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
	1975, thus exposing these vehicles to the risk of abuse and misuse by the personnel responsible therefor.	COA Circular No. 75-006 dated November 7, 1975. 54. We further recommended that the motor vehicles bear the authorized government plate and be secured in a garage provided by the LGU to ensure their safety.	Management still had not taken any action.	Not Implemented
AAR 2021 2012	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: 55. furnish the Auditor copies of the contracts, purchase orders, and certificates of acceptance, together with all supporting documents thereto, within the required timeframe; and 56. 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 has advised the BAC regarding the implementation of this AOM thus compliance of the same has been implemented already.	Not Implemented Implemented
AAR 2020	The payrolls for payment of Emergency Subsidy Program (ESP) through the Department of Social Welfare and Development (DSWD) Social Amelioration Program (SAP) at	57. We recommended that the DSWD personnel submit to the Municipal Accountant the required documents in accordance with Section 8 of Joint Memorandum Circular No. 1, Series of	Most of the documents related to this program had been submitted and complied with, except for some misplaced documents. Due to the numerous individuals	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	<p>₱6,000.00 per beneficiary totaling ₱13,386,000.00 were not supported with complete documentation contrary to Section 8 of DSWD-DOLE-DTI-DA_DOE-DBM Joint Memorandum Circular No.1, Series of 2020, thereby, casting doubt on the propriety, validity, and legality of the transactions.</p>	<p>2020, and the latter to attach the required documents to the payrolls to ensure the validity, propriety, and legality thereon, otherwise the same shall not be passed in the audit.</p>	<p>handling the various transactions of this program, the documents were misplaced and could no longer be located despite efforts to locate them.</p>	
AAR 2020	<p>The Municipality procured 1,200 and 800 sacks of rice and mungo, respectively, totaling ₱3,606,660.38 charge to the Bayanihan Grant to Cities and Municipalities (BGCM) without indicating in the Purchase Order (PO) the variety, brand name, places of origin and other specifications contrary to COA Circular No.96-010, posing possible risks that rice delivered were not in accordance with the desired specifications. Moreover, the List of Recipients/Beneficiaries duly acknowledged by the constituents therein was not submitted to prove the actual delivery/distribution on the goods procured. In addition, disbursement vouchers covering purchases of meat/pork, fish, fruits and vegetables totaling ₱2,066,337.70 were not supported with complete documentation contrary to Section 4 (6) of P.D. No. 1445 and Section 6 of the Government Procurement Policy</p>	<p>58. We recommended that in some cases, the Bids and Award Committee (BAC) indicate in the PO all the basis information required under COA Circular No. 96-010 to ensure that items delivered meet specifications. We also recommended that the DSWD submit the list of recipients of the rice, mungo, fruits and vegetables with their signatures acknowledging receipt thereof and for the BAC to submit the Omnibus Sworn Statement of each of the suppliers and the documentary requirement for Mr. Llanes in compliance with Section 4(6) of P.D. No.1445 and Section 6 of GPPB Circular No. 01-2020 to ensure the validity, propriety and legality thereof.</p> <p>59. Further, we recommended that the BAC submit the eligibility documents of Ms. Montemayor and explain why she still received payments as a SAP beneficiary of ₱6,000.00. Lastly, we recommended that the BAC submit a written explanation</p>	<p>Management had not taken any action.</p> <p>Management lacked manpower that could focus on retrieving the documents.</p>	<p>Not Implemented</p> <p>Not Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	Board (GPPB) Circular Number 01-2020, thereby, casting doubt on the propriety, validity and legality of the transactions. Lastly, the Bids and Awards Committee (BAC) did not post the necessary documents in the GPPB Online Portal for Emergency Procurement 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 Bayanihan Act.	why the posting requirements under Section 9 of GPPB Circular No. 01-2020 were not complied with.		
AAR 2019 2013	Failure to comply with the regulations on the grant and liquidation of cash advances under COA Circular No.97-002 has resulted in the accumulation of cash advances amounting to ₱464,502.35 as of December 31, 2019, of which 51.56% are aged more than five years and may have adversely affected the fair presentation of the receivable and expense accounts in the financial statements while exposing government funds to the risk of loss due to unauthorized or personal use by the officers accountable therefor.	60. We recommended that management withhold the salaries of incumbent personnel with unliquidated cash advances. 61. In addition, we recommended that the municipality henceforth desist from granting cash advances to personnel of national government agencies as well as to strictly monitor the liquidation of cash advances by the grantees thereof.	A request for write-off had been submitted to COA for the long-standing accounts. Management already had a policy that no cash advance would be granted unless existing cash advances were liquidated.	Not Implemented Implemented
AAR 2019	Agricultural and construction materials worth ₱150,513.00 could not be accounted for during ocular inspection	62. We recommended that the personnel responsible for the unaccounted property be required to refund the amount to the	Management still had to check the suppliers' documents to identify who received the supplies, and 2)	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	by the audit team, but those who signed the Acceptance and Inspection Report could provide a plausible explanation but admitted that they signed the AIR without counting or examining the items delivered, resulting to substantial loss to the government considering the amount of purchases that have been already been made by the municipality.	government pursuant to a Notice of Disallowance to be issued by the audit team. 63. We recommended further that henceforth the assigned inspectors are required to strictly perform their assigned duties and responsibilities in the acceptance and inspection of purchases, and that the municipality clearly establish and define each personnel's responsibility for government property, including custodianship thereof.	check the logbook for any issuance before salary withholding. Management had not taken any action.	Not Implemented
AAR 2018	Funds transferred to other LGUs and to national government agencies (NGAs) amounting to ₱257,768.58 and ₱319,724.09, respectively, recorded under the account Due From Other LGUs and Due from NGAs were not properly recorded in subsidiary ledgers nor was the liquidation thereof followed up, thus have lain dormant since their recognition prior to 2006 while the debtors thereof could not be identified, adversely affecting the fairness of presentation of assets in the financial statements.	64. We recommended that the Municipal Accountant review the 2006 and prior years' journals and ledgers to identify the local government units and national government agencies to whom the amounts had been transferred and to demand liquidation thereof. If these efforts prove futile, the municipality may request the write-off of the receivables in accordance with COA Circular No. 2016-005 dated December 19, 2016. 65. We further recommended that henceforth, the Municipal Accountant faithfully maintain subsidiary ledgers for all control accounts as required under the Manual on NGAs.	The Due to NGA account had been partially reconciled as of December 31, 2023. Management still had to complete the reconciliation. Management had not taken any action.	Not Implemented Not Implemented
AAR 2018	The project Upscaling of the Barangay Sagip-Saka (Conservation Farming	66. We recommended that the LGU officials request the Department of Agriculture,	Management still had to wait for one barangay to complete its	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	Villages (CFV- OUR Food) under the Bottom-Up Budgeting Program, implemented in coordination with the Department of Agriculture Regional Office No. VII, Cebu City remained unfinished almost a year after the funds were downloaded to the municipality the farmer-beneficiaries of the benefits that could have been derived therefrom.	Region 7, for an extension of the implementation period. 67. We also recommended that the Municipal Agriculture Office implement the programs immediately and undertake a concerted effort to address the obstacles encountered, which hindered the implementation and completion of the project as scheduled.	Barangay Profiling, as a requirement by the DA Regional Office for the approval of the change in the specification of one item.	Not Implemented
AAR 2017	Nine parcels of land valued at ₱5,771,775.42 were not covered by Certificates of Title as required under Section 39(2) of Presidential Decree No. 1445 thus the municipality's ownership over said real properties is not secure and rendered the balance of the Land account in the balance sheet unreliable, while the neglect of the accountant and treasurer to maintain Real Property Ledger Cards and Property Cards, respectively, as required under Sections 119 and 120 of the NGAS Manual, Vol. I further rendered the balance doubtful.	68. We recommended that management prioritize the filing of applications for the title of the nine untitled properties to secure the municipality's ownership thereon. 69. We further recommended that the Municipal Accountant's and Treasurer's Offices maintain Real Property Cards, respectively, and reconcile these records as well as records of the Municipal Assessor regularly.	Management still had to follow up on the status of the titling application. Real Property Cards are implemented thur eNGAS sub-ledger accounts.	Not Implemented Implemented
AAR 2017 and 2010	Thirty-three parcels of land owned by the municipality were not recorded in the books as required under Section 148 of COA Circular No. 92-386 nor in the annual inventory report of PPE as required under Section 112 of P.D. No. 1445 and Section 124 of the Manual on	70. We recommended that the Municipal Mayor take the appropriate steps to register the parcels of land under the Torrens Title System, to require the accountant to record in the books the acquisition cost of these properties are included in the annual inventory report of	The Registry of Deeds refused to register the lots mentioned because it believed that the DepEd is the rightful owner of these properties.	Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	the New Government Accounting System (NGAS) Volume I, thereby understating the Municipality's assets by at least ₱3,173,490.00, the assessed value of the properties as stated in the tax declaration.	PPE to be submitted to the auditor concerned not later than January 31, of each year.		
AAR 2017	The Municipality did not maximize its revenue-generating potentials as embodied in Section 129 of the Local Government Code of 1991 but relied heavily on the Internal Revenue Allotment. Moreover, the Municipal Treasurer did not thoroughly examine the books of accounts of business taxpayers nor conduct confirmation of the declared gross receipts in their application for renewal of business licenses contrary to Section 171 of RA 7160; this may have resulted in the underassessment or under collection of income.	<p>We recommended that the Municipal Mayor:</p> <p>71. Direct the Local Finance Committee to study and explore possibilities of increasing local revenues to minimize the municipality's dependence on the IRA to finance its operation;</p> <p>72. Direct the Municipal Treasurer to verify from the records of the BIR the accuracy of the BIR the declared gross receipts of the taxpayers to assess the correct amount of tax.</p>	<p>Management still had to revisit the Municipality's Revenue Code.</p> <p>The Municipal Treasurer already required business owners to present the previous year's Mayor's Permit as a basis for determining the license fee, which should not be lower than the amount paid the previous year.</p>	<p>Not Implemented</p> <p>Implemented</p>
AAR 2017 and 2014	The municipal garbage dumps were located inside the public cemetery, was not properly maintained nor were proper disposal procedures observed thereby posing possible health and environmental hazards to the inhabitants living in the vicinity.	<p>We recommended that:</p> <p>73. The LGU formulate and implement proper garbage disposal procedures and maintenance of the dumpsite;</p> <p>74. Find ways to separate the dump site from the public cemetery;</p>	The LGU had already transferred its dumpsite to the DENR-approved facility in Barangay San Jose.	<p>Implemented</p> <p>Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
		<p>75. Secure the area with a suitable perimeter fence so that the garbage can be contained within its boundaries and;</p> <p>76. Hire employees to maintain the dump site including the segregation of recyclable and non-recyclable wastes.</p>		<p>Implemented</p> <p>Implemented</p>
AAR 2016	<p>The Municipal Treasurer failed to account for disbursement totaling ₱12.7 million which were not supported with duly approved disbursement vouchers and supporting documents and which were unduly recorded as Accounts Receivable, in violation of Section 4(6) of P.D. 1445, thereby resulting in the overstatement of the said account and impairing the accuracy of the Cash in Bank balances presented in the financial statements.</p>	<p>We recommended that:</p> <p>77. The Municipal Treasurer produce immediately the disbursement vouchers to support the credits to the Cash in Bank account totaling ₱12,685,325.41, otherwise the same shall be disallowed in audit pursuant to Section 4(6) of P.D. 1445;</p> <p>78. The Municipal Mayor institute reforms in the treasury procedures to ensure that all evidence of payment are adequately secured, and initiate recovery measures for failure to produce evidence of payments made;</p> <p>The Municipal Accountant:</p> <p>79. Furnish our office with copies of the demand letters sent to the Municipal Treasurer specifically for unsubmitted vouchers that were included in the Report of Check Issued;</p>	<p>The outstanding account is the unsubmitted Vouchers from 2009-2010. There are various personnel handling the distribution and releasing of checks during that time, thus tracing on the completeness of documents submitted were not done that documents were misplaced. Management is still trying to retrieve the documents.</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>80. Exhaust all means to reconstruct the details/schedule of the Accounts Receivable in the Trust Fund; and</p> <p>81. Prepare a Journal Entry Voucher reclassifying the said amount from Accounts Receivable to Due from Officers and Employees. This entry, however, does not in any way mean the authorization to make similar entries for similar occurrences in the future.</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	<p>The Municipality did not insure its properties having a book value of ₱61.9 million with the General Insurance Fund administered by the Government Service Insurance System due to the lack of an inventory report of insurable properties, contrary to R.A. 656 of the Property Insurance Law, as amended, and COA Circular No. 92-390, thus depriving the municipal government of adequate and reliable protection to recoup any losses of or damages to its properties that may be occasioned by fires, storms, earthquakes or other fortuitous events.</p>	<p>82. We recommended that the Municipality identify, inventory, and classify its insurable properties, submit the report to the GSIS not later than October 31 of each year, appropriate the necessary premiums in its annual budget under the General Fund or the 5% LDRRMF, and insure the same with the GIF under the GSIS every year.</p>	<p>Management still had not taken any action.</p>	<p>Not Implemented</p>
AAR 2016	<p>Expenses incurred in connection with the holding of the Miss Pandanyag 2016 and the Jumbo Queen beauty pageants were charge to government funds contrary to Section 343 of R.A. 7160 and COA Circular Nos. 85-55-A</p>	<p>83. We recommended that Management desist from charging government funds expenditures related to beauty pageants and exercise caution in the allocation and utilization of government funds for reception and entertainment, ensuring that</p>	<p>The LGU had already stopped charging expenses related to this kind of activity.</p>	<p>Implemented</p>

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	and 2012-003, thus resulting to irregular and unnecessary expenditures amounting to ₱116,393.85	regulations for the prevention of irregular and unnecessary expenditures are observed. 84. We further recommended the immediate refund of the payments made for the beauty pageants, as these are disallowed in the audit.	Management still had not taken any action.	Not Implemented
AAR 2014	The Municipal Government did not create a new Municipal Solid Waste Management Board required under R.A. 9003 or the “Ecological Solid Waste Management Act of 200”, hence precluding the adoption of a long-term systematic and comprehensive program embodied in a duly enacted Solid Waste Management Plan to ensure the protection of public health and the environment.	We recommended that Management: 85. Ensure that the proper mechanisms, like budget and manpower, preferably a full-time Municipal Environment and Natural Resources Officer, are in place once the ISWMP is approved to give reasonable assurance for the enforcement of the plans formulated.	The 10-year ESWM Plan was completed for the planning period 2019 – 2028. The LGU will appoint a MENRO Designate to focus on garbage disposal issue.	Not Implemented
AAR 2014	The Municipal Government did not return to the Bureau of Treasury unutilized balances of Priority Development Assistance Fund (PDAF), which as of June 30, 2014, totaled ₱72,846,900.30, for reversion to the unappropriated surplus of the general fund as ordered by the Supreme Court in its En Banc Decision promulgated under G.R. Nos. 208566, 208493 and 209251, which declared the unconstitutionality of the PDAF, thus depriving the national government	We recommended that Management: 86. Instruct the Local Finance Committee to process the immediate return of the unutilized PDAF funds of ₱72,846,900.30 to the National Treasury, through the Department of Finance, in compliance with the Supreme Court Decision; 87. Submit a written explanation why the said funds have not been returned despite the SC ruling declaring it unconstitutional,	The LGU did not return the PDAF to the national treasury since they insisted on its legality. Management still had not taken any action.	Not Implemented Not Implemented

Ref.	Audit Observation	Audit Recommendation	Management Comment/Action	Status of Implementation
	of substational fund which could be utilized for other legitimate purposes.	<p>and why disbursements were still made after such declaration; and</p> <p>88. Submit, through the Municipal Accountant and the Municipal Treasurer, a summary of disbursements from November 19, 2013 to December 31, 2014, starting with the balance as of November 19, 2013, followed by the disbursements made thereafter, with details as to date, DV no., Check No., Payee and amount, which lead to the remaining recorded balance of ₱72,846,900.30 as at December 31, 2014.</p> <p>As a rejoinder, COA maintains its stand that the same should be returned to the national treasury.</p>	Management still had not taken any action.	Not Implemented

PART IV
APPENDICES

PART IV

APPENDICES

I. Financial Statements by Fund	
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Province of Negros Oriental
Municipality of La Libertad
STATEMENT OF FINANCIAL POSITION
 General Fund
 As of December 31, 2024
 (With Comparative Figures for CY 2023)

	2024	2023
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	13,813,400.54	17,968,227.74
Receivables	12,910,113.36	12,690,181.23
Inventories	1,552,407.80	1,344,107.80
Payments and Deferred Charges	0.00	0.00
Total Current Assets	28,275,921.70	32,002,516.77
<i>Non-Current Assets</i>		
Property, Plant, and Equipment	380,231,871.42	391,983,109.75
Biological Assets	61,500.00	61,500.00
Total Non-Current Assets	380,293,371.42	392,044,609.75
Total Assets	408,569,293.12	424,047,126.52
LIABILITIES		
<i>Current Liabilities</i>		
Financial Liabilities	4,927,314.75	20,815,578.75
Inter-Agency Payables	2,725,326.96	1,339,335.13
Intra-Agency Payables	2,653,157.39	9,012,961.29
Trust Liabilities	661,213.89	663,673.89
Deferred Credits/Unearned Income	9,388,263.06	7,145,070.26
Provisions	27,803.40	0.00
Other Payables	4,440,564.56	8,555,558.18
Total Current Liabilities	24,823,644.01	47,532,177.50
Total Liabilities	24,823,644.01	47,532,177.50
NET ASSET/EQUITY		
Government Equity	383,745,649.11	376,514,949.02
Total Liabilities and Net Assets/Equity	408,569,293.12	424,047,126.52

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

	2024	2023
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	1,239,677.60	1,813,754.41
Receivables	9,198,089.62	6,922,676.63
Inventories	0.00	0.00
Payments and Deferred Charges	0.00	0.00
Total Current Assets	10,437,767.22	8,736,431.04
<i>Non-Current Assets</i>		
Property, Plant, and Equipment	104,728.40	104,728.40
Biological Assets	0.00	0.00
Total Non-Current Assets	104,728.40	104,728.40
Total Assets	10,542,495.62	8,841,159.44
LIABILITIES		
<i>Current Liabilities</i>		
Financial Liabilities	0.00	165,740.00
Inter-Agency Payables	197,846.22	344,135.96
Intra-Agency Payables	(303,759.69)	(347,101.41)
Trust Liabilities	0.00	0.00
Deferred Credits/Unearned Income	9,094,108.39	6,862,036.52
Provisions	0.00	0.00
Other Payables	0.00	0.00
Total Current Liabilities	8,988,194.92	7,024,811.07
Total Liabilities	8,988,194.92	7,024,811.07
NET ASSET/EQUITY		
Government Equity	1,554,300.70	1,816,348.37
Total Liabilities and Net Assets/Equity	10,542,495.62	8,841,159.44

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

	2024	2023
ASSETS		
<i>Current Assets</i>		
Cash and Cash Equivalents	100,368,230.66	102,379,186.93
Receivables	24,600,153.40	6,720,633.01
Inventories	1,460,839.60	1,460,839.60
Payments and Deferred Charges	0.00	0.00
Total Current Assets	126,429,223.66	110,560,659.54
<i>Non-Current Assets</i>		
Property, Plant, and Equipment	20,852,729.49	20,852,729.49
Biological Assets	396,000.00	396,000.00
Total Non-Current Assets	21,248,729.49	21,248,729.49
Total Assets	147,677,953.15	131,809,389.03
LIABILITIES		
<i>Current Liabilities</i>		
Financial Liabilities	1,809,279.39	6,794,342.68
Inter-Agency Payables	100,423,559.15	86,378,862.64
Intra-Agency Payables	1,192,123.75	1,254,900.55
Trust Liabilities	30,017,469.62	22,905,888.73
Deferred Credits/Unearned Income	0.00	0.00
Provisions	0.00	0.00
Other Payables	2,809,231.36	3,029,785.07
Total Current Liabilities	136,251,663.27	120,363,779.67
Total Liabilities	136,251,663.27	120,363,779.67
NET ASSET/EQUITY		
Government Equity	11,426,289.88	11,445,609.36
Total Liabilities and Net Assets/Equity	147,677,953.15	131,809,389.03

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

	2024	2023
Revenue		
Tax Revenue	811,334.25	820,194.95
Share from Internal Revenue Collections	178,830,803.00	168,293,697.00
Service and Business Income	10,954,794.08	12,227,000.02
Shares, Grants, and Donations	1,988,777.00	0.00
Other Income	370,879.40	571,706.46
Total Revenue	192,956,587.73	181,912,598.43
Less: Current Operating Expenses		
Personnel Services	58,073,083.77	59,198,444.88
Maintenance and Other Operating Expenses	92,139,738.86	153,263,892.55
Non-cash Expenses	19,003,666.36	15,926,279.46
Current Operating Expenses	169,216,488.99	228,388,616.89
Surplus (Deficit) from Current Operation	23,740,098.74	(46,476,018.46)
Add (Deduct):		
Transfers, Assistance, and Subsidy From	995,824.21	0.00
Transfers, Assistance, and Subsidy To	(2,382,676.49)	(9,892,157.21)
Surplus(Deficit) for the period	22,353,246.46	(56,368,175.67)

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

	2024	2023
Revenue		
Tax Revenue	627,758.87	660,955.48
Share from Internal Revenue Collections	0.00	0.00
Service and Business Income	634.21	597.79
Shares, Grants, and Donations	0.00	0.00
Other Income	0.00	0.00
Total Revenue	628,393.08	661,553.27
Less: Current Operating Expenses		
Personnel Services	0.00	0.00
Maintenance and Other Operating Expenses	610,013.36	538,877.28
Non-cash Expenses	0.00	6,000.00
Current Operating Expenses	610,013.36	544,877.28
Surplus (Deficit) from Current Operation	18,379.72	116,675.99
Add (Deduct):		
Transfers, Assistance, and Subsidy From	0.00	0.00
Transfers, Assistance, and Subsidy To	0.00	0.00
Surplus(Deficit) for the period	18,379.72	116,675.99

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

	2024	2023
Revenue		
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
Total Revenue	0.00	0.00
Less: Current Operating Expenses		
Personnel Services	0.00	0.00
Maintenance and Other Operating Expenses	0.00	0.00
Non-cash Expenses	0.00	0.00
Current Operating Expenses	0.00	0.00
Surplus (Deficit) from Current Operation	0.00	0.00
Add (Deduct):		
Transfers, Assistance, and Subsidy From	0.00	0.00
Transfers, Assistance, and Subsidy To	0.00	0.00
Surplus(Deficit) for the period	0.00	0.00

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

	2024	2023
Balance at January 1, 2024	376,514,949.02	381,338,660.64
Add (Deduct)		
Change in Accounting Policy	0.00	53,171,534.83
Prior Period Errors	(15,122,546.37)	(1,627,070.78)
Restated Balance	361,392,402.65	432,883,124.69
Add (Deduct) Changes in net assets/equity during the year		
Adjustment of net revenue recognized directly in net assets/equity	0.00	0.00
Surplus (Deficit) for the period	22,353,246.46	(56,368,175.67)
Total recognized revenue and expenses for the period	22,353,246.46	(56,368,175.67)
Balance at December 31, 2024	383,745,649.11	376,514,949.02

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

	2024	2023
Balance at January 1, 2024	1,816,348.37	1,461,799.45
Add (Deduct)		
Change in Accounting Policy	0.00	0.00
Prior Period Errors	(280,427.39)	237,872.93
Restated Balance	1,535,920.98	1,699,672.38
Add (Deduct) Changes in net assets/equity during the year		
Adjustment of net revenue recognized directly in net assets/equity	0.00	0.00
Surplus (Deficit) for the period	18,379.72	116,675.99
Total recognized revenue and expenses for the period	18,379.72	116,675.99
Balance at December 31, 2024	1,554,300.70	1,816,348.37

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

	2024	2023
Balance at January 1, 2024	11,445,609.36	11,306,742.38
Add (Deduct)		
Change in Accounting Policy	0.00	0.00
Prior Period Errors	(19,319.48)	138,866.98
Restated Balance	11,426,289.88	11,445,609.36
Add (Deduct) Changes in net assets/equity during the year		
Adjustment of net revenue recognized directly in net assets/equity	0.00	0.00
Surplus (Deficit) for the period	0.00	0.00
Total recognized revenue and expenses for the period	0.00	0.00
Balance at December 31, 2024	11,426,289.88	11,445,609.36

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

	2024	2023
Cash Inflows		
Collection from Taxpayers	811,334.25	1,519,690.37
Share from Internal Revenue Allotment	178,830,803.00	168,293,697.00
Receipts from Business/Service Income	10,939,074.25	16,960,277.02
Interest Income	15,719.83	327,558.63
Dividend Income	0.00	0.00
Other Receipts	1,988,777.00	2,557,419.31
Total Cash Inflows	192,585,708.33	189,658,642.33
Cash Outflows		
Payment of Expenses	90,785,522.22	122,709,264.25
Payments to Suppliers and Creditors	181,927,597.22	245,192,262.29
Payments to Employees	51,710,170.06	82,717,214.05
Interest Expense	0.00	0.00
Other Expenses	24,545,108.78	36,126,468.65
Total Cash Outflows	185,233,560.78	266,072,173.24
Net Cash Flows from Operating Activities	7,352,147.55	(76,413,530.91)
Cash Flows from Investing Activities		
Cash Inflows		
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
Total Cash Inflows	0.00	0.00
Cash Outflows		
Purchase/Construction of Investment Property	0.00	0.00
Purchase/Construction of Property, Plant, and Equipment	11,506,974.75	16,669,180.25
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
Total Cash Outflows	11,506,974.75	16,669,180.25
Net Cash Flows from Investing Activities	(11,506,974.75)	(16,669,180.25)
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Issuance of Bonds	0.00	0.00
Proceeds from Loans	0.00	0.00
Total Cash Inflows	0.00	0.00
Cash Outflows		
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
Total Cash Outflows	0.00	0.00
Net Cash Flows from Financing Activities	0.00	0.00
Total Cash Provided by Operating, Investing, and Financing Activities	(4,154,827.20)	(93,082,711.16)
Add: Cash at the Beginning of the Year	17,968,227.74	111,050,938.90
Cash Balance at the End of the Year	13,813,400.54	17,968,227.74

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

	2024	2023
Cash Inflows		
Collection from Taxpayers	627,758.87	1,166,464.95
Share from Internal Revenue Allotment	0.00	0.00
Receipts from Business/Service Income	0.00	0.00
Interest Income	634.21	541.56
Dividend Income	0.00	0.00
Other Receipts	0.00	329,408.62
Total Cash Inflows	628,393.08	1,496,415.13
Cash Outflows		
Payment of Expenses	318,570.68	86,509.32
Payments to Suppliers and Creditors	358,226.91	68,213.57
Payments to Employees	0.00	327,960.00
Interest Expense	0.00	0.00
Other Expenses	525,672.30	752,027.65
Total Cash Outflows	1,202,469.89	1,234,710.54
Net Cash Flows from Operating Activities	(574,076.81)	261,704.59
Cash Flows from Investing Activities		
Cash Inflows		
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
Total Cash Inflows	0.00	0.00
Cash Outflows		
Purchase/Construction of Investment Property	0.00	0.00
Purchase/Construction of Property, Plant, and Equipment	0.00	0.00
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
Total Cash Outflows	0.00	0.00
Net Cash Flows from Investing Activities	0.00	0.00
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Issuance of Bonds	0.00	0.00
Proceeds from Loans	0.00	0.00
Total Cash Inflows	0.00	0.00
Cash Outflows		
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
Total Cash Outflows	0.00	0.00
Net Cash Flows from Financing Activities	0.00	0.00
Total Cash Provided by Operating, Investing, and Financing Activities	(574,076.81)	261,704.59
Add: Cash at the Beginning of the Year	1,813,754.41	1,552,049.82
Cash Balance at the End of the Year	1,239,677.60	1,813,754.41

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

	2024	2023
Cash Inflows		
Collection from Taxpayers	0.00	300.00
Share from Internal Revenue Allotment	57,839,434.36	22,245,795.64
Receipts from Business/Service Income	0.00	0.00
Interest Income	41,218.30	38,912.15
Dividend Income	0.00	0.00
Other Receipts	10,334,995.89	21,487,129.47
Total Cash Inflows	68,215,648.55	43,772,137.26
Cash Outflows		
Payment of Expenses	60,887,172.29	28,927,876.56
Payments to Suppliers and Creditors	6,461,781.27	512,770.61
Payments to Employees	0.00	0.00
Interest Expense	0.00	0.00
Other Expenses	2,877,651.26	1,872,236.32
Total Cash Outflows	70,226,604.82	31,312,883.49
Net Cash Flows from Operating Activities	(2,010,956.27)	12,459,253.77
Cash Flows from Investing Activities		
Cash Inflows		
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
Total Cash Inflows	0.00	0.00
Cash Outflows		
Purchase/Construction of Investment Property	0.00	0.00
Purchase/Construction of Property, Plant, and Equipment	0.00	106,029.33
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
Total Cash Outflows	0.00	106,029.33
Net Cash Flows from Investing Activities	0.00	(106,029.33)
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Issuance of Bonds	0.00	0.00
Proceeds from Loans	0.00	0.00
Total Cash Inflows	0.00	0.00
Cash Outflows		
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
Total Cash Outflows	0.00	0.00
Net Cash Flows from Financing Activities	0.00	0.00
Total Cash Provided by Operating, Investing, and Financing Activities	(2,010,956.27)	12,353,224.44
Add: Cash at the Beginning of the Year	102,379,186.93	90,025,962.49
Cash Balance at the End of the Year	100,368,230.66	102,379,186.93

Municipality of La Libertad, 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		2024	2023	Final Budget and Actual		
	2024	2023	2024	2023	2024	2023			2024	2023	
Revenue											
A. Local Sources											
1. Tax Revenue											
a. Tax Revenue - Property	300,000.00	300,000.00	300,000.00	300,000.00	-	-	456,082.14	700,592.45	(156,082.14)	(400,592.45)	
b. Tax Revenue - Goods and Services	-	-	-	-	-	-	135,803.50	-	(135,803.50)	-	
c. Other Local Taxes	260,000.00	260,000.00	260,000.00	260,000.00	-	-	219,448.61	119,602.50	40,551.39	140,397.50	
Total Tax Revenue	560,000.00	560,000.00	560,000.00	560,000.00	-	-	811,334.25	820,194.95	(251,334.25)	(260,194.95)	
2. Non-Tax Revenue											
a. Service Income	1,740,000.00	1,030,000.00	1,740,000.00	1,030,000.00	-	-	2,342,408.56	2,521,128.23	(602,408.56)	(1,491,128.23)	
b. Business Income	8,600,000.00	7,760,000.00	8,600,000.00	7,760,000.00	-	-	8,596,589.69	9,334,999.24	3,410.31	(1,574,999.24)	
c. Other Income and Receipts	500,000.00	51,683,958.33	500,000.00	51,683,958.33	-	-	15,795.83	370,872.55	484,204.17	51,313,085.78	
Total Non-Tax Revenue	10,840,000.00	60,473,958.33	10,840,000.00	60,473,958.33	-	-	10,954,794.08	12,227,000.02	(114,794.08)	48,246,958.31	
B. External Sources											
1. Share from the National Internal Revenue Taxes (IRA)	178,809,297.00	168,343,141.00	178,809,297.00	168,343,141.00	-	-	178,830,803.00	168,293,697.00	(21,506.00)	49,444.00	
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	-	-	-	-	-	-	1,988,777.00	1,000,000.00	(1,988,777.00)	(1,000,000.00)	
a. Grants and Donations	-	-	-	-	-	-	1,988,777.00	1,000,000.00	(1,988,777.00)	(1,000,000.00)	
b. Other Subsidy Income	-	-	-	-	-	-	-	-	-	-	
5. Inter-local Transfer	-	-	-	-	-	-	-	-	-	-	
6. Capital/Investment Receipts	-	-	-	-	-	-	-	-	-	-	
a. Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	
b. Sale of Investments	-	-	-	-	-	-	-	-	-	-	
c. Proceeds from Collections of Loan Receivables	-	-	-	-	-	-	-	-	-	-	
C. Receipts from Borrowings	-	-	-	-	-	-	-	-	-	-	
Total Revenue and Receipts	190,209,297.00	229,377,099.33	190,209,297.00	229,377,099.33	-	-	192,585,708.33	182,340,891.97	(2,376,411.33)	47,036,207.36	
Expenditures											
Current Appropriations											
General Public Services											
Personal Services	47,511,233.53	50,727,923.88	40,590,821.94	45,937,617.00	6,920,411.59	(4,790,306.88)	40,124,507.56	42,232,049.87	466,314.38	3,705,567.13	
Maintenance and Other Operating Expenses	32,262,179.04	46,690,766.27	48,386,134.76	91,072,984.95	(16,123,955.72)	44,382,218.68	46,065,770.69	87,879,693.95	2,320,364.07	3,193,291.00	
Capital Outlay	1,000,000.00	-	296,649.00	-	703,351.00	-	209,287.56	-	87,361.44	-	
Education											
Personal Services	-	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Expenses	7,300,000.00	7,750,000.00	5,050,000.00	7,500,000.00	2,250,000.00	(250,000.00)	4,047,218.33	6,234,569.01	1,002,781.67	1,265,430.99	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Health, Nutrition and Population Control											
Personal Services	17,693,463.36	15,353,115.08	13,878,112.81	14,271,375.08	3,815,350.55	(1,081,740.00)	13,640,771.41	11,550,015.17	237,341.40	2,721,359.91	
Maintenance and Other Operating Expenses	15,210,464.85	35,849,491.57	15,804,220.10	27,399,491.57	(593,755.25)	(8,450,000.00)	14,448,115.83	24,700,429.33	1,356,104.27	2,699,062.24	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Labor and Employment											
Personal Services	-	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Housing and Community Development											
Personal Services	-	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Social Services and Social Welfare											
Personal Services	633,369.20	610,505.08	630,193.08	630,505.08	3,176.12	20,000.00	629,871.20	629,420.16	321.88	1,084.92	
Maintenance and Other Operating Expenses	15,315,202.06	19,324,409.41	14,859,270.15	24,624,409.41	455,931.91	5,300,000.00	13,906,071.51	23,657,778.82	953,198.64	966,630.59	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Economic Services											
Personal Services	3,989,967.74	5,284,546.80	3,891,942.93	5,424,546.80	98,024.81	140,000.00	3,872,453.76	3,715,232.13	19,489.17	1,709,314.67	
Maintenance and Other Operating Expenses	2,090,000.00	2,911,035.00	1,613,743.10	2,711,035.00	476,256.90	(200,000.00)	1,288,069.55	2,415,430.46	325,673.55	295,604.54	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Other Purposes:											
Debt Service	-	-	-	-	-	-	-	-	-	-	
Financial Expense	-	-	-	-	-	-	-	-	-	-	
Amortization	-	-	-	-	-	-	-	-	-	-	
LDRRMF											
Maintenance and Other Operating Expenses	9,510,464.85	8,883,907.05	9,510,464.85	8,883,907.05	-	-	7,127,788.36	2,133,547.74	2,382,676.49	6,750,359.31	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
20% Development Fund											
Maintenance and Other Operating Expenses	35,761,859.40	33,668,628.20	35,761,859.40	35,901,909.32	-	2,233,281.12	29,785,816.82	34,628,780.35	5,976,042.58	1,273,128.97	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Share from National Wealth											
Maintenance and Other Operating Expenses	1,902,092.97	2,293,770.99	1,902,092.97	2,293,770.99	-	-	1,475,880.00	1,733,371.50	426,212.97	560,399.49	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Others											
Personal Services	-	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Expenses	29,000.00	29,000.00	29,000.00	29,000.00	-	-	29,000.00	29,000.00	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Total Current Appropriations	190,209,297.00	229,377,099.33	192,204,505.09	266,680,552.25	(1,995,208.09)	(37,303,452.92)	176,650,622.58	241,539,318.49	15,553,882.51	25,141,233.76	
Continuing Appropriations											
General Public Services											
Capital Outlay	16,564,824.32	59,671,090.90	16,564,824.32	24,600,919.10	-	35,070,171.80	-	8,132,150.52	16,564,824.32	16,468,768.58	
Education											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Health, Nutrition and Population Control											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Labor and Employment											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Housing and Community Development											
Capital Outlay	7,730,338.00	18,938,746.02	7,730,338.00	16,705,464.90	-	2,233,281.12	-	8,888,878.00	7,730,338.00	7,816,586.90	
Social Services and Social Welfare											
Capital Outlay	3,316,232.00	3,326,039.74	3,316,232.00	3,326,039.74	-	-	-	-	3,316,232.00	3,326,039.74	
Economic Services											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Other Purposes:											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
Total Continuing Appropriations	27,611,394.32	81,935,876.66	27,611,394.32	44,632,423.74	-	37,303,452.92	-	17,021,028.52	27,611,394.32	27,611,395.22	
Total Appropriations	217,820,691.32	311,312,975.99	219,815,899.41	311,312,975.99	(1,995,208.09)	-	176,650,622.58	258,560,347.01	43,165,276.83	52,752,628.98	

Municipality of La Libertad, 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
Revenue										
A. Local Sources										
1. Tax Revenue										
a. Tax Revenue - Property	375,000.00	375,000.00	375,000.00	375,000.00	-	-	627,758.87	660,955.48	(252,758.87)	(285,955.48)
b. Tax Revenue - Goods and Services	-	-	-	-	-	-	-	-	-	-
c. Other Local Taxes	-	-	-	-	-	-	-	-	-	-
Total Tax Revenue	375,000.00	375,000.00	375,000.00	375,000.00	-	-	627,758.87	660,955.48	(252,758.87)	(285,955.48)
2. Non-Tax Revenue										
a. Service Income	-	-	-	-	-	-	-	-	-	-
b. Business Income	-	-	-	-	-	-	-	-	-	-
c. Other Income and Receipts	826,108.46	1,214,140.28	826,108.46	1,214,140.28	-	-	634.21	597.79	825,474.25	1,213,542.49
Total Non-Tax Revenue	826,108.46	1,214,140.28	826,108.46	1,214,140.28	-	-	634.21	597.79	825,474.25	1,213,542.49
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	-	-	-	-	-	-	-	-	-	-
Total Revenue and Receipts	1,201,108.46	1,589,140.28	1,201,108.46	1,589,140.28	-	-	628,393.08	661,553.27	572,715.38	927,587.01
Expenditures										
Current Appropriations										
General Public Services										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Education										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	1,201,108.46	1,589,140.28	1,201,108.46	1,589,140.28	-	-	610,013.36	864,981.82	591,095.10	724,158.46
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Health, Nutrition and Population Control										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Labor and Employment										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Housing and Community Development										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Social Services and Social Welfare										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Economic Services										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Other Purposes:										
Debt Service	-	-	-	-	-	-	-	-	-	-
Financial Expense	-	-	-	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-	-	-
LDRRMF										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
20% Development Fund										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Share from National Wealth										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Allocation for Senior Citizens and PWD										
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Others										
Personal Services	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Current Appropriations	1,201,108.46	1,589,140.28	1,201,108.46	1,589,140.28	-	-	610,013.36	864,981.82	591,095.10	724,158.46
Continuing Appropriations										
General Public Services										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Education										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Health, Nutrition and Population Control										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Labor and Employment										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Housing and Community Development										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Social Services and Social Welfare										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Economic Services										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Other Purposes:										
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Continuing Appropriations	-	-	-	-	-	-	-	-	-	-
Total Appropriations	1,201,108.46	1,589,140.28	1,201,108.46	1,589,140.28	-	-	610,013.36	864,981.82	591,095.10	724,158.46