



REPUBLIC OF THE PHILIPPINES

COMMISSION ON AUDIT

**REGIONAL OFFICE NO. VII**

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

# **ANNUAL AUDIT REPORT**

**ON THE**

**MUNICIPALITY OF PAMPLONA**  
**Province of Negros Oriental**

**For the Year Ended December 31, 2024**



REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
**PROVINCIAL SATELLITE AUDIT OFFICE**  
**NEGROS ORIENTAL**  
E.J. Blanco Drive, Piapi, Dumaguete City 6200

Office of the Accountant  
RECEIVED by: *dy*  
Date: *6/26/25*

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

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June 13, 2025

**HONORABLE JANICE V. DEGAMO**

Municipal Mayor  
Municipality of Pamplona  
Province of Negros Oriental



Office of the Mayor  
**RECEIVED**  
By: *JOVELIZA MIRAFLORES*  
Date: *6/26/25* 9:04 PM

**Dear Mayor Degamo:**

We are pleased to transmit the Annual Audit Report (AAR) of the Municipality of Pamplona, 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.

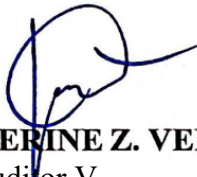
We rendered a qualified opinion on the fairness of the presentation of the financial statements (FS) for the year then ended.

The details of the Audit Observations are discussed in Part II, and the Status of Implementation of Prior Years' Audit Recommendations is discussed in Part III of this Report.

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

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

Very truly yours,



**KATHERINE Z. VELEZ**  
State Auditor V  
Supervising Auditor

Copy furnished:

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

**MUNICIPALITY OF PAMPLONA**  
Province of Negros Oriental

**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**

Audit Observations and  
Recommendations for the Calendar  
Year 2024

As of \_\_\_\_\_

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

**Prepared by:**

\_\_\_\_\_  
Municipal Treasurer

\_\_\_\_\_  
Municipal Accountant

**Noted by:**

\_\_\_\_\_  
Local Chief Executive

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



REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
**PROVINCIAL SATELLITE AUDITING OFFICE,**  
**NFGROS ORIFNTAL**

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

June 13, 2025

**KATHERINE Z. VELEZ**

Supervising Auditor

LGAS F – Province of Negros Oriental 1

Dumaguete City

**Madam:**

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

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

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

Our comments and observations were communicated to Management through Audit Observation Memoranda and were discussed with agency personnel in an exit conference conducted on June 13, 2025. Their comments were incorporated in this Report, where appropriate.

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

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

GAI/SAI Focus Area	Remarks
Equipment; Transportation Equipment: i) Motor Vehicles, ii) Watercraft, iii) Other Transportation Equipment; Furniture and Fixtures; Other PPE	
6. Books	No sufficient and competent evidence to warrant inclusion of audit observation
7. Receivables (Loans and Receivable Accounts: i) Real Property Tax Receivable, ii) Special Education Tax Receivable)	With audit finding – AO No. 7
8. Advances (i) Advances to Officers and Employees, ii) Advances to Special Disbursing Officer, iii) Advances for Payroll)	No sufficient and competent evidence to warrant inclusion of audit observation
9. Other Receivables (i) Due from Officers and Employees, ii) Due from NGOs / Pos)	With audit finding – AO No. 10
10. Breeding Stocks	Biological Assets – with audit finding – AO No. 8
11. Financial Liabilities (Accounts Payable: Bills / Bonds / Loans Payable, Loans Payable – Domestic; Inter-Agency Payables, i) Due to NGAs, ii) Due to LGUs)	With audit finding – AO No. 11
12. Trust Liabilities	No sufficient and competent evidence to warrant inclusion of audit observation
13. Drugs and Medicines Expenses	No sufficient and competent evidence to warrant inclusion of audit observation
14. Other MOOE	No sufficient and competent evidence to warrant inclusion of audit observation
E. Non-Financial Audit Issues for Mandatory Reporting in the AAR	
15. Remittance to the Bureau of Internal Revenue (BIR) on taxes withheld from employees and suppliers in accordance with RA No. 8424 and its IRR under BIR RR No. 02-98	No sufficient and competent evidence to warrant inclusion of audit observation
16. Premium contributions and loan amortization to the Government Service Insurance System (GSIS) and Home Development Mutual Fund in accordance with RA No. 8291 and RA No. 9679, respectively	No sufficient and competent evidence to warrant inclusion of audit observation
17. Premium contributions and remittance to PhilHealth in accordance with RA No. 7875, as amended	No sufficient and competent evidence to warrant inclusion of audit observation
18. Audit of Official Development Assistance (ODA)	The municipality did not receive any ODA funds in CY 2024.

<b>GAI/SAI Focus Area</b>	<b>Remarks</b>
19. LGSF – Support to the Barangay Development Program of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC)	The Municipality received no funds in CY 2024.
20. Twenty percent Development Fund <ul style="list-style-type: none"> <li>• Projects completed but not yet recorded</li> <li>• Expenses not related to 20% Development Fund</li> </ul>	No sufficient and competent evidence to warrant inclusion of audit observation
21. Payments to Casuals, Job Order, Contractuals and Consultants vis-à-vis the requirements of COA Memorandum No. 2012-010 dated December 28, 2021	No sufficient and competent evidence to warrant inclusion of audit observation
22. DRRM Funds/QRF – Projects completed but not yet recorded and expenses not related to DRRM Funds	No sufficient and competent evidence to warrant inclusion of audit observation
23. Gender and Development (GAD) Funds – Expenses not related to GAD programs, projects and activities per approved GAD Plan and Budget	No sufficient and competent evidence to warrant inclusion of audit observation
24. National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) Funds	N/A
F. Other Accounts/Thrusts area not included in the GAI/SAI	
<i>FINANCIAL AUDIT</i>	
1. Disclosure in the Statement of Cash Flows of cash receipts for fund transfers from the National Government	With audit finding – AO No. 3
2. Recording of subsidies from National Government and associated expenses	With audit finding – AO No. 4
3. Transfer of cash for the unexpended balances of the LDRRMF-QRF and MF-MOOE	With audit finding – AO No. 5
4. Submission of FS within the reglementary period	With audit finding – AO No. 12
<i>COMPLIANCE AUDIT</i>	
5. Collection of delinquent real property taxes	With audit finding – AO No. 13
6. Implementation of the TUPAD Program in compliance with DOLE DO No. 239, Series of 2023	With audit finding – AO No. 14
7. 4.BGCM Unutilized funds still not remitted to the National Treasury	With audit finding – AO No. 15
8. Travel expenses' compliance with COA Circular 2005-003 and EO No. 77	With audit finding – AO No. 16
9. LGSEF- unreverted and unutilized	With audit finding – AO No. 17
10. Compliance to Item 6.1 of DepED, DBM and DILG Joint Circular No. 1, Series of 2017 on	With audit finding – AO No. 18

GAI/SAI Focus Area	Remarks
monitoring, transparency, and accountability in the allocation and utilization of Special Education Fund (SEF)	

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

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

Very truly yours,



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

## EXECUTIVE SUMMARY

### Introduction

The Municipality of Pamplona was formerly among the sitios of the City of Tanjay. However, on June 16, 1950, it became a town in the Province of Negros Oriental by the enactment of Republic Act No. 535. Pamplona has 16 barangays and is currently classified as a 3<sup>rd</sup> class municipality. It is located 38 kilometers northwest of Dumaguete City and 7.5 kilometers west of the City of Tanjay. According to the 2020 census, it had a population of 39,805 people.

As of December 31, 2024, it had a personnel complement of 585, as shown below:

<i>Nature of Appointment to Office</i>	<i>Quantity</i>
Elective Officials	12
Permanent Positions	70
Casuals	28
Job Orders	475
<b>Total</b>	<b>585</b>

### Audit Objectives

The objective of the audit is to (a) ascertain the fairness of 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 risk-based audits 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 Pamplona for CY 2024. The audit consisted of a review of operating procedures, evaluation of the LGU's programs and projects, interviews of concerned government officials and employees, verification, reconciliation, confirmation, inspection, and analysis of accounts, and such other procedures considered necessary.

## Financial Highlights

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

<b>Statement of Financial Position</b>			
<b>Accounts</b>	<b>2024 (in ₱)</b>	<b>2023 (in ₱)</b>	<b>Increase (Decrease)</b>
Assets	640,647,792.49	615,405,369.03	25,242,423.46
Liabilities	188,449,379.99	170,059,323.13	18,390,056.86
Government Equity	452,198,412.50	445,346,045.90	6,852,366.60

<b>Results of Operations</b>			
<b>Accounts</b>	<b>2024 (in ₱)</b>	<b>2023 (in ₱)</b>	<b>Increase (Decrease)</b>
Revenue	203,562,912.54	190,948,172.99	12,614,739.55
Personnel Services	(64,052,383.92)	(60,028,984.47)	4,023,399.45
Maintenance and Other Operating Expenses	(101,319,253.98)	(94,688,439.82)	6,630,814.16
Financial Expenses	(3,095,589.81)	(3,544,125.08)	(448,535.27)
Non-cash Expenses	(15,757,084.35)	(12,906,897.98)	2,850,186.37
Net Financial Assistance/ Subsidy	799,134.36	3,361,037.17	(2,561,902.81)
Net Surplus (Deficit)	20,137,734.84	23,140,762.81	(3,003,027.97)

## Independent Auditor's Report on the Financial Statements

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

1. The Local Government Unit (LGU) did not take advantage of the guidelines and procedures on the one-time cleansing of Property, Plant and Equipment (PPE), thus affecting the fairness of presentation of the financial position in the financial statements and depriving the government of reliable and useful information in decision-making and accountability for these assets.
2. Items of PPE with a total cost of ₱106,188,435.86 were not provided with depreciation, hence, the municipality's asset and equity accounts were overstated by the amount of depreciation that should have been applied to these assets.
3. Cash receipts for fund transfers from the National Government, amounting to ₱65,332,120.00, were not reported in the Statement of Cash Flows. Instead, these amounts were deducted from the payments to suppliers, leading to

inaccurate and unreliable representations of cash inflows and outflows under the Municipality's operating activities.

4. Subsidies from the National Government, in the form of fund transfers totaling ₱50,286,760.00, along with associated expenses, were not recorded in the books of accounts, resulting in an understatement of both the net financial subsidy and current operating expenses by the same amount.
5. Transfer of cash for the unexpended balances of the LDRRMF- Quick Response Fund (QRF) and the Maintenance and Other Operating Expenses (MOOE) of the Mitigation Fund (MF) from CYs 2020 to 2024 totaling ₱17,559,915.03 had not been completed as of December 31, 2024, resulting in a negative balance of ₱1,163,479.09 in the Cash in Bank account in the Subsidiary Ledger (SL) of the Trust Fund (TF) books.
6. Completed infrastructure projects totaling ₱12,111,182.21 were not reclassified from the Construction in Progress (CIP) account to the appropriate PPE accounts upon completion, thereby omitting the recognition of depreciation and misstating the balances of affected accounts in the financial statements.

### **Significant Observations and Recommendations**

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

1. **The Real Property Tax (RPT) and Special Education Tax (SET) Receivables were not established at the beginning of the year, thus, understating the RPT and SET Receivables by ₱4,940,371.90.**

We recommended that the Municipal Treasurer provide the Municipal Accountant with a copy of the RPT records for CY 2024 and previous years to establish the beginning balance for CY 2025.

We further recommended that, henceforth, the Municipal Treasurer provide the Municipal Accountant at the beginning of each year with a certified list of taxpayers with their amounts due and collectible for the current year, to serve as her basis for recording the RPT and SET Receivables.

2. **Biological Assets totaling ₱2,196,314.50 as of December 31, 2024, were not reported at fair value less costs to sell, rendering the reported amount in the financial statements unreliable.**

We recommended that the Municipal Agriculturist provide the Municipal Accountant with an inventory of biological assets, along with the prevailing market price for each item as of the reporting date and details regarding the

prevailing cost to sell these biological assets.

- The Municipal Accountant did not prepare Journal Entry Vouchers (JEV) for book reconciling items in the Bank Reconciliation Statements (BRS) totaling ₱1,792,371.24, resulting in an understatement of both the Cash in Bank and Liability accounts by the same amount.**

We recommended that the Municipal Accountant prepare JEVs for valid reconciling items that require adjustment and correction in the GL.

We further recommended that the Municipal Accountant follow the check disbursement process prescribed in Section 44 of the NGAS Manual for LGUs, Volume I, to ensure that the JEVs are prepared and recorded based on the RCI together with the DVs and supporting documents received from the Municipal Treasurer’s Office.

These and all other audit observations and recommendations are discussed in detail in Part II of this Report.

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

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

	<b>Beginning Balance</b>  (As of 1/1/2024)	<b>This Period</b> <b>January 1 to December 31, 2024</b>		<b>Ending Balance</b>  (As of 12/31/24)
		NS/ND/NC	NSSDC	
Notice of Suspension	₱ 0.00	₱ 0.00	₱ 0.00	₱ 0.00
Notice of Disallowance	1,778,200.00	0.00	0.00	1,778,200.00
Notice of Charge	0.00	0.00	0.00	0.00

### **Status of Implementation of Prior Years’ Recommendations**

Of the 76 audit recommendations contained in the CY 2023 and prior years’ Annual Audit Reports, six were implemented and 70 were unimplemented. Of the six implemented recommendations, two were closed due to changes in condition. Meanwhile, of the 70 unimplemented recommendations, three were reiterated and included in audit observation numbers 1 and 12, while five were restated in audit observation numbers 1 and 10 in Part II of this report, in view of the similarity of the issues involved. Moreover, Management commented that they will have difficulty in implementing four recommendations due to a lack of storage for inventories purchased and a lack of personnel assigned to handle and distribute inventories.

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**PART I**  
**AUDITED FINANCIAL STATEMENTS**



## **INDEPENDENT AUDITOR'S REPORT**

### **HONORABLE JANICE V. DEGAMO**

Municipal Mayor  
Municipality of Pamplona  
Province of Negros Oriental

### **Qualified Opinion**

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

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

### **Bases for Qualified Opinion**

1. The Local Government Unit (LGU) did not take advantage of the guidelines and procedures on the one-time cleansing of Property, Plant and Equipment (PPE), thus affecting the fairness of presentation of the financial position in the financial statements and depriving the government of reliable and useful information in decision-making and accountability for these assets.
2. Items of PPE with a total cost of ₱106,188,435.86 were not provided with depreciation, hence, the municipality's asset and equity accounts were overstated by the amount of depreciation that should have been applied to these assets.
3. Cash receipts for fund transfers from the National Government, amounting to ₱65,332,120.00, were not reported in the Statement of Cash Flows. Instead, these amounts were deducted from the payments to suppliers, leading to inaccurate and unreliable representations of cash inflows and outflows under the Municipality's operating activities.
4. Subsidies from the National Government, in the form of fund transfers totaling ₱50,286,760.00, along with associated expenses, were not recorded in the books of accounts, resulting in an understatement of both the net financial subsidy and current operating expenses by the same amount.

5. Transfer of cash for the unexpended balances of the LDRRMF- Quick Response Fund (QRF) and the Maintenance and Other Operating Expenses (MOOE) of the Mitigation Fund (MF) from CYs 2020 to 2024 totaling ₱17,559,915.03 had not been completed as of December 31, 2024, resulting in a negative balance of ₱1,163,479.09 in the Cash in Bank account in the Subsidiary Ledger (SL) of the Trust Fund (TF) books.
6. Completed infrastructure projects totaling ₱12,111,182.21 were not reclassified from the Construction in Progress (CIP) account to the appropriate PPE accounts upon completion, thereby omitting the recognition of depreciation and misstating the balances of affected accounts in the financial statements.

We have conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the agency in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together 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 and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.


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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

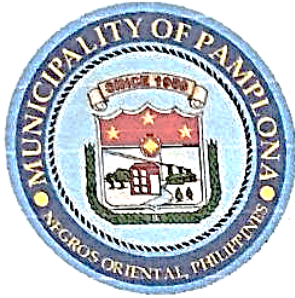
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **COMMISSION ON AUDIT**

By:

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

June 13, 2025





Republic of the Philippines  
Province of Negros Oriental  
MUNICIPALITY OF PAMPLONA

STATEMENT OF MANAGEMENT RESPONSIBILITY

The Management of the Local Government Unit of Pamplona is responsible for all information and presentation contained in the Statement of Financial Position as of December 31, 2024 and the related Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Comparative Budget and Actual, and Statement of Cash Flows for the period then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards (PPSAS) 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 are recognized.

  
JERA C. BALDADO  
Municipal Accountant  
Date Signed: April 10, 2025

  
JANICE V. DEGAMO  
Municipal Mayor  
Date Signed: April 10, 2025

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

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	4	₱ 178,743,901.63	₱ 185,702,475.73
Investments		-	-
Receivables	5	61,146,482.08	66,657,532.84
Inventories	6	583,078.68	7,637,034.53
Prepayments and Deferred Charges		-	-
<b>Total Current Assets</b>		<b>₱ 240,473,462.39</b>	<b>₱ 259,997,043.10</b>
<i>Non-Current Assets</i>			
Investments		-	-
Receivables	5	1,077,115.95	1,077,115.95
Investment Property		-	-
Property, Plant and Equipment	7	375,390,628.76	352,133,935.48
Biological Assets	8	2,196,314.50	2,196,314.50
Intangible Assets	9	960.00	960.00
<b>Total Non-Current Assets</b>		<b>₱ 378,665,019.21</b>	<b>₱ 355,408,325.93</b>
<b>Total Assets</b>		<b>₱ 619,138,481.60</b>	<b>₱ 615,405,369.03</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Financial Liabilities	10	₱ 24,453,615.97	₱ 85,582,963.47
Inter-Agency Payables	11	26,246,520.95	12,068,885.41
Intra-Agency Payables		-	-
Trust Liabilities	12	17,164,493.46	14,665,309.80
Deferred Credits/Unearned Income	13	52,250,338.80	57,523,204.43
Provisions		-	-
Other Payables	14	219,100.02	218,960.02
<b>Total Current Liabilities</b>		<b>₱ 120,334,069.20</b>	<b>₱ 170,059,323.13</b>
<i>Non-Current Liabilities</i>			
Financial Liabilities	10	₱ 46,605,999.90	-
Deferred Credits/Unearned Income		-	-
Provisions		-	-
Other Payables		-	-
<b>Total Non-Current Liabilities</b>		<b>₱ 46,605,999.90</b>	<b>₱ -</b>
<b>Total Liabilities</b>		<b>₱ 166,940,069.10</b>	<b>₱ 170,059,323.13</b>
<b>NET ASSETS/EQUITY</b>			
Government Equity		₱ 452,198,412.50	₱ 445,346,045.90
<b>Total Liabilities and Net Assets/Equity</b>		<b>₱ 619,138,481.60</b>	<b>₱ 615,405,369.03</b>

*See accompanying Notes to Financial Statements.*

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

	<u>Note</u>	<u>2024</u>		<u>2023</u>
<b>Revenue</b>				
Tax Revenue	15	₱ 8,181,225.20	₱	6,828,385.84
Share from Internal Revenue Collections	16	191,335,191.00		180,076,784.00
Other Share from National Taxes		-		4,600.00
Service and Business Income	17	3,934,523.22		3,639,717.67
Shares, Grants and Donations	18	16,101.00		134,164.01
Gains		-		-
Miscellaneous Income	19	95,872.12		264,521.47
<b>Total Revenue</b>		<b>203,562,912.54</b>		<b>190,948,172.99</b>
<b>Less: Current Operating Expenses</b>				
Personnel Services	20	64,052,383.92		60,028,984.47
Maintenance and Other Operating Expenses	21	101,319,253.98		94,688,439.82
Financial Expenses	22	3,095,589.81		3,544,125.08
Non-cash Expenses	23	15,757,084.35		12,906,897.98
Loss on Sale of Biological Assets		-		-
<b>Current Operating Expenses</b>		<b>184,224,312.06</b>		<b>171,168,447.35</b>
<b>Surplus (Deficit) from Current Operation</b>		<b>19,338,600.48</b>		<b>19,779,725.64</b>
Add (Deduct):				
Transfers, Assistance and Subsidy From	24	6,406,216.28		11,778,806.10
Transfers, Assistance and Subsidy To	25	5,607,081.92		8,417,768.93
<b>Net Financial Assistance/Subsidy</b>		<b>799,134.36</b>		<b>3,361,037.17</b>
<b>Surplus (Deficit) for the period</b>		<b>₱ 20,137,734.84</b>	₱	<b>23,140,762.81</b>

*See accompanying Notes to Financial Statements.*

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

	<u>2024</u>	<u>2023</u>
<b>Balance, January 1</b>	₱ 445,346,045.90	₱ 416,401,901.98
Add (Deduct)		
Change in Accounting Policy	(13,011,886.24)	7,707,142.52
Prior Period Errors	(273,482.00)	(1,903,761.41)
Restated Balance	₱ <u>432,060,677.66</u>	₱ <u>422,205,283.09</u>
Add (Deduct) Changes in Net Assets/Equity during the year		
Adjustments recognized directly in Net Assets/Equity	-	-
Surplus (Deficit) for the period	<u>20,137,734.84</u>	<u>23,140,762.81</u>
<b>Total reconized revenue and expenses for the period</b>	₱ <u>20,137,734.84</u>	₱ <u>23,140,762.81</u>
<b>Balance, December 31</b>	₱ <u><u>452,198,412.50</u></u>	₱ <u><u>445,346,045.90</u></u>

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

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>			
Cash Inflows:			
Collection from Taxpayers	P	8,181,225.20	P 6,784,665.84
Share from Internal Revenue Allotment		191,335,191.00	180,076,784.00
Receipts from business/service income		-	-
Interest Income		94,784.11	222,904.59
Dividend Income		-	-
Other Receipts		8,786,990.91	7,319,166.20
<b>Total Cash Inflow</b>	<b>P</b>	<b><u>208,398,191.22</u></b>	<b><u>P 194,403,520.63</u></b>
Cash Outflows:			
Payment of expenses	P	-	P -
Payments to suppliers and creditors		86,345,313.75	98,524,271.50
Payments to employees		62,828,731.39	57,922,139.76
Interest Expenses		3,064,940.41	3,509,062.00
Other Expenses		10,571,134.40	7,335,120.91
Total Cash Outflow	P	<u>162,810,119.95</u>	<u>P 167,290,594.17</u>
Net Cash from Operating Activities	26 P	<u><b>45,588,071.27</b></u>	<u><b>P 27,112,926.46</b></u>
<b>Cash Flows from Investing Activities:</b>			
Cash Inflows:			
Proceeds from Sale of Investment Property	P	-	P -
Proceeds from Sale/Disposal of Property, Plant & Equipment		-	-
Proceeds from Sale of Non-Current Investments		-	-
Collection of Principal on loans to other entities		-	-
Total Cash Inflow	P	<u>-</u>	<u>P -</u>
Cash Outflows:			
Purchase/Construction of Investment Property	P	-	P -
Purchase/Construction of Property, Plant & Equipment		43,669,312.01	31,693,766.01
Investment		-	-
Purchase of Bearer Biological Assets		-	-
Purchase of Intangible Assets		-	-
Grant of Loans		-	-
Total Cash Outflow	P	<u>43,669,312.01</u>	<u>P 31,693,766.01</u>
Net Cash from Investing Activities	P	<u><b>(43,669,312.01)</b></u>	<u><b>P (31,693,766.01)</b></u>
<b>Cash Flows from Financing Activities:</b>			
Cash Inflows:			
Proceeds from issuance of bonds	P	-	P -
Proceeds from Loans		-	-
Total Cash Inflow	P	<u>-</u>	<u>P -</u>
Cash Outflows:			
Payment of Long-Term Liabilities	P	-	P -
Retirement/Redemption of Debt Securities		-	-
Payment of Loan Amortization		8,877,333.36	8,977,653.81
Total Cash Outflow	P	<u>8,877,333.36</u>	<u>P 8,977,653.81</u>
Net Cash from Financing Activities	P	<u><b>(8,877,333.36)</b></u>	<u><b>P (8,977,653.81)</b></u>
<b>Total Cash Provided by Operating, Investing &amp; Financing Activities</b>	<b>P</b>	<b><u>(6,958,574.10)</u></b>	<b><u>P (13,558,493.36)</u></b>
Cash, Beginning of the Period		<u>185,702,475.73</u>	<u>199,260,969.09</u>
<b>Cash, at the end of the Period</b>	<b>4 P</b>	<b><u><u>178,743,901.63</u></u></b>	<b><u><u>P 185,702,475.73</u></u></b>

*See accompanying Notes to Financial Statements.*

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

Particulars	Budgeted Amounts					Difference		Actual Amounts		Difference	
	Original		Final		Original and Final Budget				Final Budget and Actual		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
<b>Revenue</b>											
<b>A. Local Sources</b>											
1. Tax Revenue											
a. Tax Revenue - Property	3,500,000.00	2,700,000.00	3,500,000.00	2,700,000.00	-	-	2,685,920.10	2,225,710.60	814,079.90	474,289.40	
b. Tax Revenue - Goods and Services	5,150,000.00	5,190,641.00	5,150,000.00	5,190,641.00	-	-	4,620,662.03	4,442,531.28	529,337.97	748,109.72	
c. Other Local Taxes	950,000.00	300,000.00	950,000.00	300,000.00	-	-	874,643.07	160,143.96	75,356.93	139,856.04	
Total Tax Revenue	9,600,000.00	8,190,641.00	9,600,000.00	8,190,641.00	-	-	8,181,225.20	6,828,385.84	1,418,774.80	1,362,255.16	
2. Non-Tax Revenue											
a. Service Income	2,160,000.00	2,470,000.00	2,160,000.00	2,470,000.00	-	-	3,159,850.95	2,722,682.62	(999,850.95)	(252,682.62)	
b. Business Income	1,050,000.00	900,000.00	1,050,000.00	900,000.00	-	-	685,244.79	917,035.05	364,755.21	(17,035.05)	
c. Other Income and Receipts	140,000.00	100,000.00	140,000.00	100,000.00	-	-	118,299.60	231,084.48	21,700.40	(131,084.48)	
Total Non-Tax Revenue	3,350,000.00	3,470,000.00	3,350,000.00	3,470,000.00	-	-	3,963,395.34	3,870,802.15	(613,395.34)	(400,802.15)	
<b>B. External Sources</b>											
1. Share from the National Internal Revenue Taxes	191,328,635.00	180,076,784.00	191,328,635.00	180,076,784.00	-	-	191,335,191.00	180,076,784.00	(6,556.00)	-	
2. Share from GOCCs					-	-			-	-	
3. Other Shares from National Tax Collections		10,000.00		10,000.00	-	-		4,600.00	-	5,400.00	
a. Share from Ecozone					-	-			-	-	
b. Share from EVAT					-	-			-	-	
c. Share from National Wealth		10,000.00		10,000.00	-	-		4,600.00	-	5,400.00	
d. Share from Tobacco Excise Tax					-	-			-	-	
4. Other Receipts					-	-		10,089,317.00	-	(10,089,317.00)	
a. Grants and Donations					-	-		10,089,317.00	-	(10,089,317.00)	
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					-	-			-	-	
<b>C. Receipts from Borrowings</b>											
<b>Total Revenue and Receipts</b>	<b>204,278,635.00</b>	<b>191,747,425.00</b>	<b>204,278,635.00</b>	<b>191,747,425.00</b>	<b>-</b>	<b>-</b>	<b>203,479,811.54</b>	<b>200,869,888.99</b>	<b>798,823.46</b>	<b>(9,122,463.99)</b>	
<b>Expenditures</b>											
<b>Current Appropriations</b>											
<b>General Public Services</b>											
Personal Services	48,880,359.25	44,857,437.41	47,502,154.07	43,051,891.00	1,378,205.18	1,805,546.41	45,227,650.54	42,282,126.26	2,274,503.53	769,764.74	
Maintenance and Other Operating Expenses	33,524,652.20	27,503,808.67	40,604,206.51	34,936,308.67	(7,079,554.31)	(7,432,500.00)	35,941,865.54	28,202,900.03	4,662,340.97	6,733,408.64	
Capital Outlay	3,335,000.00	3,245,000.00	2,555,300.00	2,599,570.00	779,700.00	645,430.00	479,090.15	843,808.00	2,076,209.85	1,755,762.00	
<b>Education</b>											
Personal Services					-	-			-	-	
Maintenance and Other Operating Expenses	8,619,000.00	6,754,000.00	8,716,750.00	6,947,800.00	(97,750.00)	(193,800.00)	7,983,066.59	5,400,401.75	733,683.41	1,547,398.25	
Capital Outlay		2,300,000.00			-	2,300,000.00			-	-	
<b>Health, Nutrition and Population Control</b>											
Personal Services	11,206,269.98	10,859,629.25	11,076,205.68	9,741,944.15	130,064.30	1,117,685.10	10,403,969.55	9,727,147.19	672,236.13	14,796.96	
Maintenance and Other Operating Expenses	8,301,351.19	7,035,907.94	8,781,464.19	8,000,907.94	(480,113.00)	(965,000.00)	7,062,463.15	5,878,614.11	1,719,001.04	2,122,293.83	
Capital Outlay	100,000.00	250,000.00	100,000.00	100,000.00	-	150,000.00		99,992.00	100,000.00	8.00	
<b>Labor and Employment</b>											
Personal Services					-	-			-	-	
Maintenance and Other Operating Expenses					-	-			-	-	
Capital Outlay					-	-			-	-	
<b>Housing and Community Development</b>											
Personal Services	939,468.21	738,400.00	894,297.91	757,182.80	45,170.30	(18,782.80)	857,992.57	736,390.03	36,305.34	20,792.77	
Maintenance and Other Operating Expenses	11,792,378.00	10,418,500.00	14,675,644.80	16,966,000.00	(2,883,266.80)	(6,547,500.00)	13,696,493.87	14,186,312.24	979,150.93	2,779,687.76	
Capital Outlay		60,000.00			-	60,000.00			-	-	
<b>Social Services and Social Welfare</b>											
Personal Services	2,223,557.61	2,105,153.03	2,062,772.39	1,746,379.23	160,785.22	358,773.80	1,961,176.89	1,741,249.16	101,595.50	5,130.07	
Maintenance and Other Operating Expenses	22,206,847.55	14,869,415.09	21,296,649.54	19,688,504.68	910,198.01	(4,819,089.59)	20,002,702.77	17,461,994.25	1,293,946.77	2,226,510.43	
Capital Outlay	2,875,000.00	330,895.00	200,000.00	40,895.00	2,675,000.00	290,000.00		40,895.00	200,000.00		
<b>Economic Services</b>											
Personal Services	3,099,590.29	2,985,000.74	2,563,997.27	2,293,777.98	535,593.02	691,222.76	2,528,044.52	2,244,226.01	35,952.75	49,551.97	
Maintenance and Other Operating Expenses	8,725,300.00	6,730,464.00	8,254,050.00	8,289,738.16	471,250.00	(1,559,274.16)	5,776,102.30	6,439,774.10	2,477,947.70	1,849,964.06	
Capital Outlay	1,325,000.00	60,000.00	1,099,000.00		226,000.00	60,000.00	99,000.00		1,000,000.00		
<b>Other Purposes:</b>											
Debt Service					-	-			-	-	
Financial Expense					-	-			-	-	
Amortization					-	-			-	-	
<b>LDRRMF</b>											
Maintenance and Other Operating Expenses	2,307,333.27	4,762,371.25	3,559,503.14	4,762,371.25	(1,252,169.87)		2,209,350.75	1,368,747.00	1,350,152.39	3,393,624.25	
Capital Outlay	4,791,168.95	5,450,000.00	4,791,168.95	5,450,000.00		(700,000.00)		249,000.00	4,791,168.95	5,201,000.00	
<b>20% Development Fund</b>											
Maintenance and Other Operating Expenses	18,215,356.80	18,215,356.80	18,215,356.80	18,215,356.80	-	-	11,972,923.17	15,150,204.88	6,242,433.63	3,065,151.92	
Capital Outlay	26,874,330.32	17,800,000.00	26,874,330.32	26,874,330.32	-	(9,074,330.32)	15,058,238.79	6,008,503.00	11,816,091.53	20,865,827.32	

Particulars	Budgeted Amounts					Difference		Actual Amounts		Difference	
	Original		Final		Original and Final Budget				Final Budget and Actual		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
<b>Share from National Wealth</b>					-	-			-	-	
Maintenance and Other Operating Expenses					-	-			-	-	
Capital Outlay					-	-			-	-	
<b>Allocation for Senior Citizens and PWD</b>											
Maintenance and Other Operating Expenses	2,149,605.36	1,792,474.26	2,135,155.36	1,852,474.26	14,450.00	(60,000.00)	1,518,936.39	1,128,633.45	616,218.97	723,840.81	
Capital Outlay		104,945.00		44,945.00	-	60,000.00		44,945.00	-	-	
<b>Others</b>											
Personal Services	2,469,468.16	4,394,468.16	2,182,356.76	1,856,392.76	287,111.40	2,538,075.40	1,402,900.45	1,828,045.48	779,456.31	28,347.28	
Maintenance and Other Operating Expenses	1,112,600.00	1,062,600.00	4,002,300.00	3,166,500.00	(2,889,700.00)	(2,103,900.00)	3,535,927.27	2,690,861.83	466,372.73	475,638.17	
Capital Outlay					-	-			-	-	
<b>Total Current Appropriations</b>	<b>225,073,637.14</b>	<b>193,985,826.60</b>	<b>232,142,663.69</b>	<b>217,383,270.00</b>	<b>(7,069,026.55)</b>	<b>(23,397,443.40)</b>	<b>187,717,895.26</b>	<b>163,754,770.77</b>	<b>44,424,768.43</b>	<b>53,628,499.23</b>	
<b>Continuing Appropriations</b>											
<b>General Public Services</b>											
Capital Outlay	5,772,742.24	5,396,358.00	3,347,827.52	5,396,358.00	2,424,914.72	-	993,854.90	1,313,258.00	2,353,972.62	4,083,100.00	
<b>Education</b>											
Capital Outlay	1,270,440.85	270,440.85	1,270,440.85	270,440.85	-	-	-	163,507.50	1,270,440.85	106,933.35	
<b>Health, Nutrition and Population Control</b>											
Capital Outlay	113,164.00	160,856.00	-	160,856.00	113,164.00	-	-	47,700.00	-	113,156.00	
<b>Labor and Employment</b>											
Capital Outlay					-	-	-	-	-	-	
<b>Housing and Community Development</b>											
Capital Outlay	1,149,310.00	1,187,300.00	720,000.00	1,187,300.00	429,310.00	-	-	37,990.00	720,000.00	1,149,310.00	
<b>Social Services and Social Welfare</b>											
Capital Outlay	2,281,992.92	3,664,890.42	1,536,994.92	3,664,890.42	744,998.00	-	65,075.00	382,897.50	1,471,919.92	3,281,992.92	
<b>Economic Services</b>											
Capital Outlay	1,488,537.50	1,670,436.00	918,101.50	1,670,436.00	570,436.00	-	-	181,898.50	918,101.50	1,488,537.50	
<b>Other Purposes:</b>											
Capital Outlay	72,621,627.00	71,464,307.24	67,268,206.00	66,667,056.11	5,353,421.00	4,797,251.13	24,505,335.36	25,671,530.81	42,762,870.64	40,995,525.30	
<b>Total Continuing Appropriations</b>	<b>84,697,814.51</b>	<b>83,814,588.51</b>	<b>75,061,570.79</b>	<b>79,017,337.38</b>	<b>9,636,243.72</b>	<b>4,797,251.13</b>	<b>25,564,265.26</b>	<b>27,798,782.31</b>	<b>49,497,305.53</b>	<b>51,218,555.07</b>	
<b>Total Appropriations</b>	<b>309,771,451.65</b>	<b>277,800,415.11</b>	<b>307,204,234.48</b>	<b>296,400,607.38</b>	<b>2,567,217.17</b>	<b>(18,600,192.27)</b>	<b>213,282,160.52</b>	<b>191,553,553.08</b>	<b>93,922,073.96</b>	<b>104,847,054.30</b>	

## ***Notes to Financial Statements***

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*(All amounts in Philippine Peso unless otherwise stated)*

### **Note 1. Profile**

The Municipality of Pamplona was created by virtue of Republic Act No.535 dated June 16, 1950. It is located 38 kilometers northwest of Dumaguete City and comprises approximately 21,683 hectares of land mostly devoted to agricultural activities. Its present population was reported at 37,596 as of August 9, 2015 per Philippine Statistics Authority latest census.

The Municipality of Pamplona is envisioned as an economically viable, sustainable and ecologically balanced municipality where its constituents enjoy the fruits of growth and development through accountable and transparent local governance of the incumbent elected officials.

### **Note 2. Basis of Financial Statement Preparation**

The consolidated financial statements of the Pamplona have been prepared in accordance with and compliance with the International Public Sector Accounting Standards (IPSAS). The consolidated financial statements are presented in pesos, which is the functional and reporting currency of the LGU.

### **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 Consolidation**

The LGU maintains special accounts under the General Fund for the following economic enterprises it operates.

#### **3.3 Revenue recognition**

##### **Revenue from non-exchange transactions**

##### *Taxes, fees, and fines*

The LGU recognizes revenues from taxes and fines when the event occurs

and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, 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.

### **Revenue from exchange transactions**

#### *Interest income*

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

### **3.4 Property, plant, and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the LGU recognizes such parts as individual assets with specific useful lives and depreciates 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.

### **3.5 Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify

the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

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

### **3.6 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 in surplus or deficit.

### **3.7 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 Governor, Mayors, Vice-Governors and Vice-Mayors, Sanggunian Members, Committee Officials and Members, Accountants, Treasurers, Budget Officers, General Services and all Chiefs of Departments/Divisions.

### **3.8 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 needs of the LGU. As a result of the adoption of the Modified cash basis for budgeting purposes, there are basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements.

#### Note 4. Cash and Cash Equivalents

This account is composed of the following:

	<b>2024</b>	<b>2023</b>
<b>Cash on Hand</b>		
Cash Local Treasury	₱ 198.72	₱ 24,276.57
Petty Cash	119,975.18	119,975.18
<b>Cash in Bank – Local Currency</b>		
Cash in Bank – Local Currency, Current Account	178,623,727.73	185,558,223.98
<b>Total Cash and Cash Equivalents</b>	<b>₱ 178,743,901.63</b>	<b>₱ 185,702,475.73</b>

Cash in banks earns interest based on the prevailing bank deposit rates.

#### Note 5. Receivables, Net

This account is composed of the following:

*Current Receivables, Net*

<b>Loans and Receivable Accounts</b>		
Accounts Receivable	₱ 103.29	₱ 103.29
Real Property Tax Receivable	26,068,473.26	28,694,017.46
Special Education Tax Receivable	26,152,756.63	28,800,078.07
Loans Receivables-Others	682,691.00	687,141.00
<b>Sub-Total</b>	<b>52,904,024.18</b>	<b>58,181,339.82</b>
<b>Intra-Agency Receivables</b>		
Due from Other Funds	<b>21,509,310.89</b>	<b>16,826,554.59</b>
<b>Advances</b>		
Advances for Operating Expenses	6,951,422.47	7,106,197.47
Advances for Payroll	398,032.40	398,032.40
Advances to Special Disbursing Officer	0.00	36,325.00
Advances to Officers and Employees	146,399.40	158,897.02
<b>Sub-Total</b>	<b>7,495,854.27</b>	<b>7,699,451.89</b>
<b>Other Receivables</b>		
Receivables – Disallowances/Charges	415,100.00	416,300.00
<i>Allowance for Impairment</i>	(89,336.84)	(89,336.84)
Due from Officers and Employees	420,840.47	449,777.97
<b>Sub-Total</b>	<b>746,603.63</b>	<b>776,741.13</b>
<b>Total Current Receivables</b>	<b>82,655,792.97</b>	<b>83,484,087.43</b>
<b>Less: Elimination of Reciprocal Accounts</b>	21,509,310.89	16,826,554.59
<b>Total Current Receivables, Net</b>	<b>₱ 61,146,482.08</b>	<b>₱ 66,657,532.84</b>

*Non-Current Receivables, Net*

	<b>2024</b>	<b>2023</b>
<b>Inter-Agency Receivables</b>		
Due from National Government Agencies	₱ 183,293.49	₱ 183,293.49
Due from Government Owned and Controlled Corporations	147,050.76	147,050.76
Due from Local Government Units	356,324.38	356,324.38
<b>Sub-Total</b>	<b>686,668.63</b>	<b>686,668.63</b>
<b>Intra-Agency Receivables</b>		
Other Receivables	431,798.09	431,798.09
<i>Allowance for Impairment</i>	(41,350.77)	(41,350.77)
<b>Sub-Total</b>	<b>390,447.32</b>	<b>390,447.32</b>
<b>Total Non-Current Receivables, Net</b>	<b>₱ 1,077,115.95</b>	<b>₱ 1,077,115.95</b>

**Note 6. Inventories**

This account is composed of the following:

<b>Inventory Held for Distribution</b>		
Food Supplies for Distribution	₱ 0.00	₱ 6,843,913.85
<b>Inventory Held for Consumption</b>		
Office Supplies Inventory	₱ 52,098.00	₱ 52,098.00
Accountable Forms, Plates and Stickers	43,605.00	58,455.00
Medical, Dental & Laboratory Supplies Inventory	28,225.00	28,225.00
Construction Materials Inventory	0.00	48,115.00
Other Supplies & Materials Inventory	459,150.68	606,227.68
<b>Total Inventories</b>	<b>₱ 583,078.68</b>	<b>₱ 7,637,034.53</b>

At December 31, 2024, the inventory was carried at cost.

Account	Beginning balance	Additions/ Acquisitions	Reductions/ Expensed	Ending Balance
Food Supplies for Distribution	6,843,913.85	0.00	6,843,913.85	0.00
Office Supplies Inventory	52,098.00	0.00	0.00	52,098.00
Accountable Forms, Plates and Stickers	58,455.00	0.00	10,340.00	43,605.00
Medical, Dental and Laboratory Supplies Inventory	28,225.00	0.00	0.00	28,225.00
Construction Materials Inventory	48,115.00	0.00	48,115.00	0.00
Other Supplies and Materials Inventory	606,227.68	0.00	147,077.00	459,150.68
<b>Total Inventories, end</b>				<b>583,078.68</b>

**Note 7. Property, Plant, and Equipment (PPE)**

This account is composed of the following:

	<b>2024</b>	<b>2023</b>
<b>Land</b>	<b>14,277,713.70</b>	<b>14,277,713.70</b>
<b>Land Improvements</b>		
Other Land Improvements	2,616,659.41	2,616,659.41
<i>Accumulated Depreciation-Other Land Improvements</i>	(221,451.93)	(221,451.93)
<b>Total Land Improvements, Net</b>	<b>2,395,207.48</b>	<b>2,395,207.48</b>
<b>Infrastructure Assets</b>		
Road Networks	52,599,817.56	48,102,792.50
<i>Accumulated Depreciation-Road Networks</i>	0.00	0.00
Flood Control Networks	7,422,197.03	7,422,197.03
<i>Accumulated Depreciation-Flood Control Networks</i>	0.0	0.0
Water Supply Systems	50,536,765.55	48,262,857.87
<i>Accumulated Depreciation-Water Supply Systems</i>	0.0	0.0
Power Supply Systems	16,792,430.83	16,046,930.83
<i>Accumulated Depreciation-Power Supply Systems</i>	(7,673,274.82)	(6,829,951.80)
Parks, Plazas and Monuments	344,100.00	507,721.00
Other Infrastructure Assets	2,224,409.04	1,780,307.04
<b>Total Infrastructure Assets, Net</b>	<b>122,246,445.19</b>	<b>115,292,854.47</b>
<b>Buildings and Other Structures</b>		
Buildings	24,072,060.94	22,218,182.55
<i>Accumulated Depreciation-Buildings</i>	(3,940,485.07)	(2,327,172.79)
School Building	4,610,641.36	4,610,641.36
<i>Accumulated Depreciation-School Buildings</i>	(3,977,531.79)	(3,931,923.46)
Hospitals and Health Centers	6,543,733.22	6,543,733.22
<i>Accumulated Depreciation-Hospitals and Health Centers</i>	(2,079,309.82)	(1,768,304.48)
Markets	1,614,425.50	1,614,425.50
<i>Accumulated Depreciation-Markets</i>	(1,172,089.54)	(1,071,281.45)
Other Structures	15,905,756.10	15,432,225.40
<i>Accumulated Depreciation-Other Structures</i>	(5,920,842.90)	(5,125,072.43)
<b>Total Buildings and Others Structures, Net</b>	<b>35,656,358.00</b>	<b>36,195,453.42</b>
<b>Machinery and Equipment</b>		
Machinery	510,698.80	510,698.80
<i>Accumulated Depreciation-Machinery</i>	(407,625.00)	(407,625.00)
Office Equipment	2,091,126.12	4,350,967.10
<i>Accumulated Depreciation-Office Equipment</i>	(1,836,195.32)	(3,682,231.69)

	2024	2023
Information and Communication Technology Equipment	3,111,396.00	10,489,736.90
<i>Accumulated Depreciation-Information and Communication Technology Equipment</i>	(2,166,249.35)	(7,365,998.51)
Agricultural and Forestry Equipment	1,669,500.00	1,724,489.00
<i>Accumulated Depreciation-Agricultural and Forestry Equipment</i>	(636,611.12)	(532,889.72)
Communication Equipment	5,854,556.10	7,122,604.40
<i>Accumulated Depreciation-Communication Equipment</i>	(1,563,698.95)	(3,326,995.69)
Construction and Heavy Equipment	97,269,059.77	92,885,059.77
<i>Accumulated Depreciation-Construction and Heavy Equipment</i>	(30,860,234.08)	(22,749,739.08)
Disaster Response and Rescue Equipment	4,840,453.23	2,987,860.04
<i>Accumulated Depreciation-Disaster Response and Rescue Equipment</i>	(2,252,169.60)	(2,061,742.02)
Military, Police and Security Equipment	98,850.00	495,935.00
<i>Accumulated Depreciation-Military, Police and Security Equipment</i>	(96,197.64)	(474,143.98)
Medical Equipment	925,033.00	1,584,663.80
<i>Accumulated Depreciation-Medical Equipment</i>	(793,837.71)	(911,014.99)
Sports Equipment	0.00	126,822.00
<i>Accumulated Depreciation-Sports Equipment</i>	0.00	(113,966.20)
Technical and Scientific Equipment	163,167.00	632,467.73
<i>Accumulated Depreciation-Technical and Scientific Equipment</i>	(146,850.30)	(510,498.52)
Other Machinery and Equipment	4,342,499.00	6,167,306.30
<i>Accumulated Depreciation-Other Machinery and Equipment</i>	(2,530,873.27)	(3,079,579.38)
<b>Total Machinery and Equipment, Net</b>	<b>77,585,796.68</b>	<b>83,862,186.06</b>
<b>Transportation Equipment</b>		
Motor Vehicles	36,277,700.93	34,120,343.39
<i>Accumulated Depreciation-Motor Vehicles</i>	(18,045,057.69)	(17,095,487.74)
<b>Total Transportation Equipment, Net</b>	<b>18,232,643.24</b>	<b>17,024,855.65</b>
<b>Furniture, Fixtures and Books</b>		
Furniture and Fixtures	1,413,925.40	4,681,604.51
<i>Accumulated Depreciation-Furniture and Fixtures</i>	(354,644.89)	(2,335,573.04)
Books	0.00	64,848.08
<i>Accumulated Depreciation-Books</i>	0.00	(6,338.25)
<b>Total Furniture, Fixtures and Books, Net</b>	<b>1,059,280.51</b>	<b>2,404,541.30</b>
<b>Construction in Progress</b>		
Construction in Progress-Infrastructure Assets	72,485,877.23	54,415,423.63

	2024	2023
Construction in Progress-Buildings and Other Structures	31,143,318.78	25,713,526.80
<b>Total Construction in Progress, Net</b>	<b>103,629,196.01</b>	<b>80,128,950.43</b>
<b>Other Property, Plant and Equipment</b>		
Other Property, Plant and Equipment	460,159.20	945,387.37
Accumulated Depreciation-Other Property, Plant and Equipment	(152,171.25)	(393,214.40)
<b>Total Other Property, Plant and Equipment, Net</b>	<b>307,987.95</b>	<b>552,172.97</b>
<b>Total Property, Plant and Equipment</b>	<b>375,390,628.76</b>	<b>352,133,935.48</b>

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.

<i>PPE Account</i>	<i>Beginning balance</i>	<i>Additions/ Acquisitions</i>	<i>Reductions / Disposals</i>	<i>Ending Balance</i>	<i>Accumulated Impairment Losses/ Depreciation</i>	<i>Net Book Value</i>
Land	14,277,713.70	0.00	0.00	14,277,713.70	0.00	14,277,713.70
<b>Total Land</b>	<b>14,277,713.70</b>	<b>0.00</b>	<b>0.00</b>	<b>14,277,713.70</b>	<b>0.00</b>	<b>14,277,713.70</b>
Other Land Improvements	2,616,659.41	0.00	0.00	2,616,659.41	221,451.93	2,395,207.48
<b>Total Land Improvements</b>	<b>2,616,659.41</b>	<b>0.00</b>	<b>0.00</b>	<b>2,616,659.41</b>	<b>221,451.93</b>	<b>2,395,207.48</b>

<b>Infrastructure Assets</b>						
Road Networks	48,102,792.50	4,497,025.06	0.00	52,599,817.56	0.00	52,599,817.56
Flood Control Systems	7,422,197.03	0.00	0.00	7,422,197.03	0.00	7,422,197.03
Water Supply Systems	48,262,857.87	2,273,907.68	0.00	50,536,765.55	0.00	50,536,765.55
Power Supply Systems	16,046,930.83	745,500.0	0.00	16,792,430.83	7,673,274.82	9,119,156.01
Parks, Plazas and Monuments	507,721.00	0.00	(163,621.00)	344,100.00	0.00	344,100.00
Other Infrastructure Assets	1,780,307.04	444,102.00	0.00	2,224,409.04	0.00	2,224,409.04
<b>Total Infrastructure Assets</b>	<b>122,122,806.27</b>	<b>7,960,534.74</b>	<b>(163,621.00)</b>	<b>129,919,720.01</b>	<b>7,673,274.82</b>	<b>122,246,445.19</b>

<i>PPE Account</i>	<i>Beginning balance</i>	<i>Additions/ Acquisitions</i>	<i>Reductions / Disposals</i>	<i>Ending Balance</i>	<i>Accumulated Impairment Losses/ Depreciation</i>	<i>Net Book Value</i>
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<i>Buildings and Other Structures</i>						
Buildings	22,218,182.55	1,853,878.39	0.00	24,072,060.94	3,940,485.07	20,131,575.87
School Buildings	4,610,641.36	0.00	0.00	4,610,641.36	3,977,531.79	633,109.57
Hospitals and Health Centers	6,543,733.22	0.00	0.00	6,543,733.22	2,079,309.82	4,464,423.40
Markets	1,614,425.50	0.00	0.00	1,614,425.50	1,172,089.54	442,335.96
Other Structures	15,432,225.40	473,530.70	0.00	15,905,756.10	5,920,842.90	9,984,913.20
<b>Total Building and Other Structures</b>	<b>50,419,208.03</b>	<b>2,327,409.09</b>	<b>0.00</b>	<b>52,746,617.12</b>	<b>17,090,259.12</b>	<b>35,656,358.00</b>

<i>Machinery and Equipment</i>						
Machinery	510,698.80	0.00	0.00	510,698.80	407,625.00	103,073.80
Office Equipment	4,350,967.10	0.00	2,259,840.98	2,091,126.12	1,836,195.32	254,930.80
Information and Com. Technology	10,489,736.90	159,745.00	7,538,085.90	3,111,396.00	2,166,249.35	945,146.65
Agricultural and Forestry Equipment	1,724,489.00	0.00	54,989.00	1,669,500.00	636,611.12	1,032,888.88
Communication Equipment	7,122,604.40	1,762,840.00	3,030,888.30	5,854,556.10	1,563,698.95	4,290,857.15
Construction and Heavy Equipment	92,885,059.77	4,499,000.00	115,000.00	97,269,059.77	30,860,234.08	66,408,825.69
Disaster Response and Rescue Equipment	2,987,860.04	2,050,000.00	197,406.81	4,840,453.23	2,252,169.60	2,588,283.63
Military, Police and Security Equipment	495,935.00	0.00	397,085.00	98,850.00	96,197.64	2,652.36
Medical Equipment	1,584,663.80	0.00	659,630.80	925,033.00	793,837.71	131,195.29
Sports Equipment	126,822.00	0.00	126,822.00	0.00	0.00	0.00
Technical and Scientific Equipment	632,467.73	0.00	469,300.73	163,167.00	146,850.30	16,316.70
Other Machinery and Equipment	6,167,306.30	0.00	1,824,807.30	4,342,499.00	2,530,873.27	1,811,625.73
<b>Total Machinery and Equipment</b>	<b>129,078,610.84</b>	<b>8,471,585.00</b>	<b>16,673,856.82</b>	<b>120,876,339.02</b>	<b>43,290,542.34</b>	<b>77,585,796.68</b>

<i>PPE Account</i>	<i>Beginning balance</i>	<i>Additions/ Acquisitions</i>	<i>Reductions / Disposals</i>	<i>Ending Balance</i>	<i>Accumulated Impairment Losses/ Depreciation</i>	<i>Net Book Value</i>
<b>Transportation Equipment</b>						
Motor Vehicles	34,120,343.39	3,315,300.00	1,157,942.46	36,277,700.93	18,045,057.69	18,232,643.24
<b>Total Transportation Equipment</b>	<b>34,120,343.39</b>	<b>3,315,300.00</b>	<b>1,157,942.46</b>	<b>36,277,700.93</b>	<b>18,045,057.69</b>	<b>18,232,643.24</b>
<b>Furniture, Fixtures and Books</b>						
Furniture and Fixtures	4,681,604.51	157,000.00	3,424,679.11	1,413,925.40	354,644.89	1,059,280.51
Books	64,848.08	0.00	64,848.08	0.00	0.00	0.00
<b>Total Furniture, Fixtures and Books</b>	<b>4,746,452.59</b>	<b>157,000.00</b>	<b>3,489,527.19</b>	<b>1,413,925.40</b>	<b>354,644.89</b>	<b>1,059,280.51</b>
<b>Construction in Progress</b>						
Construction in Progress-Infrastructure Asset	54,415,423.63	18,070,453.60	0.00	72,485,877.23	0.00	72,485,877.23
Construction in Progress-Buildings and Other Structures	25,713,526.80	5,429,791.98	0.00	31,143,318.78	0.00	31,143,318.78
<b>Total Construction in Progress</b>	<b>80,128,950.43</b>	<b>23,500,247.58</b>	<b>0.00</b>	<b>103,629,196.01</b>	<b>0.00</b>	<b>103,629,196.01</b>
<b>Other Property, Plant and Equipment</b>						
Other Property, Plant and Equipment	945,387.37	0.00	485,228.17	460,159.20	152,171.25	307,987.95
<b>Total Other Property, Plant and Equipment</b>	<b>945,387.37</b>	<b>0.00</b>	<b>485,228.17</b>	<b>460,159.20</b>	<b>152,171.25</b>	<b>307,987.95</b>
<b>Total Property, Plant and Equipment, net</b>						<b>375,390,628.76</b>

## Note 8. Biological Assets

This account consists of the following:

	<b>2024</b>	<b>2023</b>
<b>Biological Assets</b>		
Breeding Stocks	₱ 2,196,314.50	₱ 2,196,314.50
<b>Total Biological Assets</b>	<b>₱ 2,196,314.50</b>	<b>₱ 2,196,314.50</b>

## Note 9. Intangible Assets

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
<b>Intangible Assets</b>		
Computer Software	₱ 10,500.00	₱ 10,500.00
Accumulated Amortization- Computer Software	(9,540.00)	(9,540.00)
<b>Total Intangible Assets</b>	<b>₱ 960.00</b>	<b>₱ 960.00</b>

## Note 10. Liabilities

This account is composed of the following:

### CURRENT LIABILITIES

<b>Financial Liabilities</b>		
<b>Payables</b>		
Accounts Payable	₱ 15,576,282.61	₱ 20,899,651.16
Due to Officers and Employees	0.00	322,645.69
<b>Total Payables</b>	<b>15,576,282.61</b>	<b>21,222,296.85</b>
<b>Loans Payable – Domestic</b>	<b>8,877,333.36</b>	<b>64,360,666.62</b>
<b>Total</b>	<b>₱ 24,453,615.97</b>	<b>₱ 85,582,963.47</b>

Loan Payable-Domestic account represents the annual loan amortization due and demandable within one year.

Details of loan obtained from Development Bank of the Philippines are the following:

Principal Amount:	79,896,000.00
Date Granted:	April 16, 2021
Interest Rate:	5% per Annum
Maturity Date:	March 16, 2031
Monthly Amortization:	739,777.78
Purpose of the Loan:	Purchase of Various Brand New Heavy Equipment

For CY 2024, interest expenses of the Loans Account totaled *Three Million Sixty Four Thousand Nine Hundred Forty Pesos & 41/100 (₱3,064,940.41)*

## NON CURRENT FINANCIAL LIABILITIES

	<u>2024</u>	<u>2023</u>
Loans Payable – Domestic	₱ 46,605,999.90	₱ 0.00
<b>Total Non-Current Financial Liabilities</b>	<b>₱ 46,605,999.90</b>	<b>₱ 0.00</b>

### Note 11. Inter-Agency Payables

This account is composed of the following:

Due to BIR	₱ 1,216,495.48	₱ 549,512.89
Due to GSIS	1,290,332.63	1,218,925.66
Due to Pag-IBIG	82,919.06	61,197.80
Due to PhilHealth	4,221.98	120,330.22
Due to NGAs	18,529,308.36	3,807,998.38
Due to GOCCs	2,024.29	2,024.29
Due to LGUs	5,121,219.15	6,308,896.17
<b>Total Inter-Agency Payables</b>	<b>₱ 26,246,520.95</b>	<b>₱ 12,068,885.41</b>

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

Due to NGAs account includes the fund transferred from the Department of Social Welfare and Development FO VII for the implementation of Ayuda sa Kapos ang Kita Program (AKAP) under Rice Assistance received by the Municipality on November 28, 2024 in the amount of Fifteen Million Pesos (₱15,000,000.00).

### Note 12. Trust Liabilities

This account is composed of the following:

Trust Liabilities	₱ 2,955,254.42	₱ 2,977,672.25
Trust Liabilities- Disaster Risk Reduction and Management Fund	12,178,274.10	10,582,134.44
Guaranty/Security/Deposits Payable	2,030,964.94	1,105,503.11
<b>Total Trust Liabilities</b>	<b>₱ 17,164,493.46</b>	<b>₱ 14,665,309.80</b>

**Note 13. Deferred Credits/Unearned Income**

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
Deferred Real Property Tax	₱ 26,077,325.36	₱ 28,702,869.56
Deferred Special Education Tax	26,160,567.88	28,807,889.31
Other Deferred Credits	12,445.56	12,445.56
<b>Total Deferred Credits/Unearned Income</b>	<b>₱ 52,250,338.80</b>	<b>₱ 57,523,204.43</b>

**Note 14. Other Payables**

This account is composed of the following:

Other Payables	₱ 219,100.02	₱ 218,960.02
<b>Total</b>	<b>₱ 219,100.02</b>	<b>₱ 218,960.02</b>

**Note 15. Tax Revenue**

This account is composed of the following:

<b>Tax Revenue - Individual and Corporation</b>		
Professional Tax	₱ 600.00	₱ 2,700.00
Community Tax	874,043.07	647,060.93
<b>Tax Revenue - Property</b>		
Real Property Tax- Basic	1,059,733.36	1,005,404.87
Discount on Real Property Tax- Basic	0.00	(105,167.61)
Special Education Tax	1,324,666.71	1,249,976.06
Discount on Special Education Tax	0.00	(131,459.51)
<b>Tax Revenue - Goods and Services</b>		
Business Tax	3,974,197.05	3,297,321.75
Tax on Sand, Gravel and Other Quarry Products	176,363.80	280,458.60
Amusement Tax	228,435.00	214,990.00
<b>Tax Revenue - Fines and Penalties</b>		
Tax Revenue - Fines and Penalties - Property Taxes	542,736.21	367,100.75
Tax Revenue - Fines and Penalties - Other Taxes	450.00	0.00
<b>Total Tax Revenue</b>	<b>₱ 8,181,225.20</b>	<b>₱ 6,828,385.84</b>

**Note 16. Share from National Taxes**

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
<b>Share from National Taxes</b>		
Share from Internal Revenue Collections	₱ 191,335,191.00	₱ 180,076,784.00

**Note 17. Service and Business Income**

This account is composed of the following:

<b>Service Income</b>		
Permit Fees	₱ 2,276,264.61	₱ 1,606,471.37
Registration Fees	79,245.44	110,063.00
Clearance and Certification Fees	302,517.04	365,921.70
Inspection Fees	1,159.20	45,906.81
Fees for Sealing and Licensing of Weights and Measures	3,660.00	0.00
Fines and Penalties - Service Income	420,959.62	363,347.29
Other Service Income	11,283.59	176,827.35
<b>Business Income</b>		
Rent Income	89,482.65	63,975.96
Receipt from Market Operations	594,118.19	638,769.00
Garbage Fees	64,321.35	54,145.10
Hospital Fees	440.00	0.00
Interest Income	91,071.53	214,290.09
<b>Total Service and Business Income</b>	₱ 3,934,523.22	₱ 3,639,717.67

**Note 18. Shares, Grants and Donations**

This account is composed of the following:

Share from PCSO	₱ 16,101.00	₱ 134,164.01
<b>Total Shares, Grants and Donations</b>	₱ 16,101.00	₱ 134,164.01

**Note 19. Miscellaneous Income**

This account is composed of the following:

<b>Miscellaneous Income</b>	₱ 95,872.12	₱ 264,521.47
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**Note 20. Personnel Services**

This account is composed of the following:

	<u>2024</u>	<u>2023</u>
<b>Salaries and Wages</b>		
Salaries and Wages – Regular	₱ 33,438,209.25	₱ 31,150,149.60
Salaries and Wages- Casual/Contractual	3,876,070.89	4,211,249.50
<b>Other Compensation</b>		
Personal Economic Relief Allowance (PERA)	2,587,791.44	2,498,854.04
Representation Allowance	1,666,000.00	1,471,500.00
Transportation Allowance	1,512,400.00	1,337,100.00
Clothing/Uniform Allowance	748,000.00	648,000.00
Subsistence Allowance	227,250.00	222,900.00
Laundry Allowance	14,550.00	15,150.00
Honoraria	1,323,950.18	384,350.00
Hazard Pay	1,125,137.13	1,084,899.25
Year End Bonus	3,170,092.40	2,901,590.02
Cash Gift	544,000.00	527,000.00
Other Bonuses and Allowances	5,758,317.66	5,485,168.32
<b>Personnel Benefit Contributions</b>		
Retirement and Life Insurance Premiums	4,398,181.67	4,133,307.14
Pag-IBIG Contributions	244,000.00	120,600.00
PhilHealth Contributions	931,345.82	678,639.94
Employees Compensation Insurance Premiums	127,672.90	117,507.12
<b>Other Personnel Benefits</b>		
Terminal Leave Benefits	522,957.78	162,343.20
Other Personnel Benefits	1,836,456.80	2,878,676.34
<b>Total Personnel Services</b>	<b>₱ 64,052,383.92</b>	<b>₱ 60,028,984.47</b>

**Note 21. Maintenance and Other Operating Expenses**

This account is composed of the following:

<b>Traveling Expenses</b>		
Traveling Expenses - Local	₱ 5,855,850.42	₱ 3,815,799.83

	<u>2024</u>	<u>2023</u>
<b>Training and Scholarship Expenses</b>		
Training Expenses	2,072,766.00	705,073.25
Scholarship Grants/Expenses	0.00	754,000.00
<b>Supplies and Materials Expenses</b>		
Office Supplies Expenses	1,549,044.26	1,566,475.26
Accountable Forms Expenses	162,705.00	83,840.00
Animal/Zoological Supplies Expenses	188,134.00	805,797.00
Food Supplies Expenses	6,061,896.43	5,149,121.97
Drugs and Medicines Expenses	2,662,720.12	2,310,267.20
Medical, Dental and Laboratory Supplies Expenses	370,105.00	220,114.82
Fuel, Oil and Lubricants Expenses	6,082,037.64	5,539,431.79
Agricultural and Marine Supplies Expenses	992,850.00	0.00
Semi-Expendable Machinery and Equipment Expenses	666,323.00	0.00
Semi-Expendable Furniture, Fixtures & Books Expenses	278,875.00	0.00
Other Supplies and Materials Expenses	7,531,400.81	5,152,310.15
<b>Utility Expenses</b>		
Water Expenses	60,014.00	111,136.00
Electricity Expenses	2,469,013.19	2,468,214.32
<b>Communication Expenses</b>		
Postage and Courier Services	205.00	367.00
Telephone Expenses	151,409.83	143,997.24
Internet Subscription Expenses	355,822.31	260,152.82
<b>Awards/Rewards and Prizes</b>		
Awards/Rewards Expenses	12,000.00	0.00
Prizes	1,668,800.00	2,637,900.00
<b>Confidential, Intelligence and Extraordinary Expenses</b>		
Extraordinary and Miscellaneous Expenses	10,000.00	0.00
<b>Professional Services</b>		
Other Professional Services	571,000.00	146,000.00
<b>General Services</b>		
Other General Services	32,389,142.23	28,504,300.27

	<u>2024</u>	<u>2023</u>
<b>Repairs and Maintenance-</b>		
Buildings and Other Structures	252,485.07	301,643.85
Machinery and Equipment	2,090,033.60	1,347,321.30
Transportation Equipment	1,551,131.49	1,580,294.04
Furniture and Fixtures	12,290.00	1,980.00
<b>Taxes, Insurance Premiums and Other Fees</b>		
Taxes, Duties and Licenses	35,159.00	53,782.64
Fidelity Bond Premiums	46,507.37	55,621.75
Insurance Expenses	1,085,552.52	1,807,384.35
<b>Other Maintenance and Operating Expenses</b>		
Representation Expenses	132,454.00	0.00
Rent Expenses	841,500.00	617,750.00
Membership, Dues and Contributions to Organizations	0.00	30,000.00
Donations	12,011,139.69	18,719,724.47
Other Maintenance and Operating Expenses	11,098,887.00	9,798,638.50
<b>Total Maintenance and Other Operating Expenses</b>	<b>₱ 101,319,253.98</b>	<b>₱ 94,688,439.82</b>

## Note 22. Financial Expenses

This account is composed of the following:

Interest Expenses	₱ 3,064,940.41	₱ 3,509,062.67
Other Financial Charges	30,649.40	35,062.41
<b>Total Financial Expenses</b>	<b>₱ 3,095,589.81</b>	<b>₱ 3,544,125.08</b>

## Note 23. Non-Cash Expenses

This account is composed of the following:

<b>Depreciation and Amortization</b>		
Depreciation-Infrastructure Assets	₱ 843,323.02	₱ 815,426.17
Depreciation-Buildings and Other Structures	2,866,504.51	1,188,339.68
Depreciation-Machinery and Equipment	9,879,443.35	9,328,510.32
Depreciation-Transportation Equipment	1,975,451.69	1,323,163.04

	<u>2024</u>	<u>2023</u>
Depreciation-Furniture, Fixtures and Books	192,361.78	251,458.77
<b>Total Non-Cash Expenses</b>	<b>₱ 15,757,084.35</b>	<b>₱ 12,906,897.98</b>

**Note 24. Transfers, Assistance and Subsidy From**

This account is composed of the following:

<b>Assistance and Subsidy from</b>		
Subsidy from National Government	₱ 2,820,740.00	₱ 10,649,414.56
Subsidy from Local Government Units	1,487,527.24	897,713.78
<b>Transfer from</b>		
Transfer from General Fund of Unspent DRRMF	2,097,949.04	231,677.76
<b>Total Transfer, Assistance and Subsidy from</b>	<b>₱ 6,406,216.28</b>	<b>₱ 11,778,806.10</b>

**Note 25. Transfers, Assistance and Subsidy To**

This account is composed of the following:

<b>Financial Assistance/Subsidy to</b>		
Subsidy to Other Local Government Units	16,000.00	16,000.00
Subsidies- Others	1,200,000.00	0.00
<b>Transfers to</b>		
Transfers of Unspent Current Year DRRM Funds to the Trust Funds	4,391,081.92	3,393,624.25
Transfers for Project Equity Share/LGU Counterpart	0.00	5,008,144.68
<b>Total Transfers, Assistance and Subsidy to</b>	<b>5,607,081.92</b>	<b>8,417,768.93</b>

**Note 26. Local Disaster Risk Reduction Management Fund (LDRRMF)**

The LDRRMF represents the amount set aside by the LGU to support its disaster risk management activities pursuant to RA 10121 otherwise known as the “Philippine Disaster Risk Reduction and Management Act of 2010”. The amount available and utilized during the year totaled ₱28,276,636.35 and ₱13,797,563.01 respectively, broken down as follows:

Particulars	Amount		
	Available	Utilized	Balance
<b>Current Year Appropriation:</b>			
Quick Response Fund (QRF)	3,040,929.53	0.00	3,040,929.53
Mitigation Fund (MF)			
MOOE	3,559,503.14	2,209,350.75	1,350,152.39
Capital Outlay	4,791,168.95	0.00	4,791,168.95
<b>Subtotal</b>	<b>11,391,601.62</b>	<b>2,209,350.75</b>	<b>9,182,250.87</b>
<b>Continuing Appropriation:</b>	<b>7,249,000.00</b>	<b>6,709,000.00</b>	<b>540,000.00</b>
<b>Special Trust Fund</b>			
CY 2013	0.00	0.00	0.00
CY 2019	0.00	0.00	0.00
CY 2020	211,595.00	211,595.00	0.00
CY 2021	601,193.64	191,917.88	409,275.76
CY 2022	5,429,621.84	3,421,669.38	2,007,952.46
CY 2023	3,393,624.25	1,054,030.00	2,339,594.25
<b>Subtotal</b>	<b>9,636,034.73</b>	<b>4,879,212.26</b>	<b>4,756,822.47</b>
<b>Total</b>	<b>28,276,636.35</b>	<b>13,797,563.01</b>	<b>14,479,073.34</b>

On CY 2024, the amount of **Five Hundred Thirty Five Thousand Seven Hundred Thirteen Pesos & 91/100** under Trust Liability Account of DRRMF was reverted and appropriated for various programs and activities through MDRRMC Resolution No. 01, as follows:

Reversion:

Trust Liability Account	
CY 2018	291,263.00
CY 2019	121,408.00
CY 2020	101,467.48
CY 2021	<u>21,575.55</u>
Total	<u>535,713.91</u>

APPROPRIATION:

Installation of Localized Early Warning System	290,000.00
DRRM Program	100,000.00
Improvement of Fatima Evacuation Center	<u>145,713.91</u>
Total	<u>535,713.91</u>

Savings and balances under the Capital Outlay of the DRRMF Continuing Appropriation amounting to **One Million Two Hundred Fifty Two Thousand One Hundred Sixty Nine Pesos & 87/100 (1,252,169.87)** was also reverted and appropriated for programs, projects and activities classified under Maintenance and Operating Expenses of DRRM Fund through MDRRMC Resolution No. 5, series of 2024.

**Note 27. Reconciliation of Net Cash Flows from Operating Activities to Surplus (Deficit)**

	2024	2023
Surplus/(Deficit)	20,137,734.84	23,140,762.81
Non-cash transactions		
Depreciation	15,757,084.35	12,906,897.98
Impairment Loss	-	-
Increase/Decrease in payables	15,000,000.00	(3,103,290.60)
(Gains) Losses on Sale of PPE	-	-
(Gains) Losses on Sale of Investments	-	-
Increase in Current Assets	-	-
Increase in investment due to revaluation	-	-
Decrease/Increase in Receivables	(5,306,747.92)	(5,831,443.73)
Transfer of Unappropriated surplus of the General Fund	-	-
Net Cash from Operating Activities	45,588,071.27	27,112,926.46

**Note 28. Reconciliation of Comparison of Budget and Actual Amounts and the Statement of Financial Performance for the Year ended December 31, 2024.**

	Income	Personnel Services	Maintenance and Operating Expenses	Financial Expenses	Capital Outlay
Comparison Statement of Budget and Actual Amounts	203,479,811.54	62,381,734.52	109,699,831.80	0.00	41,200,594.20
Entity Differences					
Basis Differences:	83,101.00	1,487,403.40	(8,197,331.82)	3,095,589.81	(41,200,594.20)
<b>Income/Expense not considered budgetary items</b>	83,101.00				
Non-cash income					
Interest income on deposits					
Gain on Sale of Assets					
Discount on Real Property					
Losses					
Income/Expense from Trust Fund	83,101.00				
<b>Receipts not considered as income</b>					
Sale of Capital Assets					

	<b>Income</b>	<b>Personnel Services</b>	<b>Maintenance and Operating Expenses</b>	<b>Financial Expenses</b>	<b>Capital Outlay</b>
Borrowings					
<b>Budgetary items not considered as expenses</b>		<b>1,487,403.40</b>	<b>(8,266,501.40)</b>	<b>3,095,589.81</b>	<b>(41,200,594.20)</b>
Debt Service (Loan Amortization)			(8,877,333.36)	3,095,589.81	
Interest Expenses Capitalized					
Capital Expenditures					(41,200,594.20)
Subsidy to NGAS, LGUs and Other Funds			(4,391,081.92)		
Trust Fund items not included in the SCBAA		1,487,403.40	5,001,913.88		
<b>Timing Differences:</b>		<b>183,246.00</b>	<b>(114,076.42)</b>		
Prepayments charged to current appropriations					
Unconsumed inventories					
Unliquidated Advances and Prepayments					
Commitments (Obligated but not yet delivered/billed)			69,169.58		
Other Adjustments (Erroneous entry and etc.)		183,246.00	(183,246.00)		
Overstatement of Obligation of Personnel Services					
Obligations treated as expenses but erroneously capitalized					
<b>Per Statement of Financial Performance</b>	<b>203,562,912.54</b>	<b>64,052,383.92</b>	<b>101,319,253.98</b>	<b>3,095,589.81</b>	<b>0.00</b>

**PART II**  
**AUDITED OBSERVATIONS AND**  
**RECOMMENDATIONS**

## AUDIT OBSERVATIONS AND RECOMMENDATIONS

### FINANCIAL AUDIT

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

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

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

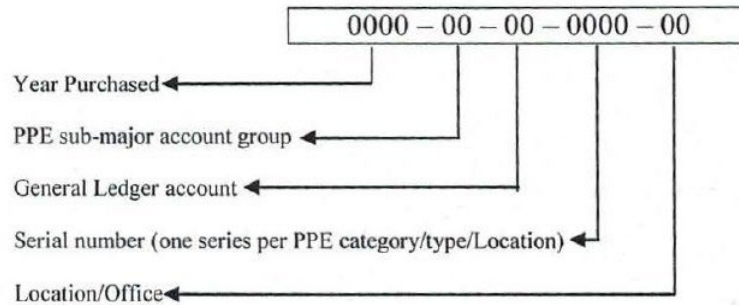
- 1.2 Our review of the LGU's compliance with the said Circular revealed that they have not taken advantage of the various guidelines and procedures to cleanse their PPE accounts balances, as discussed below:

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

- 1.3 We interviewed the Municipal Treasurer and the Municipal Accountant to inquire about compliance with the requirement to conduct a physical count of all its PPE, whether acquired through purchase or donation, including those constructed by the administration and found at the station. The Municipal Treasurer and Municipal Accountant explained that the activity was not carried out because they have not yet reorganized the Inventory Committee. Furthermore, the Municipal Treasurer mentioned that she had already received a draft order. However, she initiated revisions to clarify the responsibilities of the committee members.

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

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



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

**c. *Non-submission of the approved PIP***

- 1.8 Sections 5.9, 5.10, and 5.11 of the Circular require that, in coordination with the Property Division/Unit, the Inventory Committee shall plan/strategize on how to conduct and complete the physical inventory within the prescribed period. It shall prepare a Physical Inventory Plan (PIP) containing, at the least, the specific assignments/duties of the Committee members, the cut-off date, and a schedule specifying the dates and locations of the inventory taking activities from start-up to the targeted completion of the physical inventory. The PIP, which must be approved by the Head of the Agency, is required to be submitted to the COA Audit Team by the Inventory Committee at least ten (10) calendar days before the scheduled start of inventory activities.

- 1.9 The LGU, however, was unable to submit the approved PIP despite the audit team's written request.

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

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

- 1.11 **We recommended and Management agreed to adhere to the guidelines and procedures provided in COA Circular No. 2020-006 dated January 31, 2020, for the one-time cleansing of PPE account balances to ensure reliable PPE balances that are verifiable as to existence, condition, and accountability as follows:**

- a. **Create an Inventory Committee;**
- b. **Stricly follow the guidelines and procedures for conducting the physical count of PPE, recognizing PPE items found at the station, and addressing the disposition of non-existent/missing PPE items. Additionally, require the Accountant and Property Officer to reconcile their records based on the results of the actual physical inventory and make any necessary adjustments;**
- c. **Adopt a uniform numbering system for property numbers of PPE and require the Property Unit to update the property stickers in accordance with the prescribed format, including the required information under Sections 5.6 and 5.7 of the Circular;**
- d. **Submit the approved PIP to the COA Audit Team within the prescribed period;**
- e. **Conduct the necessary preliminary activities before taking inventory;**
- f. **Record the physical count daily using the standard ICF prescribed in Annex A of the COA Circular; and**
- g. **Undertake collaborative procedures to ensure that all PPE in the RPCPPE are accurately recorded in their respective records and that the Property Cards (PCs) maintained by the Property Unit and the PPELCs (PPE Ledger Cards) maintained by the Accounting Unit are reconciled.**

*Depreciation on PPE assets were not recognized*

**2. Items of PPE with a total cost of ₱106,188,435.86 were not provided with depreciation, contrary to Paragraph 26 of the International Public Sector Accounting Standard (IPSAS) 45, hence, the municipality’s asset and equity accounts were overstated by the amount of depreciation that should have been applied to these assets.**

- 2.1 IPSAS 45 provides guidance on measuring property, plant, and equipment. According to paragraph 26, after recognizing an item, it should be recorded at its historical cost, minus any accumulated depreciation and impairment losses. Paragraph 41 of the same IPSAS also requires that any significant part of an item of PPE should be depreciated separately, based on its total cost or value.
- 2.2 However, contrary to the foregoing provisions, our examination of the Schedule of Property, Plant, and Equipment as of December 31, 2024, disclosed that the following PPE items were not provided with depreciation.

<b>PPE Item</b>	<b>Cost</b>
Road Networks	₱ 52,599,817.56
Flood Control Systems	4,545,312.74
Water Supply System	49,043,305.56
<b>Total</b>	<b>₱ 106,188,435.86</b>

- 2.3 In an interview with the Municipal Accountant, she admitted that she had forgotten to provide the depreciation for the PPE items mentioned earlier. Consequently, the depreciation expense and the related accumulated depreciation were omitted.
- 2.4 The Audit Team could not determine the precise misstatement for the omission of the depreciation expense because the Municipal Accountant’s Office had not updated the PPE Ledger Cards, and the PPE schedule did not specify the acquisition date or the estimated useful life of each item of PPE.
- 2.5 The neglect of the Office of the Accountant to provide appropriate depreciation of the abovementioned depreciable assets is a clear departure from accounting standards, especially the IPSAS. As a result, the Municipality’s asset and equity accounts were overstated by the amount of depreciation that should have been applied to each depreciable PPE item.
- 2.6 **We recommended and the Municipal Accountant agreed to:**
  - a. **Update and maintain complete and accurate PPE Ledger Cards for all PPE. These records should include the acquisition date, cost, estimated useful life, and any subsequent changes affecting depreciation to properly monitor and account for asset transactions;**

- b. **Conduct a comprehensive review of all PPE items to identify assets that have not been depreciated and ensure that depreciation is systematically applied in accordance with IPSAS 45, specifically Paragraphs 26 and 41. This includes recognizing depreciation for each significant component of an asset, where applicable; and**
- c. **Compute the appropriate depreciation expense for the previously omitted PPE items and recognize the corresponding accumulated depreciation to correct the misstatement. The necessary adjusting journal entries should be prepared and recorded to reflect the accurate net book value of the affected assets and to eliminate the overstatement in both the asset and equity accounts.**

*Cash receipts for fund transfers from the National Government not reported in the Statement of Cash Flows - ₱65,332,120.00*

- 3. **Cash receipts for fund transfers from the National Government, amounting to ₱65,332,120.00, were not reported in the Statement of Cash Flows. Instead, these amounts were deducted from the payments to suppliers, which is inconsistent with Paragraphs 18, 19, and 22 of International Public Sector Accounting Standard (IPSAS) 2, leading to inaccurate and unreliable representations of cash inflows and outflows under the Municipality’s operating activities.**

3.1 Paragraph 18 of IPSAS 2 states that the cash flow statement must report cash flows during the period, classified by operating, investing, and financing activities. Paragraph 19 further clarifies that an entity presents its cash flows from operating, investing, and financing activities in a manner that is most appropriate for its operations. Classification by activity provides information that allows users to assess the impact of those activities on the entity’s financial position, and the amount of cash and cash equivalents. This information may also be used to evaluate the relationships among those activities. Paragraph 22 of the same IPSAS provides examples of cash flows classified under operating activities. These include, among others, cash receipts from grants or transfers received from the National Government, as well as cash payments made to suppliers for goods and services.

3.2 Our verification of the Cash Receipts Journal for CY 2024 showed that the Municipality received the following funds from various agencies of the National Government:

<b>Date</b>	<b>Agency</b>	<b>Purpose</b>	<b>Amount</b>
4/22/2024	DSWD-RFO VII	Social Pension Program for First Semester of 2024	₱ 12,432,000.00
5/10/2024	DOH	Health Emergency Allowance for July-December 2021 and July-December 2022	15,579,000.00
5/14/2024	DOLE	Tulong Panghanapbuhay sa ating Displaced/Disadvantage Workers Program	1,797,120.00

<b>Date</b>	<b>Agency</b>	<b>Purpose</b>	<b>Amount</b>
8/22/2024	Office of the President	Implementation of Socio-Civic Project Fund	1,000,000.00
9/12/2024	DOH	Health Emergency Allowance for January-July 2023	7,092,000.00
10/4/2024	DSWD-RFO VII	Social Pension Program for Second Semester of 2024	12,432,000.00
11/29/2024	DSWD-RFO VII	Ayuda Para sa Kapos and Kita Program (AKAP) for CY 2024	15,000,000.00
<b>Total</b>			<b>₱ 65,332,120.00</b>

3.3 However, a review of the Statement of Cash Flows revealed that the aforementioned receipts were not reported under operating activities. During an interview, the Municipal Accountant explained that the amounts were instead offset against payments to suppliers. This treatment was subsequently confirmed through an examination of the supporting schedules attached to the Statement of Cash Flows.

3.4 The foregoing accounting treatment distorts the true nature and magnitude of both cash inflows and outflows, resulting in a misrepresentation of the Municipality's operating activities. It undermines the reliability of the Statement of Cash Flows, impairs transparency, and may hinder stakeholders' ability to make informed decisions based on the reported cash flows.

3.5 **We recommended and the Municipal Accountant agreed to ensure that all cash receipts from fund transfers by the National Government are properly recorded under operating activities in the Statement of Cash Flows and should not be offset against payments to suppliers in accordance with Paragraphs 18, 19, and 22 of IPSAS 2.**

*Unrecorded subsidies from the national government and associated expenses - ₱50,286,760.00*

**4. Subsidies from the National Government, in the form of fund transfers totaling ₱50,286,760.00, along with associated expenses, were not recorded in the books of accounts, which is inconsistent with paragraphs 12, 23, 48 and 49 of International Public Sector Accounting Standard (IPSAS) 23, resulting in an understatement of both the net financial subsidy and current operating expenses by the same amount.**

4.1 IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers), prescribes the requirements for the financial reporting of revenue generated from non-exchange transactions. While revenues received by the public sector entities arise from both exchange and non-exchange transactions, the majority of the revenue of governments and other public sector entities is typically derived from non-exchange transactions, such as taxes and transfers.

- 4.2 Transfers, as defined in IPSAS 23, are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. Paragraph 12 of the same IPSAS states that revenue comprises gross inflows of economic benefits or service potential that are received and receivable by the reporting entity, signifying an increase in net assets/equity, aside from increases related to contributions from owners. Paragraph 13 of IPSAS 23 further explains that when an entity incurs some cost in relation to revenue arising from non-exchange transactions, the revenue is the gross inflow of future economic benefits or service potential, and any outflow of resources is recognized as a cost of the transaction.
- 4.3 Additionally, paragraph 48 of IPSAS 23 states that revenue from non-exchange transactions shall be measured at the amount of the increase in net assets recognized by the entity. Furthermore, paragraph 49 specifies that when an entity recognizes an asset as a result of a non-exchange transaction, it also recognizes revenue equivalent to the amount of the asset measured in accordance with paragraph 42, unless it is also required to recognize a liability. When a liability must be recognized, it will be measured according to the requirements of paragraph 57, and the amount of the increase in net assets, if any, will be recognized as revenue. If a liability is subsequently reduced because a condition is satisfied, the amount of the reduction in the liability will be recognized as revenue.
- 4.4 Our review of the Cash Receipts Journal and the post-audit of Liquidation Reports (LR) for CY 2024 showed that the Municipality received the following funds from various agencies of the National Government, recorded under the Due to NGAs account:

<b>Date</b>	<b>Agency</b>	<b>Purpose</b>	<b>Amount</b>	<b>Liquidations</b>
4/22/2024	DSWD-RFO VII	Social Pension Program for First Semester of 2024	₱ 12,432,000.00	₱ 12,432,000.00
5/10/2024	DOH	Health Emergency Allowance for July-December 2021 and July-December 2022	15,579,000.00	15,579,000.00
5/14/2024	DOLE	Tulong Panghanapbuhay sa ating Displaced/Disadvantage Workers Program	1,797,120.00	1,787,760.00
8/22/2024	Office of the President	Implementation of Socio-Civic Project Fund	1,000,000.00	1,000,000.00
9/12/2024	DOH	Health Emergency Allowance for January-July 2023	7,092,000.00	7,056,000.00
10/4/2024	DSWD-RFO VII	Social Pension Program for Second Semester of 2024	12,432,000.00	12,432,000.00
11/29/2024	DSWD-RFO VII	Ayuda Para sa Kapos and Kita Program (AKAP) for CY 2024	15,000,000.00	-
<b>Total</b>			<b>₱ 65,332,120.00</b>	<b>₱ 50,286,760.00</b>

- 4.5 However, a review of the Journal Entry Vouchers (JEVs) revealed that the Municipal Accountant did not record the corresponding expenses when payments were disbursed. Instead, a debit was made to the 'Due to NGAs' account, directly reducing the liability. Furthermore, no revenue was recorded for the subsidies received. As a result, both the net financial subsidy and the current operating expenses were understated by ₱50,286,760.00 each.
- 4.6 The foregoing practice is not in accordance with the financial reporting requirements of IPSAS 23, which stipulate that both the revenue derived from non-exchange transactions and the related expenses must be recognized in the period when the Municipality is entitled to the subsidy and incurs the corresponding obligations. Failure to adhere to these requirements leads to the misrepresentation of subsidy income and expenses, diminishes transparency, and may compromise the reliability of financial reports used by oversight bodies, funding agencies, and the public
- 4.7 **We recommended and the Municipal Accountant agreed to:**
- a. **Recognize all subsidies from the National Government as revenue in the books of accounts upon satisfaction of any conditions attached to the funds, in accordance with Paragraphs 12, 48, and 49 of IPSAS 23;**
  - b. **Record the corresponding expenses when the funds are utilized, as required by Paragraph 13, to reflect the true cost of delivering services funded by these subsidies; and**
  - c. **Avoid offsetting liabilities (Due to NGAs) directly against disbursements without recognizing the related revenue and expenses.**

*Transfer of cash for the unexpended balance of LDRRMF-QRF and MF-MOOE not completed - ₱17,559,915.03*

- 5. Transfer of cash for the unexpended balances of the LDRRMF- Quick Response Fund (QRF) and the Maintenance and Other Operating Expenses (MOOE) of the Mitigation Fund (MF) from CYs 2020 to 2024 totaling ₱17,559,915.03 had not been completed as of December 31, 2024, contrary to Item No. 5.1.10 of COA Circular No. 2012-02 dated September 12, 2012, resulting in a negative balance of ₱1,163,479.09 in the Cash in Bank account in the Subsidiary Ledger (SL) of the Trust Fund (TF) books.**

- 5.1 COA Circular No. 2012-02 dated September 12, 2012, provides guidelines on the accounting and reporting of the LDRRMF of Local Government Units (LGUs). Item 5.1.10 thereof states that all unexpended/unobligated balance of the QRF and the DRRMF-MOOE shall be transferred to the Special Trust Fund under the account "Trust Liability- DRRMF". Annex C of the circular provides the illustrative accounting entries for the transfer of the unexpended QRF and MOOE of the MF.

- 5.2 Our review of the Schedule of Due to Other Funds under the General Fund (GF) revealed the following unexpended QRF and MOOE for the LDRRMF for CYs 2020-2024.

<b>Year</b>	<b>Amount</b>
2020	<b>₱ 3,630,417.41</b>
2021	1,256,521.40
2022	4,888,270.05
2023	3,393,624.25
2024	4,391,081.92
<b>Total</b>	<b>₱ 17,559,915.03</b>

- 5.3 A review of the Subsidiary Ledger (SL) for the Cash in Bank – Local Currency Current Account (LCCA) under the Trust Fund (TF) books revealed a negative balance of ₱1,163,479.09 in the Development Bank of the Philippines (DBP) Account No. 0740-012618-032. According to the Municipal Accountant, this negative balance pertains to the Special Trust Fund (STF) account, which holds the unexpended balance of the Local Disaster Risk Reduction and Management Fund (LDRRMF) transferred from the General Fund (GF). She explained that the deficit resulted from expenditures charged to the STF despite the absence of sufficient cash in the account. The Municipal Accountant further admitted that the shortfall occurred because she did not coordinate with the Municipal Treasurer to facilitate the actual transfer of funds to the STF.
- 5.4 The inability of the Municipal Accountant to coordinate with the Municipal Treasurer for the actual transfer of the unexpended balances of the LDRRMF–QRF and the MOOE of the Mitigation Fund for CYs 2020 to 2024, amounting to ₱17,559,915.03, constitutes non-compliance with Item No. 5.1.10 of COA Circular No. 2012-002. As a result, expenditures were charged against the Special Trust Fund (STF) despite the absence of actual cash transfers, leading to a negative cash balance of ₱1,163,479.09 in the Subsidiary Ledger of the Cash in Bank account under the Trust Fund books. This affects the accuracy and reliability of fund balances and exposes the municipality to risks of fund mismanagement.
- 5.5 **We recommended and the Municipal Accountant agreed to coordinate with the Municipal Treasurer and provide the necessary records of unexpended balances of LDRRMF-QRF and MOOE of MF for CYs 2020 to 2024, to facilitate the transfer of cash totaling ₱17,559,915.03 from the General Fund to the Special Trust Fund (STF) account, in accordance with Item 5.1.10 of the said Circular.**
- 5.6 **We further recommended and the Municipal Accountant agreed to prepare and record the appropriate journal entries to reflect the actual transfer of funds and to correct the existing negative balance in the Cash in Bank – LCCA account under the Trust Fund books.**

*Completed infrastructure projects not reclassified to appropriate PPE accounts – ₱12,111,182.21*

**6. Completed infrastructure projects totaling ₱12,111,182.21 were not reclassified from the Construction in Progress (CIP) account to the appropriate Property, Plant, and Equipment (PPE) accounts upon completion, contrary to Section 50 of the New Government Accounting System (NGAS) Manual for LGUs, Volume I, thereby omitting the recognition of depreciation and misstating the balances of affected accounts in the financial statements.**

6.1 Section 50 of the NGAS for LGUs, Volume I, requires that during the construction period, agency assets and public infrastructures shall be taken up in the books as “Construction in Progress” with the appropriate asset classification. As soon as the project is completed, the Construction in Progress for agency assets is closed to the appropriate asset account.

6.2 Our review of the Quarterly Report on Publicized Projects submitted by the Municipal Engineer revealed that the following 12 projects were completed during the year:

<b>Seq. no</b>	<b>Name of Projects</b>	<b>Total Cost to Date</b>
1	Tiling Works at New Public Market	₱ 261,495.00
2	Improvement of Road from National Highway to Footbridge at Sitio Pinanlayaan	997,774.74
3	River Control Dike at Sitio Pinanlayaan, Barangay Datagon	1,998,390.00
4	Concreting of Road at Barangay Calicanan	996,578.29
5	Improvement of Road at Barangay San Isidro	996,715.77
6	Improvement of Road at Barangay Mangoto	945,255.23
7	Improvement of Road at Barangay Magsusunog	962,918.52
8	Improvement of Road at Barangay Fatima	997,446.00
9	Improvement of Road at Barangay Inawasan	995,311.38
10	Improvement of Road at Barangay Simborio	994,457.38
11	Improvement of Road at Barangay Yupisan	998,534.85
12	Improvement of Road at Barangay Sta. Agueda	966,305.05
<b>Total</b>		<b>₱ 12,111,182.21</b>

6.3 Furthermore, we conducted an ocular inspection of the aforementioned projects on May 21, 2025, and found that they had been physically completed. Moreover, the Municipal Engineer provided us with the Certificates of Completion (COCs) for the abovementioned projects, indicating that they were completed in CY 2024.

6.4 However, a review of the Schedule of CIP provided by the Municipal Accountant revealed that the 12 completed projects with a total cost of ₱12,111,182.21 were not closed to the corresponding asset account. Our discussion with the Municipal Accountant indicated that completed projects contracted out were transferred to the appropriate asset accounts once finished, as they had COCs that served as the

basis for the transfer. In contrast, most projects carried out by the administration remained untransferred to their respective asset accounts due to the absence of COCs. Nevertheless, the audit team confirmed through the Municipal Engineer that COCs were available, as mentioned earlier. Collaborating with the Municipal Engineer is essential for determining completed projects and transferring them from the CIP accounts to the corresponding asset accounts.

- 6.5 The failure to reclassify completed infrastructure projects totaling ₱12,111,182.21 from the CIP account to the appropriate PPE accounts resulted in an overstatement of the CIP account and an understatement of related asset accounts. Additionally, the non-recognition of depreciation expense and accumulated depreciation on these completed projects led to a misstatement of both asset and equity by the amount of depreciation that should have been recognized had the cost of completed depreciable projects been transferred to the appropriate asset accounts. Consequently, the accuracy of the presentation of the financial statements was affected.
- 6.6 **We recommended and the Municipal Accountant agreed to reconcile and update the Schedule of CIP by identifying completed projects that remain recorded under CIP, particularly those that have been certified as completed by the Municipal Engineer but are not yet transferred to the appropriate PPE accounts.**
- 6.7 **We further recommended and the Municipal Engineer and Municipal Accountant agreed to assign personnel to verify the items included in the CIP account that already have Certificates of Completion and to make the necessary adjustments for reclassifying these projects into their appropriate PPE accounts while recognizing the corresponding depreciation and accumulated depreciation for each completed project.**

*RPT and SET Receivables not established at the beginning of the year*

7. **The Real Property Tax (RPT) and Special Education Tax (SET) Receivables were not established at the beginning of the year, contrary to Sections 19(b), 20 and 83 of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs), Volume I, thus, understating the RPT and SET Receivables by ₱4,940,371.90.**

- 7.1 Section 19 of the NGAS Manual for LGUs, Volume I, requires the Modified accrual method of accounting to be used for real property taxes. At the beginning of the year, Real Property Tax Receivable and Special Education Tax Receivable must be established. This approach acknowledges the need to record in the books not just income estimates from real property taxes but also actual receivables from those taxes. However, to avoid appropriating uncollected revenues, which could lead to a significant cash overdraft, these amounts shall be credited to Deferred Real Property Taxes Income/Deferred Special Education Tax Income. Real Property Tax Income/Special Education Tax Income will be recognized upon receipt of collection.

- 7.2 Furthermore, Sections 20 and 84 thereof provides that the Real Property Tax Receivables/Special Education Tax Receivables shall be established at the beginning of the year based on the Real Property Tax Account Register/Taxpayer's index card. At the beginning of the year, the Treasurer shall furnish the Chief Accountant with a duly certified list showing the name of taxpayers and the amount due and collectible for the year. Based on the list, the Chief Accountant shall draw a Journal Entry Voucher (JEV) to record the debit to Real Property Tax Receivable/Special Education Tax Receivable and credit to the Deferred Real Property Tax Income/Deferred Special Education Tax Income.
- 7.3 Upon collection of Real Property Taxes during the year, income is recognized by crediting Real Property Tax Income while the Deferred Real Property Tax Income/Deferred Special Education Tax Income is debited. The share of the Province and Barangay shall also be credited to Due to LGUs.
- 7.4 Moreover, Sections 36 and 93 of the Manual provides pro-forma accounting entries in setting up of RPT and SET receivables, respectively, as shown below:

***Real Property Tax – Basic and Special Education Tax***

**Setting-up of RPT and SET Receivable**

Ex. RPT = P1,000 RPT Sharing:  
Municipal - 40%  
Province - 35%  
Barangay - 25%

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

Ex. SET

Total Receivables = P500,000  
Provincial Share = P250,000 (50%)

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

- 7.5 Our review of the transactions posted under the General Ledger (GL) of the RPT and SET Receivable accounts, however, revealed non-compliance with the prescribed provisions on the proper setup of these accounts. Perusal of the Certified List of Taxpayers and the Corresponding Amount Due and Demandable for CY 2024 showed a total tax collectible for the current year for both Basic and Special Education Tax of a total of ₱9,583,142.65 or ₱4,791,571.33 each.

7.6 However, an examination of the General Ledger and Schedules of Real Property Tax (RPT) and Special Education Tax (SET) Receivables, along with an inquiry with the Municipal Accountant, revealed that the RPT and SET Receivables totalling ₱9,583,142.65 were not established at the beginning of the year. Instead, the receivables from previous years were carried over to the current year, resulting in year-end balances of ₱26,068,473.26 and ₱26,152,756.63 for RPT and SET Receivables, respectively, totalling ₱4,083,161.09, as shown on the table below:

Particular	Basic	SEF	Total
Real Property Tax Receivable January 1, 2024	₱28,694,017.46	₱28,800,078.07	₱57,494,095.53
RPT Established at the Beginning of the Year	-	-	-
Real Property Tax Collected	(2,625,544.20)	(2,647,321.44)	(5,272,865.64)
<b>Real Property Tax Receivable, December 31, 2024</b>	<b>₱26,068,473.26</b>	<b>₱26,152,756.63</b>	<b>₱ 52,221,229.89</b>

7.7 A review of the List of Real Property Tax Delinquencies as of December 31, 2024, from the Municipal Treasurer disclosed a total collectible amount of ₱57,161,601.79. Hence, the RPT and SET Receivables are understated by ₱4,940,371.90.

7.8 Our interview with the Municipal Treasurer revealed that they were unable to provide the Municipal Accountant with a copy of the Certified List of Taxpayers and the Corresponding Amount Due and Demandable for CY 2024. As a result, the Municipal Accountant did not establish the RPT Receivable at the beginning of the year.

7.9 Recording RPT and SET receivables is crucial as they provide essential references for decision-makers and financial statement users in determining the amounts still collectible and assessing the Municipal Treasurer's collection efficiency. This information also allows the Local Chief Executive (LCE) to develop effective strategies to enhance RPT and collection efforts. Additionally, it assists in reconciling records among the Treasurer, Assessor, and Accounting Offices.

7.10 Consequently, the financial statements did not accurately reflect the correct balances of the RPT/SET Receivables.

7.11 **We recommended and the Municipal Treasurer agreed to provide the Municipal Accountant with a copy of the RPT records for CY 2024 and previous years to establish the beginning balance for CY 2025.**

- 7.12 **We further recommended and it was agreed that, henceforth, the Municipal Treasurer provide the Municipal Accountant at the beginning of each year with a certified list of taxpayers with their amounts due and collectible for the current year, to serve as her basis for recording the RPT and SET Receivables in compliance with Sections 19(b), 20, and 84 of the NGAS Manual for LGUs, Volume 1.**

*Biological Assets' year end balances were not reported at fair value less costs to sell - ₱2,196,314.50*

- 8. Biological Assets totaling ₱2,196,314.50 as of December 31, 2024, were not reported at fair value less costs to sell, which is inconsistent with Paragraph 17 of International Public Sector Accounting Standards (IPSAS) 27, rendering the reported amount in the financial statements unreliable.**

- 8.1 Paragraph 16 of IPSAS 27 requires that a biological asset be measured at its fair value less costs to sell upon initial recognition and at each reporting date. Furthermore, paragraph 30 of the same IPSAS states that a gain or loss arising on initial recognition of a biological asset at fair value less costs to sell as well as from a change in fair value less costs to sell of a biological asset shall be included in surplus or deficit for the period in which it arises.
- 8.2 In relation to this, COA Circular No. 2016-004 dated September 30, 2016, provides guidelines for the preparation of financial statements in line with the adoption of the International Public Sector Accounting Standards (IPSAS) by Local Government Units (LGUs). Section 4.5 of the circular specifies that the Municipal Agriculturist is responsible for providing the Municipal Accountant with an inventory of breeding stocks and other biological assets, along with the prevailing market price for each item as of the reporting date and information on the prevailing costs to sell these biological assets.
- 8.3 However, our examination of the General Ledger and the Schedule of Biological Assets as of December 31, 2024, revealed that the following Biological Assets purchased by the Municipality on various dates were still recorded at acquisition cost:

<b>Biological Assets</b>	<b>Acquisition Date</b>	<b>Acquisition Cost</b>
Work Animals	Prior years	<b>₱ 46,200.00</b>
Rabbit	Prior years	498,967.00
Fingerlings	Prior years	2017.50
Cattle Heifers	2006	54,490.00
Female Cattle- 20 Heads	2019	499,400.00
Female Goat- 8 Heads	Prior years	10,000.00
Female Cattle- 15 Heads	Prior years	197,000.00
Swine- 8 Heads	Prior years	10,000.00
Female Carabao- 15 Heads	Prior years	142,500.00
Boer Goat (Male)	2005	35,000.00

<b>Biological Assets</b>	<b>Acquisition Date</b>	<b>Acquisition Cost</b>
Gilt 12 Heads	2005	203,520.00
Boer- 1 Head	2006	28,620.00
Bulgarian Buffalo Heifers	2006	200,000.00
Pig Breeders- 16 Heads	2010	96,000.00
Cattle- 14 Heads	Prior years	98,000.00
Male Goat	Prior years	10,000.00
Female Goat- 33 Heads	Prior years	39,600.00
Boer Goat Male	2004	25,000.00
<b>Total</b>		<b>₱2,196,314.50</b>

- 8.4 In the CY 2018 Annual Audit Report, it was reported that the Bulgarian Buffalos under the dispersal program had already died. However, no request for relief of accountability was filed with the COA within the statutory period.
- 8.5 In an interview with the Municipal Accountant, it was revealed that the inventory of the aforementioned biological assets and the prevailing market price for each item as of the reporting date had also not been submitted by the Municipal Agriculturist to her office as required under the pertinent provisions of COA Circular No. 2016-001, hence, the existence and condition of these assets could not be ascertained. Thus, said accounts were not reported at fair value less cost to sell as of the reporting date as required under IPSAS 27.
- 8.6 Since the Biological Assets were not reported at fair value less costs to sell, the reported amounts in the financial statements were unreliable.
- 8.7 **We recommended and the Municipal Agriculturist agreed to provide the Municipal Accountant with an inventory of biological assets, along with the prevailing market price for each item as of the reporting date and details regarding the prevailing cost to sell these biological assets.**

*Non-preparation of JEVs for book reconciling items in the BRS - ₱1,792,371.24*

- 9. The Municipal Accountant did not prepare Journal Entry Vouchers (JEV) for book reconciling items in the Bank Reconciliation Statements (BRS) totaling ₱1,792,371.24, contrary to Item 3.3 of COA Circular No. 96-011 dated October 2, 1996, resulting in an understatement of both the Cash in Bank and Liability accounts by the same amount.**

- 9.1 COA Circular No. 96-011 dated October 2, 1996, provides guidelines on the preparation of the BRS. Item 3.3 of the circular requires the accountant to draw journal vouchers to record all valid reconciling items that require adjustment and correction in the General Ledger (GL).

- 9.2 Our review of the BRS for December 2024 revealed a total outstanding checks of ₱3,398,509.05. However, our verification of these outstanding checks, based on the records of the Municipal Treasurer’s Office, indicated that out of the ₱3,398,509.05, ₱1,792,371.24 was released to the payees in January 2025. The details of these checks are presented in *Annex A*.
- 9.3 As shown in *Annex A*, the total checks amounting to ₱1,792,371.24 should not have been classified as outstanding checks, as they had not been released to the payees as of December 31, 2024. Instead, these checks should be added to the unadjusted balance per book in the Bank Reconciliation Statement (BRS). Consequently, adjusting journal entries should be made to debit the Cash in Bank account and credit the appropriate liability account.
- 9.4 An interview with the Municipal Accountant revealed that she recorded the checks totaling ₱1,792,371.24 even before they were released to the payees as of December 31, 2024. However, this practice was contrary to the check disbursement process prescribed in the New Government Accounting System (NGAS) Manual for Local Government Units (LGU), Volume I. Section 44 of the NGAS Manual requires the accountant to prepare the JEV only after receiving the Report of Check Issued (RCI) along with the DVs and supporting documents. She must then record the JEV in the Check Disbursements Journal.
- 9.5 As a result of the foregoing, the recorded unreleased checks of ₱1,792,371.24 understated the Cash in Bank and Liability accounts by the same amount.
- 9.6 **We recommended and the Municipal Accountant agreed to prepare JEVs for valid reconciling items that require adjustment and correction in the GL, in accordance with COA Circular No. 96-011 dated October 2, 1996.**
- 9.7 **We further recommended and the Municipal Accountant agreed to follow the check disbursement process prescribed in Section 44 of the NGAS Manual for LGUs, Volume I, to ensure that the JEVs are prepared and recorded based on the RCI together with the DVs and supporting documents received from the Municipal Treasurer’s Office.**

*Dormant receivable accounts - ₱860,048.41*

- 10. The Municipality did not implement the procedures prescribed under COA Circular No. 2023-008 dated August 17, 2023, for the proper disposition and cleansing of dormant accounts totaling ₱860,048.41, resulting in the continued recognition of long-standing, undocumented balances in the financial records and impairing the fair and faithful presentation of the Municipality’s financial statements.**

- 10.1 COA Circular No. 2023-008 dated August 17, 2023, establishes guidelines for the proper disposition of dormant accounts held by local government units (LGUs) that are not governed by specific laws, rules, or regulations. It also aims to expedite the cleansing of dormant accounts across government agencies, ensuring the fair presentation of financial statements. This Circular amends COA Circular No. 2016-005, dated December 19, 2016. Under the new Circular, dormant accounts—defined as those that have remained inactive in the books of accounts for ten (10) years or more—may only be derecognized upon the grant of specific authority by the Commission on Audit (COA).
- 10.2 The Circular provides for the procedures for the proper disposition of dormant accounts, derecognition of dormant accounts, journal entries, and monitoring and reporting. However, it expressly states that its provisions should not be interpreted as condoning the write-off of these accounts or extinguishing existing obligations. Furthermore, the Circular does not serve as grounds for exonerating officers or employees from liability in cases of infidelity in the custody of official documents. It reinforces the principle that accountability and proper stewardship of government records remain imperative, even in the process of addressing dormant accounts.
- 10.3 Item 7.0 of the Circular requires the Head of the Accounting Unit to review and analyze the existence of all dormant accounts and secure all available documents related to those accounts. However, if the review and analysis are impossible due to the absence of records and documents, or if original documents are lost, destroyed, or cannot be produced, the Head of the Accounting Unit shall prepare a list of available records related to the dormant account, indicate the extent of validation conducted, and attach all relevant documents to the list. Additionally, a detailed list of all the lost documents or records must be included. He will then prepare and submit a detailed report to the Head of the Agency recommending the conduct of an investigation to determine the cause/s of the loss of documents and identify the official/s and employee/s responsible for the loss.
- 10.4 The Head of Agency (HoA) will establish an Investigation Committee tasked with conducting a thorough review of dormant accounts. The Committee will prepare an Investigation Report, which will be submitted to the HoA for approval. Based on the findings, the HoA will then render a final decision and provide a copy of the report to the Accountant for proper documentation.
- 10.5 Within one year from the Circular’s effective date, the Head of the Accounting Unit, through the HoA, must submit a request to the Audit Team Leader (ATL) and/or Supervising Auditor (SA)—depending on the jurisdictional amount—for COA’s approval to write off or derecognize dormant accounts from the books. This request must be accompanied by the supporting documents specified in Annex 8 of the Circular.
- 10.6 Our review of the General Ledger (GL) revealed the following ending receivables balances as of December 31, 2024:

<b>Account</b>	<b>Amount</b>
Due from NGAs	₱ 183,293.49
Due from GOCCs	147,050.76
Due from LGUs	356,324.38
Other Receivables	431,798.09
	<b>₱ 1,118,466.72</b>

- 10.7 Based on previous Annual Audit Reports (AARs), the following transfers to the Implementing Agencies (IA) date back to CY 2024, which is the last possible year for which data could be obtained. Moreover, documents are no longer available to support these claims. The details are as follows:

<b>Name of IA</b>	<b>Purpose</b>	<b>Amount</b>
<b>Due from NGAs</b>		
Bureau of Treasury	Cannot be traced	₱ 19,746.80
Bureau of Forestry	-do-	812.58
Department of Justice	-do-	34.00
COMELEC	-do-	294.36
District Engineer	-do-	10.00
DBM	-do-	12,195.75
Sub-total		<b>₱ 33,093.49</b>
<b>Due from GOCCs</b>		
GSIS (General Fund)	Cannot be traced	₱ 146,790.36
GSIS (Trust Fund)	-do-	260.40
Sub-total		<b>₱ 147,050.76</b>
<b>Due from LGUs</b>		
Province of Negros Oriental (General Fund)	Cannot be traced	₱ 20,617.05
Province of Negros Oriental (Trust Fund)	-do-	214,240.27
Province of Negros Oriental (Spec. Educ. Fund)	-do-	120,625.26
Sub-total		<b>₱ 255,482.58</b>

- 10.8 The Other Receivables account, amounting to ₱431,798.09, is composed of transfers to individuals more than ten (10) years ago for the SEA K-Livelihood Program, Corn Production Livelihood Program, and KKK Special Fund. This amount has also been reported as the balance of the Other Receivables account in the CY 2022 and CY 2023 financial statements.
- 10.9 Meanwhile, verification with the latest Semestral Report on the Status of Other Receivables (as of June 30, 2024) provided by the Municipal Accountant disclosed a total amount of ₱686,638.05. Of this amount, a total of ₱679,261.54 is composed of receivables from various persons, on which details such as date granted and due date for liquidation could not be traced. Moreover, the accounts were reported by the Municipal Accountant aged more than ten years.
- 10.10 An interview with the Municipal Accountant revealed that the difference between the amount reflected in the Semestral Report on the Status of Other Receivables and the amount presented in the financial statements is the payment by the former Municipal Treasurer upon retirement of more than ₱200,000.00 for the SEA-K

Livelihood Program, the details of which are still to be provided. However, the Municipal Accountant mentioned that it is challenging or nearly impossible to determine the names for which the payment is to be credited.

- 10.11 The Municipality's inability to initiate the procedures outlined under COA Circular No. 2023-008 for the proper disposition of dormant accounts has resulted in the continued recognition of long-inactive and unsupported receivables totaling ₱860,048.41 in its financial records. This inaction not only compromises the fair and faithful presentation of its financial statements but also impairs transparency and accountability in the management of public funds. Without the necessary validation, documentation, and COA approval for derecognition, these dormant accounts distort the true financial position of the Municipality and hinder efforts to maintain sound fiscal administration.
- 10.12 **We recommended and the Local Chief Executive agreed to direct the Municipal Accountant to:**
- a. **Review and analyze all dormant accounts to determine their validity and secure/gather all available documents related to these accounts;**
  - b. **If a complete review and analysis cannot be performed due to missing documents and records, she shall then prepare a list of available records pertaining to the dormant account, indicate the extent of validation conducted, and attach all documents to the list. A detailed list of all lost documents or records must be included; and**
  - c. **Prepare and submit a detailed report to the Head of Agency recommending an investigation to determine the cause/s of the missing documents and identify the official/s and employee/s responsible for the loss.**
- 10.13 **We further recommended and it was agreed that if the investigation results warrant request for authority to write-off from the Commission, the Head of the Accounting Unit, through the HoA, should file with or through the ATL and/or SA, depending on the jurisdictional amount, a request for the approval of COA to write-off or derecognize the dormant accounts from the books. The request shall be supported by the documents listed in Annex 8 of the Circular.**

*Accrued interest expense and interest payable not recognized at year-end - ₱119,443.29*

- 11. Interest Payable and Interest Expense totaling ₱119,443.29, which accrued on the Municipality's domestic loan were not recognized at year-end, contrary to Section 4.a, Chapter 2 of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs), Volume I, thereby affecting the accurate presentation of the accounts in the financial statements.**

- 11.1 Section 4.a of the NGAS Manual for LGUs, Volume I, mandates a modified accrual basis of accounting that recognizes expenses when they are incurred. Additionally, Section 4.t requires the accrual of interest income and expenses when applicable.
- 11.2 Our review of a Debit Advice dated January 16, 2025, from the Development Bank of the Philippines (DBP) revealed a total amount of ₱981,053.22 deducted from its account, detailed as follows:

Principal	:	₱	739,777.78
Interest	:		238,886.57
GRT	:		2,388.87

- 11.3 An interview with the Municipal Accountant disclosed that the debit advice pertains to monthly principal and interest amortization for its loan from DBP for the period from December 16, 2024, to January 16, 2025. However, a review of the trial balance revealed that neither interest payable nor interest expense was recognized and recorded for the second half of December 2024. An interview with the Municipal Accountant showed that there was an oversight in recording the accrual for this period.
- 11.4 The omission of accrued interest expense and interest payable has resulted in an understatement of both expenses and liabilities by ₱119,443.29 as of December 31, 2024.
- 11.5 **We recommended and the Municipal Accountant agreed to prepare the necessary adjusting entry to correct the omission of the accrued interest not recorded at year-end, amounting to ₱119,443.29, in accordance with Section 4.a of the NGAS Manual for LGUs, Vol. 1.**

*Late submission of year-end financial statements*

**12. The Municipal Accountant was unable to submit the year-end financial statements (FS) of the Municipality for CY 2024 within the prescribed period, contrary to Section 41(2) of PD No. 1445 and Section 4.1 of COA Circular No. 2010-01 dated March 2, 2010, thus preventing municipal officials concerned from utilizing timely financial information, which is essential for making informed decisions.**

- 12.1 Section 41(2) of Presidential Decree (PD) No. 1445, or the Government Auditing Code of the Philippines provides that the chief accountant or the official in charge of keeping the accounts of a government agency shall submit to the Commission year-end trial balances and such other supporting or subsidiary statements as may be required by the Commission not later than the fourteenth day of February.

- 12.2 Moreover, the same provision is found in Section 4.1 of COA Circular No. 2010-01 dated March 2, 2010, which states that the accountant shall submit the year-end FS and schedules to the auditor on or before February 14 of each year. This amends the provisions in Sec. 3.1 of COA Accounting Circular Letter No. 2007-002 dated January 19, 2007, which provides that year-end FS shall be submitted within 60 days after December 31 of each year.
- 12.3 Consistent with the adoption of the Philippine Sector Accounting Standards (PPSAS) in the LGUs, Section 3.4 of COA Circular 2016-004 dated September 30, 2016, prescribed the presentation of the financial statements as follows:
- a. Statement of Financial Position;
  - b. Statement of Financial Performance;
  - c. Statement of Changes in Net Assets/Equity;
  - d. Cash Flow Statement;
  - e. Comparison Statement of Budget and Actual Amounts (SCBAA); and
  - f. Notes to Financial Statements.
- 12.4 On January 22, 2025, the Audit Team requested the submission of the FS, including schedules of subsidiary ledger balances of the controlling accounts in the general ledger (GL) as of December 31, 2024. However, the Municipal Accountant was unable to comply.
- 12.5 Due to the non-submission of the financial statements on February 14, 2025, we issued a demand letter on February 17, 2025, requesting that the Municipal Accountant promptly submit the year-end financial statements. However, the Municipal Accountant submitted the FS on April 11, 2025.
- 12.6 Our interview with the Municipal Accountant revealed that the delayed preparation and submission of the FS was due to the late submission of required documents from various departments. According to her, the Local Chief Executive set a cut-off date of December 31, 2024, for the submission of the financial transaction documents to the Municipal Accountant. However, this cut-off date was not met, and the volume of documents was submitted after this date.
- 12.7 The Municipal Accountant further stated that the FS rely on accurate and complete financial transaction data from all departments, and any delay in receiving these documents can significantly affect the overall timeline. She mentioned that each document needs to be verified for accuracy and completeness, and late submissions disrupt this process, leading to bottlenecks.
- 12.8 The delayed submission of the FS hindered timely audits and reviews, the outcomes of which are necessary for Management to make informed decisions in their daily operations. Additionally, the late submission of the FS affected their usefulness in providing relevant and timely information vital to decision-making by Management and higher authorities.

- 12.9 **We recommended and the Department Heads of the Municipality agreed to improve their processes for monitoring financial transactions, ensuring that documents are submitted promptly to the Municipal Accountant for the preparation and submission of the Financial Statements.**

## COMPLIANCE AUDIT

### *Low collection of delinquent real property taxes*

- 13. The Municipality did not adhere to the procedures outlined in Section 254 of Republic Act (R.A) No. 7160, resulting in a low collection of delinquent real property taxes (RPT), which amounted to ₱57,161,601.79 as of December 31, 2024. Consequently, the Municipality is at risk of losing potential revenue that could be used to finance development projects, programs, and activities (PPAs).**

- 13.1 Section 254 of R.A No. 7160, also known as the Local Government Code, provides that when the real property tax or any other tax imposed under this code becomes delinquent, the provincial, city or municipal treasurer must immediately ensure that a notice of the delinquency is posted at the main entrance of the provincial capitol, or city or municipal hall, as well as in a publicly accessible and conspicuous place in each barangay of the local government unit concerned. The notice of delinquency must also be published once a week for two consecutive weeks, in a newspaper of general circulation in the province, city, or municipality.
- 13.2 It further states that the notice must specify the date on which the tax became delinquent and indicate that personal property may be distrained to effect payment. Additionally, it shall state that at any time before the distraint of personal property, the payment of the tax, along with surcharges, interests, and penalties, may be made in accordance with the following section. Unless the tax, surcharges and penalties are paid before the expiration of the year for which the tax is due, except when the notice of assessment or special levy is contested administratively or judicially pursuant to the provisions of Chapter 3, Title II, Book II of this Code, the delinquent real property will be sold at public auction, and the title to the property will be vested in the purchaser, subject, however, to the right of the delinquent owner of the property or any person having a legal interest therein to redeem the property within one (1) year from the date of sale.
- 13.3 Our review of the Certified List of All Real Property Tax Delinquencies as of December 31, 2024, disclosed a total amount of ₱57,161,601.79, as shown below:

Particulars	Tax	Penalty	Total
BASIC	₱ 21,685,047.06	₱ 6,863,229.51	₱ 28,548,276.57
SEF	21,726,848.36	6,886,476.86	28,613,325.22
<b>Total</b>	<b>₱ 43,411,895.42</b>	<b>₱ 13,749,706.37</b>	<b>₱ 57,161,601.79</b>

- 13.4 Our inquiry with the Municipal Treasurer revealed that, to improve the collection of real property tax delinquencies, tax reminders were sent to delinquent taxpayers in both current and prior years. However, due to the absence of a formal filing system and monitoring process, relevant data on these reminders and corresponding payments could not be retrieved.
- 13.5 In addition to sending the tax reminders, the Municipal Treasurer conducted an information drive for taxpayers by visiting the barangays where assemblies are held and broadcasting information campaigns via radio and social media. Furthermore, the Punong Barangays were urged to support the collection of real property taxes, as their respective barangays directly benefit from the barangay share of RPT. This additional revenue strengthens their financial capacity for allocating funds to essential programs, projects, and activities. Moreover, agrarian reform beneficiaries or Certificates of Land Ownership Award (CLOA) holders were also informed of their obligation to pay real property taxes.
- 13.6 The Municipal Treasurer disclosed that they recently failed to post the notice of delinquency as required under Section 254 of R.A. No. 7160 at the main entrance of the municipal hall and in publicly accessible and conspicuous places in each barangay of the Municipality. It has not been the Municipality's practice to post the notice of delinquency. The Municipal Treasurer mentioned that they are awaiting a seminar on judicial and administrative remedies for real property tax collection, which will equip them with the necessary knowledge and preparation to effectively implement these measures.
- 13.7 Moreover, the Municipal Treasurer and Assessor noted the necessity of cleansing the inventory of real properties due to issues like duplication of tax declarations.
- 13.8 Due to the above circumstances, the collection of delinquent RPT was low, putting the Municipality at risk of losing potential revenues that could be used to finance development PPAs.
- 13.9 **We recommended and the Municipal Treasurer and Municipal Assessor agreed to conduct tax mapping to cleanse their records of real properties and post the Notice of Delinquency in the Payment of RPT pursuant to Section 254 of R.A 7160.**
- 13.10 **We further recommended and it was agreed that, after the Notice of Delinquency in the Payment of RPT is posted, Management avail itself of the remedies provided under R.A. No. 7160 to collect delinquent taxes**

*Various deficiencies noted in the implementation of TUPAD Program*

**14. The implementation of the Tulong Panghanapbuhay sa Ating Disadvantage Workers (TUPAD) Program did not comply with Department of Labor and Employment (DOLE) Department Order (DO) No. 239, Series of 2023, due to various deficiencies noted. As a result, the propriety and validity of payments to TUPAD workers, totaling ₱1,787,760.00, could not be ascertained.**

- 14.1 DOLE DO No. 239, Series of 2023, provides guidelines on the implementation of the DOLE Integrated Livelihood and Emergency Employment Program (DILEEP). DILEEP represents DOLE's contribution to inclusive growth through job creation and poverty reduction. One of its two components is the TUPAD program.
- 14.2 Under Section 7 of DOLE No. 239, Series of 2023, the TUPAD Program is described as a community-based package of assistance that provides a safety net through temporary wage public employment projects for periods ranging from 10 to 90 days, whether continuous or not, depending on the nature of the work to be performed.
- 14.3 Our review of the Fund Utilization Report revealed that on May 14, 2024, the Municipality of Pamplona received a total of ₱1,787,760.00 from the DOLE Regional Office No. VII for the implementation of the TUPAD program. An examination of the Memorandum of Agreement (MOA) between DOLE and the Municipality confirmed that the latter was obligated to implement the program in accordance with the guidelines and procedures set forth in DOLE Department Order No. 239, Series of 2023.
- 14.4 However, our verification of the payrolls and their supporting documents revealed that the implementation of the TUPAD program did not comply with the prescribed guidelines due to the following deficiencies:
  - a. **Of the 382 TUPAD beneficiaries, only 11 were able to submit valid government-issued identification cards. Furthermore, the application requirements outlined in Section 11 of DOLE Department Order No. 239, Series of 2023, were not met.**
- 14.5 Section 11 of DOLE Department Order No. 239, Series of 2023, mandates that all intended TUPAD beneficiaries must submit valid government-issued identification (ID) cards. Additionally, the Order requires the Municipality to prepare both the Profile of TUPAD Beneficiaries and a Contract of Service between the Municipality and each TUPAD worker.
- 14.6 However, a post-audit of the payroll revealed significant non-compliance with these requirements. Of the 382 beneficiaries, only 11 were able to present valid ID cards. Furthermore, the required Profile of TUPAD Beneficiaries and the corresponding Contracts of Service were not prepared.

- 14.7 This lack of documentation undermines the program’s integrity and exposes it to significant risks, including the possibility of fictitious or duplicate beneficiaries, which may lead to potential fraud and misuse of public funds.
- b. 58 beneficiaries had signatures on their payrolls that didn't match the ones on their Daily Time Records (DTRs).**
- 14.8 A comparison of the signatures of TUPAD workers on the payrolls and their corresponding Daily Time Records (DTRs) revealed discrepancies in 58 out of 382 cases. These beneficiaries, whose signatures differed between the two documents, collectively received a total of ₱271,440.00. This inconsistency raises serious concerns about the authenticity of the submitted documents and the legitimacy of the individuals who claimed the payments.
- 14.9 The presence of mismatched signatures increases the risk that some individuals may have claimed benefits on behalf of others, or that fictitious names were used to process payments. The discrepancies indicate a breakdown in the Municipality’s internal verification and validation processes, undermining the integrity of the TUPAD implementation.
- 14.10 Due to the deficiencies mentioned above, the implementation of the TUPAD program was found to be non-compliant with the provisions of DOLE Department Order No. 239, Series of 2023. Consequently, the propriety and validity of payments made to TUPAD workers, totaling ₱1,787,760.00, could not be reliably ascertained.
- 14.11 **We recommended and Management agreed to:**
- a. Submit the valid government-issued IDs of the remaining 371 TUPAD beneficiaries to establish the identity and eligibility of those who received program benefits;**
  - b. Submit the complete Profile of Tupad Beneficiaries and the duly executed Contract of Service between the Municipality and TUPAD Workers to validate the legitimacy of the workers engaged and ensure transparency and accountability in the program’s implementation.**
  - c. Establish a standardized process for verifying the authenticity and consistency of beneficiary signatures across all program documents, including payrolls and Daily Time Records (DTRs). Investigate and resolve any discrepancies before processing payments;**
  - d. Investigate the 58 cases of mismatched signatures and take appropriate administrative or legal action, if warranted, to address any anomalies or fraudulent claims.**

*Unutilized funds from BGCM not remitted to the National Treasury*

**15. Unutilized funds amounting to ₱1,059,540.30, received from the National Government as financial assistance for the Typhoon Odette victims and Bayanihan Grants to Cities and Municipalities (BGCM), were not returned to the National Treasury, inconsistent with Section 3.8 of Department of Budget and Management (DBM) Local Budget Circular (LBC) No. 125 dated April 7, 2020, and LBC No. 141 dated December 28, 2021, depriving the National Government from using the funds to finance priority projects, programs and activities.**

- 15.1 DBM LBC No. 125 dated April 7, 2020, prescribes the guidelines and procedures for the release and utilization of the BGCM. The BGCM was distributed to cities and municipalities to enhance their capacity to respond immediately to the COVID-19 emergency. Item 3.9 thereof states that any funds remaining unutilized after the lifting of the State of Calamity, as declared by Presidential Proclamation, shall be reverted to the National Treasury by the recipient cities and municipalities.
- 15.2 Additionally, on July 21, 2023, the President of the Philippines lifted the State of Public Health Emergency under Proclamation No. 297.
- 15.3 Furthermore, DBM LBC No. 141 dated December 28, 2021, prescribed the guidelines for the release and utilization of financial assistance to cities and municipalities affected by Typhoon Odette, charged against the Fiscal Year 2021 Unprogrammed Appropriations of the National Government. Section 3.8 of the LBC requires that any unutilized funds after December 31, 2022, shall be reverted to the National Treasury by the recipient cities and municipalities. For this purpose, unutilized funds refer to the balances of the amounts received by the beneficiary cities and municipalities that were not disbursed by those cities and municipalities.
- 15.4 An examination of the Municipality's records revealed the following balances of funds received from the National Government for BGCM and financial assistance for Typhoon Odette victims as of December 31, 2024:

<b>Particulars</b>	<b>Amount</b>
BGCM	₱ 285,995.30
Financial Assistance for Typhoon Odette Victims	773,545.00
<b>Total</b>	<b>₱1,059,540.30</b>

- 15.5 An inquiry with the Municipal Accountant revealed that the balances had been overlooked and had not yet been remitted to the National Treasury, even after the lifting of the State of Public Health Emergency on July 21, 2023, and the distribution of financial assistance to Typhoon Odette victims in CY 2022. However, the Municipal Accountant assured that he would coordinate with the Municipal Treasurer to prepare a check payable to the National Government, ensuring that the balance would be promptly remitted to the National Treasury.

- 15.6 The Municipality's inability to remit the unutilized funds to the National Treasury deprived the National Government of the opportunity to use these funds for priority projects, programs, and activities.
- 15.7 **We recommended and the Municipal Accountant agreed to provide the Municipal Treasurer with the records of unutilized funds under the BGCM and financial assistance for Typhoon Odette victims, so that the latter can return these funds to the National Treasury in accordance with DBM LBC No. 125 dated April 7, 2020, and DBM LBC No. 141 dated December 28, 2021.**

*Travel Expenses' compliance with COA Circular No. 2005-003 and EO No. 77*

**16. The legitimacy and appropriateness of the travel expenses, totaling ₱1,028,490.39, are questionable due to the absence of required airline boarding passes and excessive claims for Daily Travel Expense (DTE) that contravened the guidelines outline in COA Circular No. 2005-003, dated September 22, 2005, and Executive Order No. 77 of the President of the Philippines.**

- 16.1 COA Circular No. 2005-003, dated September 22, 2005, mandates that a boarding pass is required to substantiate claims for transportation expenses incurred from air travel. The boarding pass serves as proof that the passenger boarded the flight on the date indicated in the traveler's itinerary.
- 16.2 Furthermore, EO No. 77, issued by the President of the Philippines on March 15, 2019, provides guidelines and prescribes the rates and allowances for official local and foreign travels. According to Section 5(b) of the EO, the maximum DTE of government personnel traveling beyond the a 50-kilometer radius from their permanent official station, regardless of rank and position, is ₱2,200.00 if the destination is at the National Capital Region (NCR), and ₱1,500.00 if the destination is in Region V.
- 16.3 Post-audit of Disbursement Voucher (DV) Nos. 100-24-10-1716 and 100-24-12-2035 revealed that claims for travel expenses totaling ₱1,028,490.39, incurred between January and August 2024, were not supported by airline boarding passes. A review of the supporting documents showed that for all 18 instances of air travel, no boarding passes were submitted. Furthermore, these trips, amounting to ₱476,524.84, included airline transportation expenses of ₱347,761.89, which were incurred by individuals who are not employees of the Municipality.
- 16.4 Moreover, claims for Daily Travel Expenses (DTE) from January to August 2024 totaled ₱295,623.55, which exceeded the allowable amount by ₱237,323.55. Our computation indicates that the maximum allowable DTE for these travels should only be ₱58,300 (Annex "A").

- 16.5 We also noted that actual lodging expenses totaling ₱112,192.40 were included as part of the DTE claims. While Section 5(d) of Executive Order No. 77 allows for the reimbursement of actual accommodation expenses exceeding the lodging component of the DTE, such reimbursement is permitted only if the excess does not go beyond 100% of the prescribed rate and is supported by a certification from the agency head attesting to the absolute necessity of the expense. Additionally, presentation of bills and receipts is also necessary.
- 16.6 Verification of the itinerary of travels and supporting documents showed that the accommodation component of the DTE from January to August 2024 totaled ₱49,500.00. However, the actual lodging expenses claimed by the traveler, based on submitted bills and receipts, amounted to ₱112,192.40—exceeding the allowable accommodation component by ₱62,692.40 or approximately 127%. Even if the excess had not surpassed the 100% threshold permitted under Section 5(d) of Executive Order No. 77, the claim for reimbursement of actual lodging expenses would still not be valid due to the absence of a certification from the agency head attesting to the absolute necessity of incurring such expenses in the performance of official duties.
- 16.7 As result of the foregoing, the validity and propriety of travel expenses totaling ₱1,028,490.39 are questionable due to the absence of required airline boarding passes and excessive Daily Travel Expense (DTE) claims that violated the provisions of COA Circular No. 2005-003, dated September 22, 2005, and Executive Order No. 77 of the President of the Philippines.
- 16.8 **We recommended and Management agreed to:**
- a. **Require the responsible official to submit the airline boarding passes for travel expense claims under Disbursement Voucher (DV) Nos. 100-24-10-1716 and 100-24-12-2035. If boarding passes are no longer available, secure official certification from the respective airline(s) confirming that the concerned government official boarded their flights on the travel dates indicated in the itineraries;**
  - b. **Ensure that claims for Daily Travel Expenses are in accordance with the allowable rates set forth in EO No. 77; and**
  - c. **Provide a written explanation detailing the rationale for including individuals not employed by the Municipality in the travel expense claims amounting to ₱347,761.89, along with the legal basis for utilizing public funds to cover travel-related expenses incurred by non-municipal employees.**

**17. The Local Government Service Equalization Fund (LGSEF), amounting to ₱338,170.29, has remained unused for over ten years due to the absence of necessary documents and records, which contradicts Section 2 of Presidential Decree (P.D.) No. 1445, thereby depriving the constituents of the benefits they could have received had the funds been utilized for additional projects.**

- 17.1 Section 2 of PD No. 1445 states that it is the declared policy of the State that all government resources must be managed, expended, or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy, and effectiveness in government operations. The responsibility to ensure that this policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.
- 17.2 The LGSEF was part of the Local Government Unit's (LGU's) Internal Revenue Allotment (IRA), which was withheld by the national government pursuant to the provisions in the General Appropriations Act (GAA) of 1999, 2000, and 2001. Its release to LGUs was subject to guidelines issued by the Oversight Committee on Devolution (OCD) created under Executive Order No. 48 issued by then-President Joseph Estrada in 1998.
- 17.3 Following the guidelines set by the OCD, LGUs are required to submit project proposals and necessary documentation to the Department of Interior and Local Government (DILG) for review prior to sending them to the OCD for approval and fund release by the Department of Budget and Management (DBM).
- 17.4 Our review of the Statement of Financial Position for the Special Account in the General Fund-LGSEF showed that as of December 31, 2024, Cash and Cash Equivalents amounting to ₱338,170.29 had remained outstanding for more than 10 years.
- 17.5 An interview with the Municipal Accountant revealed that the funds had remained idle for over 10 years because they could no longer locate the documents and records associated with the fund.
- 17.6 It is also important to note that the Supreme Court, in G.R. No. 152774 dated May 27, 2004, declared the release of the LGSEF unconstitutional. The Court ruled that the LGSEF, being part of the IRA, should have been automatically released to LGUs, and that subjecting it to additional guidelines from the OCD was in violation of the Constitution. The decision stated:

*“To the Court’s mind, the entire process involving the distribution and release of the LGSEF is constitutionally impermissible. The LGSEF is part of the IRA or just share of the LGUs in the national taxes. To subject its distribution and release to the vagaries of the implementing*

*rules and regulations, including the guidelines and mechanisms unilaterally prescribed by the Oversight Committee from time to time, as sanctioned by the assailed provisos in the GAAs of 1999, 2000, and 2001 and the OCD resolutions, makes the release not automatic, a flagrant violation of the constitutional and statutory mandate that the just share of the LGUs shall be automatically released to them. The LGUs are, thus, placed at the mercy of the Oversight Committee.” (underscoring supplied)*

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

*Non-compliance with Item 6.1 of DepED, DBM and DILG Joint Circular No. 1, Series of 2017 on monitoring, transparency and accountability in the allocation and utilization of the SEF*

**18. The Municipality has not fully complied with Item 6.1 of DepED, DBM and DILG Joint Circular No. 1, Series of 2017, due to the various deficiencies noted, thus hindering effective monitoring, transparency and accountability in the allocation and utilization of the Special Education Fund (SEF).**

- 18.1 The Department of Education (DepEd), Department of Budget and Management (DBM), and the Department of the Interior and Local Government (DILG) issued Joint Circular (JC) No. 1, series of 2017 dated January 19, 2017, to revise the guidelines on the use of the SEF. Item 6.1 of the JC guidelines on monitoring, transparency, and accountability in the utilization of the SEF.
- 18.2 Our audit of the allocation and utilization of the SEF in CY 2024 revealed that the Municipality has not fully complied with Item 6.1 of the JC due to the following deficiencies:
- a. **Approved SEF Budget not provided to the concerned Municipal Officials within seven days after approval**

- 18.3 Item 6.1 of the Joint Circular mandates that, within seven (7) days after the approval of the SEF Budget, the LSB shall provide the Municipal Budget Officer, Municipal Accountant, and Municipal Treasurer with a copy of the approved SEF Budget. This document serves as the basis for disbursements, certification of fund availability, and record-keeping purposes.
- 18.4 Our review of the SEF Budget confirmed that it was approved by the LSB on February 7, 2024. Consequently, the Municipal Budget Officer, Municipal Accountant, and Municipal Treasurer were required to receive the approved SEF Budget by February 14, 2024. However, a request made on May 20, 2025, to the Office of the LSB Co-Chairperson for a copy of the SEF Budget, stamped as "received" by the aforementioned offices, revealed that no such copies exist.
- 18.5 This lack of documentation prevents us from verifying the date of receipt by the intended recipients. Nonetheless, the LSB Co-Chairperson explained that upon approval by the LSB, copies are immediately provided to the recipients without requiring them to formally acknowledge receipt.
- 18.6 Having documents stamped as "received" by the recipients serves as a form of acknowledgment, ensures accountability, tracks delivery timelines, and mitigates disputes regarding receipt. Additionally, it allows verification of compliance with relevant regulatory and procedural requirements, such as Section 6.1 of DepEd-DBM-DILG Joint Circular No. 1, s. 2017, which aims to promote transparency and accountability on the allocation of the SEF Budget.

**b. Non-submission of Quarterly SEF Reports to DepEd and other relevant authorities**

- 18.7 Item 6.1 of the Joint Circular also states that the LSB must submit quarterly and annual reports on SEF utilization using SEF Budget Accountability Form No. 1. These reports, prepared by the Municipal Accountant, must be sent to the DepEd Central Office (CO) through appropriate channels, with copies provided to the local sanggunian, as well as the Regional Offices of the DBM and DILG. Quarterly reports should be submitted not later than the 20<sup>th</sup> day after the end of the quarter. Annual reports should be submitted not later than the 15<sup>th</sup> day of February of the following year.
- 18.8 An interview with the Co-Chairman of the LSB revealed that, in CY 2024, no copies of the Quarterly and Annual Reports were submitted to the DepEd Central Office because there was no directive for the submission the reports. Additionally, the concerned local sanggunian and the DBM and DILG Regional Offices did not receive these reports because they were unaware of the requirement to furnish copies of the quarterly utilization reports on the SEF to the aforementioned Offices.

- 18.9 The non-submission of reports may impede progress monitoring. Furthermore, utilization reports are essential for central offices to assess financial and operational efficiency; their absence significantly hampers effective decision-making.
- c. The LSB did not post the Quarterly and Annual SEF Utilization Reports in at least three (3) conspicuous public places in the Municipality.**
- 18.10 Under Item 6.1 of the Joint Circular, the LSB is required to post the utilization report of the SEF Budget on the LGU's website and/or in at least three conspicuous public places for transparency and accountability in compliance with the Full Disclosure Policy (FDP) of the DILG.
- 18.11 In this regard, Item 5.2 of the DILG Memorandum Circular No. 2024-021 mandates all LGUs to post the SEF Utilization Report in conspicuous places not later than the 20<sup>th</sup> day after the end of each quarter. This provision ensures that the public is informed of the status of SEF utilization within the prescribed timeline.
- 18.12 On May 20 and 21, 2025, we verified compliance with posting in at least three (3) conspicuous public places and found that the SEF Utilization Report for the 2nd Quarter of CY 2024 was posted on the FDP Bulletin Board located near the Municipal Hall while the SEF Utilization Reports for the 4<sup>th</sup> Quarter of CY 2024 were posted at the FDP Bulletin Boards located at the Public Market and the Public Gym beside the Public Plaza.
- 18.13 This indicates that the SEF Utilization Reports for the 3rd and 4th quarters were not posted on one (1) of the Bulletin Boards.
- 18.14 We also verified compliance with the above-mentioned provision regarding posting on the LGU website. Although we could not find an active website, it is noteworthy that the SEF Utilization Reports of the Municipality for the 1<sup>st</sup> to 4<sup>th</sup> quarters were posted at DILG's Full Disclosure Policy portal ([fdpp.dilg.gov.ph](http://fdpp.dilg.gov.ph)) website, although the 4<sup>th</sup> quarter report is yet to be posted.
- 18.15 The LSB Co-Chairman mentioned that they were unaware of the provisions to post the SEF Utilization Reports. However, they acknowledged that the SEF Utilization Reports, although not updated for the required posting period, had been displayed on three municipal bulletin boards. Recognizing the significance of timely postings, they emphasized the need for better coordination with the responsible officer.
- 18.16 Posting the SEF Utilization Reports on the LGU website and on bulletin boards or at in least three conspicuous public places would have provided citizens with direct access to information. As a result, not posting the reports eliminates transparency and accountability to the public regarding the utilization of the SEF budget.

- 18.17 The aforementioned deficiencies in the allocation and utilization of the SEF have hindered effective monitoring, transparency, and accountability in managing the fund.
- 18.18 **We recommended and the Local School Board (LSB) Chairperson and Co-Chairperson agreed to:**
- a. **Ensure that the approved SEF Budget be stamped as “received” by the Municipal Budget Officer, Municipal Accountant, and Municipal Treasurer within the indicative timeline or within seven (7) days after approval of the SEF Budget for verification of compliance with Sec. 6.1 of DepEd-DBM-DILG Joint Circular, s. 2017;**
  - b. **Ensure the timely submission of the quarterly and annual SEF Utilization Reports to the DepEd Central Office the local sanggunian, and the DBM and DILG Regional Offices, in accordance with the Joint Circular; and**
  - c. **Ensure compliance with the posting requirements under FDP and Item 6.1 of the Joint Circular by posting the SEF Utilization Report on the LGU website and on the three Full Disclosure Policy Bulletin Boards of the Municipality not later than the 20<sup>th</sup> day after the end of each quarter.**

## OTHER MANDATORY AREAS

### *Compliance with Tax Laws*

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

Particular	General Fund	SEF	Trust Fund	Total
Beginning Balance	306,494.91	8,714.57	234,303.41	549,512.89
Add: Taxes withheld from Jan-Dec 2024	7,366,206.57	55,730.49	308,395.10	7,730,332.16
Less: Remittance from Jan-Dec 2024	6,686,947.41	59,380.86	317,021.30	7,063,349.57
<b>Balance as of December 31, 2024</b>	985,754.07	5,064.20	225,677.21	1,216,495.48

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

<b>Particular</b>	<b>General Fund</b>	<b>SEF</b>	<b>Trust Fund</b>	<b>Total</b>
Amount Remitted	988,678.56	7,069.82	603.96	996,652.34
Date Remitted	1/09/2025	1/09/2025	1/09/2025	

19.2 Additional remittance for TF on May 9, 2025 amounted to ₱158,715.99. The remaining balances are still subject for reconciliation.

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

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

<b>Particular</b>	<b>Due to GSIS</b>	<b>Due to Pag-IBIG</b>	<b>Due to PhilHealth</b>	<b>Total</b>
Beginning Balance	1,218,925.66	61,197.88	120,330.22	1,400,453.76
Add: Mandatory Contributions Withheld from Jan-Dec 2024	7,686,040.87	753,600.00	1,947,987.93	10,387,628.80
Add: Loan Repayments Withheld from Jan-Dec 2024	3,902,807.89	228,538.54	n/a	4,131,346.43
Less: Remittance of Mandatory Contributions from Jan-Dec 2024	7,559,979.89	733,900.00	2,064,096.17	10,357,976.06
Less: Remittance of Loan Repayments from Jan-Dec 2024	3,957,706.86	226,272.40	n/a	4,183,979.26
<b>Balance as of December 31, 2024</b>	<b>1,290,087.67</b>	<b>83,164.02</b>	<b>4,221.98</b>	<b>1,377,473.67</b>

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

<b>Particular</b>	<b>Due to GSIS</b>	<b>Due to Pag-IBIG</b>	<b>Due to PhilHealth</b>	<b>Total</b>
Amount Remitted:	1,290,087.67	83,164.02	4,221.98	1,377,473.67
For Mandatory Contributions	654,065.61	63,400.00	0.00	717,465.61
For Loan Repayments	289,361.87	19,565.46	n/a	308,927.33
Date Remitted	01/10/2025	01/20/2025		

## SETTLEMENT OF ACCOUNTS

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

	<b>Beginning Balance (As of 1/1/2024)</b>	<b>This Period January 1 to December 31, 2024</b>		<b>Ending Balance (As of 12/31/24)</b>
		<b>NS/ND/NC</b>	<b>NSSDC</b>	
Notice of Suspension	₱ 0.00	₱ 0.00	₱ 0.00	₱ 0.00
Notice of Disallowance	1,778,200.00	0.00	0.00	1,778,200.00
Notice of Charge	0.00	0.00	0.00	0.00

21.1 The breakdown of the timing and age of the disallowances could not be provided as the ND records were not turned over and have not been located by the current audit team.

## OTHER MATTERS

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

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

## STATUS OF IMPLEMENTATION OF PRIOR YEARS' UNIMPLEMENTED AUDIT RECOMMENDATIONS

Out of the 76 audit recommendations contained in the CY 2023 and prior years' Annual Audit Reports, six have been implemented, while 70 remain unimplemented. Of the six implemented recommendations, two were closed due to changes in conditions. Meanwhile, of the 70 unimplemented recommendations, three were reiterated and included in audit observation numbers 1 and 12, while five were restated in audit observation numbers 1 and 10 in Part II of this report, in view of the similarity of the issues involved. Moreover, Management commented that they will have difficulty in implementing four recommendations due to a lack of storage for inventories purchased and a lack of personnel assigned to handle and distribute inventories.

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
<p><u>2023 AAR</u> AO No. 1, Page 27</p>	<p>The Municipal Accountant was unable to submit the year-end financial statements (FS) of the Municipality for CY 2023 within the prescribed period due to the delayed preparation of the SAAOB and the late submission of DVs and OBRs from the requesting offices, contrary to Section 41(2) of PD No. 1445 and Section 4.1 of COA Circular No. 2010-01 dated March 2, 2010, thus preventing municipal officials concerned from utilizing the financial information contained therein for decision-making.</p>	<ol style="list-style-type: none"> <li>1. Management enjoin the requesting offices to submit their DVs, OBRs, and supporting documents on time to facilitate the Municipal Accountant's preparation and submission of the required reports to the Audit Team within the prescribed period.</li> <li>2. The Municipal Budget Officer take steps to ensure the timely preparation and submission of the SAAOB. This could entail hiring temporary staff during busy periods or re-evaluating the workflow and deadlines to accommodate unforeseen delays.</li> </ol>	<p>Unimplemented</p> <p><i>This was reiterated in the audit of CY 2024 accounts as AO No. 12.</i></p>
<p><u>2023 AAR</u> AO No. 2, Page 29</p>	<p>The Local Government Unit was not able to take advantage of the one-time cleansing of PPE due to non-compliance with the guidelines and procedures of COA Circular No. 2020-006 dated January 31, 2020,</p>	<ol style="list-style-type: none"> <li>3. Management observe the guidelines and procedures provided in COA Circular No. 2020-006 dated January 31, 2020, for the one-time cleansing of PPE account balances to have reliable PPE balances that are verifiable as to existence, condition, and accountability</li> </ol>	<p>Unimplemented</p> <p><i>This was reiterated in the audit of CY 2024 accounts as AO No. 1.</i></p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	<p>thus adversely affecting the fairness of the presentation of the PPE accounts with a net book value of ₱22,612,888.76 as of December 31, 2023, and may deprive the government of reliable and useful information in decision-making and accountability for these assets.</p>	<p>as follows:</p> <ol style="list-style-type: none"> <li>a. Reorganize 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.</li> <li>b. Strictly follow the guidelines and procedures in the conduct of physical count of PPE, recognition of PPE items found at the station, and disposition for non-existing/missing PPE items and require the Accountant and Property Officer to reconcile their records based on the results of the actual physical inventory and effect necessary adjustments;</li> <li>c. Prepare and submit the approved PIP to the COA Audit Team within the prescribed period; and</li> <li>d. Undertake collaborative procedures to ensure that all PPEs in the RPCPPE are duly recorded in their respective records and that the Property Cards (PCs) maintained by the Property Unit and the PPELCs(PPE Ledger Cards) maintained by the Accounting Unit are reconciled.</li> </ol>	
<p><u>2023 AAR</u> AO No. 3, Page 30</p>	<p>The accuracy and reliability of the LRN account totaling ₱48,102,792.50 could not be ascertained due to various deficiencies noted, contrary to COA</p>	<p>The Local Chief Executive (LCE) to:</p> <ol style="list-style-type: none"> <li>4. Create an Inventory Committee to focus on the physical count of local roads; and</li> <li>5. Enjoin the Municipal Treasurer, Municipal Accountant, and Municipal Engineer to</li> </ol>	<p>Unimplemented</p> <p><i>The Inventory Committee had not yet been reorganized.</i></p> <p>Unimplemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	Circular No.2015-008 dated November 23, 2015, thereby, affecting the fair presentation of the account in the FS.	strictly comply with the accounting and reporting guidelines on the local roads asset management system pursuant to COA Circular No. 2015-008 dated October 23, 2015.	
2023 AAR AO No. 4, Page 33	The existence, validity, and correctness of the Inventory accounts totaling ₱7,637,034.53 as of December 31, 2023, 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.	<ol style="list-style-type: none"> <li>6. LCE reorganize 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;</li> <li>7. 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;</li> <li>8. The Municipal Accountant and Municipal Treasurer maintain the supplies ledger cards and stock cards, respectively; and</li> <li>9. Municipal Accountant strictly follow the Perpetual Inventory Method for recording purchases of supplies and materials as required in the NGAS Manual.</li> </ol>	Management commented that there is difficulty in implementing the perpetual inventory method due to a lack of storage space for inventories purchased and insufficient personnel to handle and distribute inventories.
2023 AAR AO No. 5, Page 37	Disclosures in the Notes to FS on “Loans Payable – Domestic” account balance of ₱64,360,666.62 million is incomplete, a departure from the fair presentation requirement under the International Public Sector Accounting Standards (IPSAS) thus, affecting the usefulness of the financial	10. The Municipal Accountant revise the Notes to the FS to include the principal amount, interest rate, maturity date, purpose of the loan, and interest expense of the Loans Payable - Domestic account.	Implemented

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	information on loans to its users.		
<p><u>2023 AAR</u> AO No. 6, Page 38</p>	<p>Unexpended balances of Continuing Appropriations for 20% Development Fund (DF) amounting to ₱35,283,019.74 for various projects, programs, and activities (PPAs) remained unutilized, inconsistent with Section 4.0 of the DBM-DOF-DILG Joint Memorandum Circular (JMC) No. 1 dated November 4, 2020, thereby depriving the public of the benefits had these PPAs been implemented.</p>	<p>11. Management provide additional manpower in the Municipal Engineering Office and the necessary equipment to hasten the implementation of the PPAs under the 20% DF.</p>	<p>Unimplemented</p> <p>Management provided a resolution to the Audit Team regarding existing balances from completed projects still included in the Continuing Appropriations. This resolution reverted the savings and balances from completed projects and unimplemented programs.</p>
<p><u>2023 AAR</u> AO No. 7, Page 39</p>	<p>Unexpended balances of LDRRMF for Capital Outlay (CO) amounting to ₱3,300,169.87 from prior years were not utilized to finance disaster risk reduction and management activities despite the completion of funded projects or failure to implement them. This is inconsistent with Section 5.1.10 COA Circular No. 2012-02 dated September 12, 2012, which limits the Municipality's ability to respond effectively and efficiently to disaster emergencies.</p>	<p>12. Management reallocate the funds from completed and unimplemented projects that the Municipality can no longer execute to finance disaster risk reduction and management activities pursuant to COA Circular No. 2012-02, dated September 12, 2012.</p> <p>13. The Municipal Accountant reclassify and transfer the identified MOOE account amounting to ₱200,000.00 to the Trust Liabilities - Special Trust Fund account.</p>	<p>Unimplemented</p> <p>Unimplemented</p> <p>The audit team did not receive proof of reclassification and transfer, as recommended.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
<p><u>2023 AAR</u> AO No. 8, Page 41</p>	<p>The Municipality spent ₱1,544,800.00 from the LDRRMF Continuing Appropriation to purchase Closed Circuit Television Cameras (CCTVs) for areas not prone to disasters, inconsistent with Section 5.0 of NDRRMC-DBM-DILG JMC No. 2013-1 dated March 25, 2013 and DILG Memorandum Circular No. 2012-73 dated April 17, 2012, thus, reducing the funds available for disaster risk management, relief, rehabilitation, and recovery programs.</p>	<p>14. Management utilize the procured CCTVs exclusively for disaster risk reduction and management. Otherwise, the LDRRMF should be reimbursed from the general fund for the cost of the CCTV.</p> <p>15. Management adhere strictly to the provisions of DILG Memorandum Circular No. 2012-73 dated April 17, 2012, and NDRRMC-DBM-DILG Joint Memorandum Circular No. 2013-1 dated March 25, 2013, on the utilization of the LDRRMF.</p>	<p>Implemented  (Closed – due to change in condition)</p>
<p><u>2023 AAR</u> AO No. 9, Page 42</p>	<p>The CYs 2011 and 2013 unutilized balances of the Quick Response Fund (QRF) and Maintenance and Other Operating Expenses (MOOE) components of the Mitigation Fund (MF) in the Trust Fund totaling ₱332,360.00 were not reverted to the unappropriated surplus of the General Fund despite the lapse of the five-year validity period contrary to Section 5.1.13 of COA Circular No. 2012-002, hence, precluding the utilization of the same for the promotion and delivery of social services and overstating the Trust Liability – DRRMF account while understating the Government Equity account by the same amount.</p>	<p>16. The LDRRM pass a resolution reverting the CYs 2011 and 2013 LDRRMF unspent balances to the unappropriated surplus of the General Fund for adoption by the Sangguniang Bayan through the Local Development Council.</p> <p>17. The members of the Local Finance Committee prepare the transfer of funds and accounting reports to facilitate the reversion and certify the availability of said funds for subsequent reappropriation for social services. Henceforth, they should annually review the Special Trust Fund to determine the available amounts for reversion.</p>	<p>Unimplemented  The audit team was not given the supporting documents for the recommendations that had already been implemented.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
<p><u>2022 AAR</u> AO No. 1, page 24</p>	<p>The validity, accuracy, and existence of the movable Property, Plant, and Equipment (PPE) with a net book value of ₱108,864,165.11 as of December 31, 2022, could not be ascertained due to incomplete physical inventory count caused by a lack of manpower, contrary to Section 124 of the New Government Accounting System (NGAS) Manual for Local Government Units (LGUs), Volume I. As a result, the balances of the movable PPE accounts are unreliable, affecting the fair presentation of these accounts in the financial statements.</p>	<p>18. Management provide the needed manpower requirement for the inventory committee to complete the physical count of PPE in accordance with Section 124 of the NGAS Manual for LGUs, Volume I, and direct the Accounting and Property Units to reconcile the results of the physical count with the related property and accounting records pursuant to the pertinent provisions of COA Circular No. 2020-006 dated January 31, 2020, to ensure the accuracy of the reported PPE balances in the financial statements.</p> <p>19. The Municipality avail the one-time cleansing of non-existing or missing PPE items in accordance with Section 8.0 of the same Circular to ensure that reported PPE balances are verifiable as to existence, condition, and accountability.</p>	<p>Unimplemented</p> <p><i>This was restated in the audit of CY 2024 accounts as AO No. 1.</i></p>
<p><u>2022 AAR</u> AO No. 2, page 26</p>	<p>The account balance of Cash Local Treasury showed unreconciled difference of ₱(63,664.33) between the generals ledger and cash books contrary to Section 143 (A.7) of the Local Treasury Operations Manual (LTOM), thereby casting doubts as to the reliability of its balance as of December 31, 2022.</p>	<p>20. The Municipal Treasurer and the Municipal Accountant trace the differences in the Cash Local Treasury account.</p> <p>21. Henceforth, conduct properly the quarterly reconciliation between the treasury records as against accounting records in compliance with Section 143 (A.7) of the LTOM.</p>	<p>Unimplemented</p> <p>Management commented that reconciliation was still ongoing.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
<p><u>2021 AAR</u> AO No. 2, page 29</p>	<p>Management failed to monitor and enforce liquidation of cash advances amounting to ₱6,773,591.36, hence, remained unliquidated as of December 31, 2021, contrary to Section 89 of Presidential Decree (P.D.) No. 1445 and the pertinent provisions of COA Circular No. 97-002 dated February 10, 1997, thereby, possibly overstating the assets and understating the related expense accounts of the Municipality, while exposing government funds to possible loss and/or misappropriation.</p>	<p>22. The Municipal Accountant submit the subsidiary ledgers of each accountable officer as of December 31, 2021, monitor cash advances, and demand the immediate liquidation of all outstanding cash advances by issuing demand letters direct to the accountable officers concerned. Otherwise, if no liquidation is made, impose the sanction of withholding the salaries of those who still fail to settle their accounts after due notice.</p> <p>23. The Municipal Mayor require all concerned accountable officers to immediately settle their cash advances and direct the Municipal Accountant to strictly enforce the liquidation of cash advances within the prescribed period and see to it that no additional cash advances are granted unless previous ones are settled or properly accounted for.</p>	<p>Unimplemented</p> <p>The designated disbursing officer had not yet settled the unliquidated cash advances.</p> <p>Unimplemented</p>
<p><u>2021 AAR</u> AO No. 4, Page 34</p>	<p>The procurement of supplies and materials for the “Improvement of Water Systems” totaling ₱355,259.00 was charged directly to the Water Supply System (1-07-03-040) account instead of recognizing the same under Construction Materials Inventory (1-04-04-130), contrary to Sections 50 and 52 of the New Government Accounting System (NGAS) Manual, Volume I, precluding</p>	<p>24. Municipal Accountant to strictly observe compliance with the perpetual inventory method of accounting for construction supplies and materials procured for projects implemented by the administration by recording all purchases under the “Construction Materials Inventory.”</p> <p>25. The Municipal Accountant coordinate with the property custodian to implement controls on the receipt and utilization of the same, submit a summary of the utilized construction materials to the Accounting</p>	<p>Unimplemented</p> <p>The necessary adjusting entry had not yet been taken up in the books.</p> <p>Unimplemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	<p>proper control in the issuance of the supplies and materials. Moreover, the recording of the said disbursement to the infrastructure asset account did not meet the recognition criteria for PPE under paragraph 14 of the Philippine Public Sector Accounting Standards (PPSAS) No. 17, affecting the fair presentation of the infrastructure asset account in the financial statements.</p> <p>a. Procurement of construction supplies and materials was directly charged to account “Water Supply System” (1-07-03-040) instead of recognizing the same under the account “Construction Materials Inventory” (1-04-04-130).</p> <p>b. The recording of public infrastructure assets in the books of accounts did not meet the recognition criteria under paragraph 14 of PPSAS No. 17.</p>	<p>Office, and effect the necessary adjustment for the cost of supplies and materials which remained unutilized for the intended projects.</p> <p>26. Management take up a receivable account from the water associations for the amount incurred by the Municipality for the improvement of the water systems.</p>	<p>Unimplemented</p>
<p><u>2021 AAR</u> AO No. 7, Page 44</p>	<p>The Municipality failed to prepare the Public Service Continuity Plan (PSCP) as required in the National Disaster Risk Reduction and Management Council (NDRRMC) Memorandum No. 33, s. 2018 and No. 57, s. 2020. At the same time,</p>	<p>27. The LDRRMO coordinate with the OCD on the preparation and submission of the Municipality’s PSCP pursuant to NDRRMC Memorandum No. 33, s. 2018.</p> <p>28. The Local Chief Executive (LCE) institutionalize the PSCP by creating a working group that will perform the</p>	<p>Unimplemented</p> <p>The PSCP has not yet been prepared or submitted.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	<p>the Local Chief Executive (LCE) did not organize a working group to formulate the plan. Thus, it may impair the delivery of quality public services during an emergency, disaster, or any disruptive event.</p>	<p>following activities:</p> <ul style="list-style-type: none"> <li>a. To conduct risk assessment;</li> <li>b. To identify critical processes and functions;</li> <li>c. To determine scenarios that may disrupt normal operation;</li> <li>d. To conduct risk analysis and impact analysis;</li> <li>e. To formulate the PSCP based on the identified risks on critical processes and functions and its related steps to be followed to eliminate, if not mitigate, the impact of the determined disruptions following the prescribed templates and requirements in the PSCP guidebook; and</li> <li>f. To submit a plan to the MDRRMO for review, to the Local Chief Executive for approval, and to the Sangguniang Bayan for the passage of a resolution to institutionalize the PSCP.</li> </ul>	
<p><u>2021 AAR</u> AO No. 9, Page 51</p>	<p>Payment of the emergency response vehicle and dump trucks acquired by the Municipality amounting to ₱7,815,000.00 was not supported by Tax Duty Receipts, contrary to Section 2 of Administrative Order No. 200 dated November 21, 1990, thus, proof of payment of all the taxes, dues, and other charges on the same equipment could not be</p>	<p>29. Management require the suppliers/dealers to submit the Tax and Duty Receipt corresponding to the equipment procured in accordance with Section 2 of A.O. No. 200 dated November 21, 1990.</p>	<p>Unimplemented</p> <p>Only the Certificate of Payment issued by the Bureau of Customs for the Dump Truck was submitted.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	<p>established. Moreover, the procurements were not covered with warranty security either in the form of retention money or a special bank guarantee in an amount equivalent to one percent (1%) of the purchase price, contrary to Section 62.1 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, posing risks that should there be defects in the vehicles, the LGU may not be able to recover the cost thereof.</p> <p>a. Tax receipts from the Bureau of Customs or the BIR were not attached to the DVs nor submitted to the Audit Team as required under Section 2 of A.O. No. 200 dated November 21, 1990.</p> <p>b. The Municipality failed to deduct one percent (1%) warranty security from the total contract price of the vehicles, posing the risk that if there are defects in the vehicles, the LGU may not be able to recover the cost thereof.</p>		



REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	LDRRMF.		
<p><u>2020 AAR</u> AO No.9, Page 52</p>	<p>The distribution of social amelioration under the Emergency Subsidy Program (ESP) through the Social Amelioration Programs (SAP) of the Department of Social Welfare and Development (DSWD) amounting to P42,702,000.00 was not properly supported with the documentary requirements provided under Item 9 of the MOA dated April 9, 2020, and Section VII.A.1 of DSWD Memorandum Circular No. 09, series of 2020, dated April 9, 2020. Hence, the effectiveness of the program could not be determined whether only those who suffered the greatest impact of the implementation of the community quarantine were given assistance.</p>	<p>34. Management submit to the Auditor photocopy of the identification card with specimen signature of the beneficiaries and photos of the beneficiaries during the actual receipt of the assistance pursuant to Item 9 of the MOA between the DSWD and the Municipality dated April 24, 2020, as well as any proof of authenticity provided under Section VII.A.1 of DSWD Memorandum Circular No. 09 series of 2020 dated April 9, 2020.</p> <p>35. The Municipal Treasurer submit the authority from the beneficiaries for claims received other than the payees.</p>	<p>Unimplemented</p> <p>A copy of the identification card and photos of the recipients had not yet been submitted to the Auditor.</p> <p>Unimplemented</p>
<p><u>2020 AAR</u> AO No.10, Page 55</p>	<p>The specific guidelines on the implementation of the Emergency Subsidy Program (ESP) through the Social Amelioration Programs (SAP) of the Department of Social Welfare and Development (DSWD) under Section VI-B of DSWD Memorandum Circular No. 09, series of 2020, dated April 9, 2020, and Item I.A(3) of the</p>	<p>36. Management refund the ESP assistance received by the JOs and other contract personnel amounting to ₱30,000.00 as they are ineligible to receive the same pursuant to Section VI-B of DSWD Memorandum of Circular No. 09 series of 2020 dated April 9, 2020. We also recommended compliance with applicable guidelines on the implementation of the ESP of the DSWD.</p>	<p>Unimplemented</p> <p>The Management through the DSWDO will prepare an incident report of the ESP beneficiary for receiving assistance for some job orders and contracted personnel of the Municipality.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	<p>Memorandum of Agreement dated April 9, 2020, were not fully complied with by the Municipality, resulting in the payment of SAP amounting to ₱30,000.00 to job order (JO) and contracted personnel who are ineligible recipients.</p>	<p>37. We also recommended compliance with applicable guidelines on the implementation of the ESP of the DSWD.</p>	<p>Unimplemented</p>
<p><u>2020 AAR</u> AO No.11, Page 58</p>	<p>The distribution of the Social Pension Fund for the first semester of CY 2020 amounting to ₱5,787,000.00 was not properly supported by the documentary requirements provided under Item VIII (D) of the Department of Social Welfare and Development (DSWD) Memorandum Circular No. 04 series of 2019 dated January 31, 2019, and Item IX of DSWD Memorandum Circular No. 04 series of 2020 dated March 30, 2020, contrary to Section 4(6) of Presidential Decree (PD) No. 1445. Hence, the propriety and regularity of the payments could not be established.</p>	<p>38. Management submit to the Auditor a copy of the (a) Memorandum of Agreement (MOA), (b) Report on the Sources of Fund and Utilization, (c) photocopy of the identification card with specimen signature of the beneficiaries, (d) photos of the beneficiaries during actual receipt of the assistance, and (e) a copy of the Official Receipt for any refund of the unutilized balance.</p> <p>39. The Municipal Treasurer submit the authority from the beneficiaries and other documentary requirements provided under Item VIII(D.4) of DSWD Memorandum Circular No. 04 series of 2019 dated January 31, 2019, for claims received other than the social pensioners.</p>	<p>Unimplemented</p> <p>A copy of the identification card with specimen signatures and photos of the beneficiaries during the actual receipt had not yet been submitted to the Office of the Auditor.</p> <p>Unimplemented</p>



REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	31, 2019, thereby, exposing government funds to misuse or misappropriation.		
<p><u>2019 AAR</u> AO No.12, Page 45</p>	<p>Payments for monetization of leave credits were not in accordance with Sections 22 and 23 of Rule XVI of the Omnibus Rules Implementing Book V of Executive Order (E.O.) No. 292 and COA Circular No. 2012-001 dated June 14, 2012, thus, resulting in irregular expenditures.</p>	<p>43. Management comply with the required five days remaining leave credits after monetization in accordance with Section 22 of Rule XVI of the Omnibus Rules Implementing Book V of E.O. No. 292 dated July 2010.</p> <p>44. Management require the personnel listed in Annex 10 who availed of monetization of 50% or more of their accumulated leave credits to submit proof that the proceeds thereof were used for any of the reasons cited in the Omnibus Rule.</p> <p>45. The Municipal Accountant ensure that monetization of leave credits are properly supported with valid documents in compliance with Section 23 of the Omnibus Rules on Leave and COA Circular No. 2012-001 dated June 14, 2012, before processing the payment.</p> <p>46. VL credits should be exhausted first before SL credits are used in accordance with CSC Resolution No. 00-0034 dated January 5, 2000, and that monetization of leave credits shall be availed of only once a year pursuant to CSC and DBM Joint Circular No. 25- 97 dated June 27, 1997.</p>	<p>Unimplemented</p> <p>Management had not submitted the required documents to the COA Auditor.</p> <p>Unimplemented</p> <p>Unimplemented</p> <p>Unimplemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
<p><u>2019 AAR</u> AO No.13, Page 48</p>	<p>Management did not submit the Agency Action Plan and Status of Implementation (AAPSI) within 60 days from the date of receipt of the 2018 Annual Audit Report (AAR), contrary to Section 93 of the General Provisions of Republic Act (R.A.) No. 10964, dated December 19, 2017, the General Appropriations Act (GAA) of Fiscal Year (FY) 2018, precluding the Auditor from monitoring and validating the actions taken to implement audit recommendations. Hence, the risk that deficiencies may continue to exist and, thus, affect the fairness of the Municipality's financial statements as well as its operational efficiency.</p>	<p>47. The Local Chief Executive direct all department heads concerned to submit their respective AAPSI on the CY 2018 AAR and assign personnel to consolidate the same for submission to the Auditor.</p> <p>48. Management strictly comply with the submission of the AAPSI within 60 days upon receipt of the AARs for the succeeding years.</p>	<p>Unimplemented</p> <p>AAPSI was not submitted on time.</p> <p>Unimplemented</p>
<p><u>2018 AAR</u> AO No.1, Page 26</p>	<p>Breeding Stocks with a book value of ₱2,394,534.50 were not fairly presented in the financial statements in accordance with paragraph 16 of the Philippine Public Sector Accounting Standards (PPSAS) No. 27 because the inventory of Breeding Stocks and the prevailing market price for each item as of the reporting date was not submitted by the Local Agriculturist to the Municipal Accountant as required under</p>	<p>49. The Municipal Agriculturist conduct an inventory of breeding stocks and render a report thereon, including the fair market value of each stock, to the Municipal Accountant, for proper recording in the books of accounts.</p> <p>50. The Municipal Agriculturist keep a systematic record of births, deaths, and disposals, of breeding stocks. In case of death or disposal, he shall facilitate the request for relief from accountability in accordance with Sections 151 and 152 of</p>	<p>Unimplemented</p> <p>The Municipal Agriculturist was still updating the list of offspring with the market value of each stock.</p> <p>Unimplemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	Section 4.5.1 of COA Circular 2016-004 dated September 30, 2016. Hence, the existence and condition as well as the reliability of the Biological Assets account balance could not be ascertained.	COA Circular No. 92- 386 dated October 20, 1992, for dropping the account from the books.  51. Proper disclosure shall be provided in the Notes to the Financial Statements in consonance with PPSAS No. 27 to provide relevant information that might affect the fair presentation of the financial statements.	Unimplemented
<u>2018 AAR</u> AO No.2, Page 28	Inter-agency and Other Receivable account balances totaling ₱1,151,040.95 had been dormant for over 10 years due to the unavailability of documents to validate the claim, however, no allowance for impairment of receivables was recognized as prescribed under paragraph 67 of the Philippine Public Sector Accounting Standards (PPSAS) No. 29 and pertinent provision of COA Circular No. 2016-005 dated December 19, 2016, thus, accounts were not fairly presented in the financial statements.	52. The Municipal Accountant (a) conduct a thorough verification and analysis of the dormant receivable accounts and provide for an allowance for impairment in accordance with the PPSAS or PFRS; (b) properly provide disclosure in the Notes to the Financial Statements in consonance with Section 127 of IPSAS No. 1 to provide information that may affect the fairness of the financial statements; and (c) comply with all the conditions and requirements of COA Circular No. 2016-005 for possible filing of a request for authority to writeoff dormant receivable accounts by the Local Chief Executive to the Commission on Audit.	Unimplemented  <i>This was restated in the audit of CY 2024 accounts as AO No. 10.</i>
<u>2018 AAR</u> AO No.12, Page 48	Honoraria amounting to ₱96,000.00 were paid to members of the KALAHICIDSS Municipal Coordinating Team (MCT) without complying with the guidelines set forth under Department of Budget and Management (DBM) Budget	53. Management submit the special project plan showing the outputs or deliverables per project component of each member of the MCT to determine the estimated man-hours spent by the latter, which shall serve as the basis in the computation of their honorarium and the other aforementioned lacking	Unimplemented  The required documents had not yet been prepared and submitted to the auditor.

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	Circular No. 2007-2 dated October 1, 2007, hence, documentary requirements for the grant were lacking, posing a risk to the propriety and validity of the disbursements.	documents required under COA Circular No. 2012-1. 54. Henceforth, ensure that the disbursement vouchers and payrolls are supported with complete documentary requirements to establish the validity of the transactions.	Unimplemented
<u>2018 AAR</u> AO No.13, Page 50	The purchase of one unit ambulance costing ₱1,991,401.35 and remuneration of the Community-Based Farm to Market Road (FMR) Workers totaling ₱590,000.00 were charged to the Local Disaster Risk Reduction and Management Fund (LDRRMF), contrary to Section 5.0 of 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. Moreover, the maintenance and other operating expenses (MOOE) and capital outlay (CO) for the LDRRM Office, totaling ₱122,437.46, were likewise charged to the fund, contrary to Section 4.3 of NDRRMC, DILG, DBM, and Civil Service Commission (CSC) JMC No. 2014-1 dated April 4, 2014. Thus,	55. The Municipality optimally utilize the 70% LDRRMF for expenditures that would strengthen its capacity to avoid or mitigate the adverse effects of disasters or calamities as provided under RA No. 10121 and NDRRMC, DBM, and DILG JMC No. 2013-1. Expenditures that are administrative in nature shall be properly charged against their regular budget under the General Fund Proper.	Unimplemented

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	reducing the funds intended to support disaster risk management activities		
<u>2017 AAR</u> AO No.2, Page 25	Receivables under the Self Employment Assistance Kaunlaran (SEA-K) and Corn Production Livelihood programs totaling ₱495,000.00 remained dormant for more than ten years due to the absence of monitoring and documents to support the claims against the borrowers, contrary to DSWD Memorandum Circular No. 11 series of 2014 and COA Circular No. 2016-005 dated December 19, 2016.	56. The Municipal Accountant issue demand letters to concerned individuals and determine its collectability.  57. The MSWD Officer coordinate with the Municipal Accountant in locating available documents to support the claims. Otherwise, the Municipal Accountant shall request a write-off of these accounts in accordance with COA Circular No. 2016-005 dated December 19, 2016.	Unimplemented  <i>This was restated in the audit of CY 2024 accounts as AO No. 10.</i>
<u>2017 AAR</u> AO No.3, Page 27	The Municipality did not comply with the rules and regulations regarding the grant, utilization, and liquidation of cash advances under COA Circular No. 97- 002 dated February 10, 1997, resulting in the accumulation of unliquidated cash advances for travel and operating expenses totaling ₱417,517.45 as at year-end, ₱270,679.72 of which have been outstanding for more than two months.	58. Management strictly observe and implement the regulations on the grant, utilization, and liquidation of cash advances pursuant to COA Circular No. 97-002 dated February 10, 1997.  59. Management demand from concerned employees the immediate settlement of their cash advances.	Unimplemented  Unimplemented

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
<p><u>2017 AAR</u> AO No.9, Page 35</p>	<p>The Municipality did not enter into a Memorandum of Agreement (MOA) with the two drugstores which provided medicines to individuals who were granted medical assistance totaling ₱567,939.80 contrary to Sections 6.1.8 and 8.1.2 of DSWD Memorandum Circular No. 04, S. 2015 dated March 6, 2015, thus failing to provide appropriate controls in the disbursement of government funds.</p>	<p>60. The Municipality enter into an MOA with the selected drugstores/pharmacies, providing therein the maximum allowable credit, the billing period, and other conditions necessary, in accordance with Sections 6.1.8 and 8.1.2 of DSWD MC No. 04, S. 2015 dated March 6, 2015.</p>	<p>Unimplemented</p> <p>The Memorandum of Agreement was not prepared.</p>
<p><u>2014 AAR</u> AO No.6, Page 35</p>	<p>Productivity Enhancement Incentive (PEI) granted to Municipal officers and employees of the Municipality of Pamplona exceeded the ₱5,000.00 allowable amount per personnel, resulting in a total excess of ₱258,720.00, violating DBM Budget Circular No. 2014-3 dated December 2, 2014, which implements E.O. No. 80 dated July 20, 2012, hence, depriving the municipal government of utilizing such excess funds for other lawful purposes.</p>	<p>61. The local chief executive, together with the Sanggunian, require the refund of the excess amount granted and discontinue the granting of PEI more than the maximum allowable rate of ₱5,000.00 per personnel, as provided for in Section 1.a of E.O. No. 80 dated July 20, 2012, to avoid overpayment.</p>	<p>Unimplemented</p> <p>Some accountable officers were no longer in service and hoped that the PEI received in excess of 5,000 would not be disallowed by the auditor.</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
<p><u>2013 AAR</u> AO No. 8, Page 33</p>	<p>The municipality's livestock dispersal program lacks a proper system of implementation and accountability, as the personnel in charge does not keep systematic records of births, deaths, disposals or transfers of ownership nor is required to report to any office the birth, death or disposals, thereof, thus, the number of dispersed animals and their corresponding beneficiaries could not be determined easily, allowing losses, whether deliberate or not, to go undetected while offspring of animals dispersed are not reported by the municipal agriculturist to the municipal treasurer (acting as general services officer) and the accounting office, resulting in the doubtful validity of the balance of P1,895,134.50 of the accounts Work/Other Animals and Breeding Stocks in the financial statements.</p>	<p>62. The Municipal Agriculturist supervise closely the Dispersal Program and see to it that proper records are kept and that all movement (birth of offspring, death, transfers) are completely recorded in their records and reported to the Municipal Treasurer.</p> <p>63. The Municipal Agriculturist assigned to manage the program keep a record of each animal acquired under the dispersal program, keep systematic records, and reports the birth of animals, deaths, and disposals to the GSO monthly using General Form No. 41 (A) – Property Inventory.</p> <p>64. In case of death or disposal, the Municipal Agriculturist is required to facilitate the request for relief of accountability or to require payment of the value of the animal if warranted under the circumstances, so that accountability and liability can be imposed.</p> <p>65. The Municipal Treasurer require the Municipal Agriculturist to submit a monthly report of births of animals and to post these to the property records, after which the same shall be forwarded to the accounting office for posting to the books of accounts.</p> <p>66. The office of the Municipal Agriculturist to update their records and segregate active and inactive contracts.</p>	<p>Unimplemented</p> <p>The Municipal Agriculturist did not submit the monthly report of births of animals, and was still updating the records of livestock dispersal.</p> <p>Unimplemented</p> <p>Unimplemented</p> <p>Unimplemented</p> <p>Unimplemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
		67. The Municipal Agriculture Office and GSO reconcile their records taking into consideration the latest physical inventory conducted.	Unimplemented
<u>2012 AAR</u> AO No.8, Page 30	The LGU could have earned additional income from the sale of its unserviceable properties with a book value of ₱848,898.65 had these items been auctioned to the public, instead of keeping and/or allowing them to be exposed to natural and manmade elements, thus, resulting in their deterioration and depriving the municipality of additional revenue which may have been made available to finance other projects.	68. The Accounting Office and GSO reconcile their records of unserviceable properties. 69. The Municipal Treasurer prepare the Inventory and Inspection Report of Unserviceable Properties (IIRUP) with the appraisal of each item conducted by an appraisal committee created for the purpose. 70. Management undertake the immediate disposal of the unserviceable properties following the procedures and guidelines provided under Section 79 of Presidential Decree 1445 and Sections 501-510 of the Government Accounting and Auditing Manual, Volume I. 71. The Municipal Accountant drop the amount of the unserviceable properties from their books of accounts after disposal, and records the proceeds of the auction sale, if any.	Unimplemented  The Inventory and Inspection Report of Unserviceable Properties had not yet been prepared.  Unimplemented  Unimplemented
<u>2007 AAR</u>	Honoraria in the total amount of ₱97,157.94 was paid to the Board of Canvassers, Drivers, and other LGU personnel that assisted in the May 14, 2007 elections, contrary to Section 10 of the Omnibus Election Code of the Philippines (Batas Pambansa Blg. 881), thus resulting	72. Require the officials and other personnel concerned to refund in full the amount received by them as they are not allowed in the audit for lack of legal basis.	Unimplemented  The personnel concerned were no longer in the service.

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
	in the illegal disbursement of funds.		
2004 AAR	All parcels of land owned by the Municipal government and already recorded in the books of accounts have not been issued new Transfer Certificates of Title in the name of the Municipality of Pamplona, thus, posing a risk for potential ownership claims/legal infractions that may arise in the future.	<p>73. Direct the Treasury, Accounting, and Legal Offices to secure the Land Titles to all real properties as an indispensable requirement. Lands owned or acquired by LGUs without Torrens Title shall, within the next fiscal year from their acquisition, be asked to be surveyed with a view to securing title thereto, and the appropriation for such survey and other requirements for securing title shall be deemed a preferred charge against the unappropriated funds during the said ensuing fiscal year (Sec. 955 of COA Circular No. 92-386).</p> <p>74. Instruct the Legal Office to facilitate the application for the issuance of the TCT in favor of the Municipality of Pamplona so that the government may be shielded from lawsuits or unlawful claims over such property. Subsequently, all purchases of real property should be done in accordance with the pertinent laws governing such transactions to prevent disallowances in the audit.</p> <p>75. Direct the Accountant and the Assessor to reconcile both their records so that they should come into an agreement for the Land account to be fairly presented in the financial statements.</p>	<p>Unimplemented</p> <p>The necessary documents for obtaining land titles were unavailable.</p> <p>Unimplemented</p> <p>Unimplemented</p>

REFERENCE	OBSERVATION	RECOMMENDATION	STATUS OF IMPLEMENTATION / RESULTS OF VALIDATION
<u>2003 AAR</u>	Real Properties covered by real property tax declarations in the name of the Municipality with an aggregate assessed value of ₱3,996,370.00 were not recorded in the books, thus the value of the Land account amounting to ₱1,261,486.70 as at December 31, 2003, is not fairly presented and valid ownership of the Municipality thereto could not also be established in the absence of property deeds as required in Section 449 of the GAAM, Volume II.	76. Require the Municipal officials concerned to ensure that all real properties owned by the Municipal government are properly recorded in the books and covered by valid documents showing legal ownership thereof.	<p style="text-align: center;">Unimplemented</p> <p>The real properties declared in the name of the LGU had not yet been recorded in the books of accounts because the management had not yet secured the deeds of donation and other documents to substantiate their ownership.</p>

**PART IV**  
**APPENDICES**

## PART IV APPENDICES

Title	Ref
<b>I. Financial Statements by Fund</b>	
A. Statement of Financial Position	
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Province of Negros Oriental  
**Municipality of Pamplona**  
**STATEMENT OF FINANCIAL POSITION**  
 General Fund  
**As at December 31, 2024**  
*(With Comparative Figures for CY 2023)*

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and Cash Equivalents	₱ 175,585,314.47	₱ 177,222,569.68
Investments		
Receivables	36,193,177.14	38,760,782.08
Inventories	583,078.68	6,850,383.93
Prepayments and Deferred Charges		
<b>Total Current Assets</b>	<u><b>212,361,570.29</b></u>	<u><b>222,833,735.69</b></u>
<i>Non-Current Assets</i>		
Investments	-	-
Receivables	646,905.39	646,905.39
Investment Property	-	-
Property, Plant and Equipment	372,326,347.85	351,195,800.84
Biological Assets	2,196,314.50	2,196,314.50
Intangible Assets	960.00	960.00
<b>Total Non-Current Assets</b>	<u><b>375,170,527.74</b></u>	<u><b>354,039,980.73</b></u>
<b>Total Assets</b>	<u><b>₱ 587,532,098.03</b></u>	<u><b>₱ 576,873,716.42</b></u>
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Financial Liabilities	24,416,868.96	85,379,659.46
Inter-Agency Payables	18,947,976.23	3,860,227.57
Intra-Agency Payables	19,223,857.84	14,832,775.92
Trust Liabilities	1,767,157.20	1,321,227.71
Deferred Credits/Unearned Income Provisions	26,090,072.52	28,715,616.72
Other Payables	680.00	540.00
<b>Total Current Liabilities</b>	<u><b>90,446,612.75</b></u>	<u><b>134,110,047.38</b></u>
<i>Non-Current Liabilities</i>		
Financial Liabilities	46,605,999.90	-
Deferred Credits/Unearned Income Provisions	-	-
Other Payables	-	-
<b>Total Non-Current Liabilities</b>	<u><b>46,605,999.90</b></u>	<u><b>-</b></u>
<b>Total Liabilities</b>	<u><b>137,052,612.65</b></u>	<u><b>134,110,047.38</b></u>
<b>NET ASSETS/EQUITY</b>		
Government Equity	450,479,485.38	442,763,669.04
<b>Total Liabilities and Net Assets/Equity</b>	<u><b>₱ 587,532,098.03</b></u>	<u><b>₱ 576,873,716.42</b></u>

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

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and Cash Equivalents	₱ 997,331.71	₱ 1,654,222.85
Investments		
Receivables	26,441,697.70	29,089,019.14
Inventories		
Prepayments and Deferred Charges		
<b>Total Current Assets</b>	<u><b>27,439,029.41</b></u>	<u><b>30,743,241.99</b></u>
<i>Non-Current Assets</i>		
Investments		
Receivables	128,895.77	128,895.77
Investment Property		
Property, Plant and Equipment	569,625.11	938,134.64
Biological Assets		
Intangible Assets		
<b>Total Non-Current Assets</b>	<u><b>698,520.88</b></u>	<u><b>1,067,030.41</b></u>
<b>Total Assets</b>	<u><b>₱ 28,137,550.29</b></u>	<u><b>₱ 31,810,272.40</b></u>
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Financial Liabilities	11,540.00	178,097.00
Inter-Agency Payables	234,060.11	232,334.05
Intra-Agency Payables	12,756.78	9,876.78
Trust Liabilities		
Deferred Credits/Unearned Income	26,160,266.28	28,807,587.71
Provisions		
Other Payables		
<b>Total Current Liabilities</b>	<u><b>26,418,623.17</b></u>	<u><b>29,227,895.54</b></u>
<i>Non-Current Liabilities</i>		
Financial Liabilities	-	-
Deferred Credits/Unearned Income	-	-
Provisions	-	-
Other Payables	-	-
<b>Total Non-Current Liabilities</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Total Liabilities</b>	<u><b>26,418,623.17</b></u>	<u><b>29,227,895.54</b></u>
<b>NET ASSETS/EQUITY</b>		
Government Equity	<u>1,718,927.12</u>	<u>2,582,376.86</u>
<b>Total Liabilities and Net Assets/Equity</b>	<u><b>₱ 28,137,550.29</b></u>	<u><b>₱ 31,810,272.40</b></u>

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

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and Cash Equivalents	₱ 2,161,255.45	₱ 6,825,683.20
Investments		
Receivables	20,020,918.13	15,634,286.21
Inventories	-	786,650.60
Prepayments and Deferred Charges		
<b>Total Current Assets</b>	<u><b>22,182,173.58</b></u>	<u><b>23,246,620.01</b></u>
<i>Non-Current Assets</i>		
Investments		
Receivables	301,314.79	301,314.79
Investment Property		
Property, Plant and Equipment	2,494,655.80	-
Biological Assets		
Intangible Assets		
<b>Total Non-Current Assets</b>	<u><b>2,795,970.59</b></u>	<u><b>301,314.79</b></u>
<b>Total Assets</b>	<u><b>₱ 24,978,144.17</b></u>	<u><b>₱ 23,547,934.80</b></u>
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Financial Liabilities	25,207.01	25,207.01
Inter-Agency Payables	7,064,484.61	7,976,323.79
Intra-Agency Payables	2,272,696.27	1,983,901.89
Trust Liabilities	15,397,336.26	13,344,082.09
Deferred Credits/Unearned Income		
Provisions		
Other Payables	218,420.02	218,420.02
<b>Total Current Liabilities</b>	<u><b>24,978,144.17</b></u>	<u><b>23,547,934.80</b></u>
<i>Non-Current Liabilities</i>		
Financial Liabilities	-	-
Deferred Credits/Unearned Income	-	-
Provisions	-	-
Other Payables	-	-
<b>Total Non-Current Liabilities</b>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Total Liabilities</b>	<u><b>24,978,144.17</b></u>	<u><b>23,547,934.80</b></u>
<b>NET ASSETS/EQUITY</b>		
Government Equity	-	-
<b>Total Liabilities and Net Assets/Equity</b>	<u><b>₱ 24,978,144.17</b></u>	<u><b>₱ 23,547,934.80</b></u>

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

	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Tax Revenue	₱ 6,555,038.46	₱ 5,502,912.50
Share from Internal Revenue Collections	191,335,191.00	180,076,784.00
Other Share from National Taxes	-	4,600.00
Service and Business Income	3,932,879.17	3,637,954.37
Shares, Grants and Donations	-	20,563.01
Gains		
Miscellaneous Income	28,872.12	210,521.47
<b>Total Revenue</b>	<u><b>201,851,980.75</b></u>	<u><b>189,453,335.35</b></u>
<b>Less: Current Operating Expenses</b>		
Personnel Services	62,564,980.52	58,603,060.13
Maintenance and Other Operating Expenses	94,194,469.10	92,716,967.06
Financial Expenses	3,095,589.81	3,544,125.08
Non-cash Expenses	15,698,897.93	12,810,514.56
Loss on Sale of Biological Assets		
<b>Current Operating Expenses</b>	<u><b>175,553,937.36</b></u>	<u><b>167,674,666.83</b></u>
<b>Surplus (Deficit) from Current Operation</b>	<b>26,298,043.39</b>	<b>21,778,668.52</b>
Add (Deduct):		
Transfers, Assistance and Subsidy From	-	10,089,317.00
Transfers, Assistance and Subsidy To	5,607,081.92	8,417,768.93
<b>Net Financial Assistance/Subsidy</b>	<u><b>(5,607,081.92)</b></u>	<u><b>1,671,548.07</b></u>
<b>Surplus (Deficit) for the period</b>	<b>₱ <u><u>20,690,961.47</u></u></b>	<b>₱ <u><u>23,450,216.59</u></u></b>

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

	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Tax Revenue	₱ 1,626,186.74	₱ 1,325,473.34
Share from Internal Revenue Collections		
Other Share from National Taxes		
Service and Business Income	1,644.05	1,763.30
Shares, Grants and Donations		
Gains		
<b>Total Revenue</b>	<u>1,627,830.79</u>	<u>1,327,236.64</u>
<b>Less: Current Operating Expenses</b>		
Personnel Services		
Maintenance and Other Operating Expenses	2,122,871.00	1,540,307.00
Financial Expenses		
Non-cash Expenses	58,186.42	96,383.42
<b>Current Operating Expenses</b>	<u>2,181,057.42</u>	<u>1,636,690.42</u>
<b>Surplus (Deficit) from Current Operation</b>	<b>(553,226.63)</b>	<b>(309,453.78)</b>
Add (Deduct):		
Transfers, Assistance and Subsidy From	-	-
Transfers, Assistance and Subsidy To	-	-
<b>Net Financial Assistance/Subsidy</b>	<u>-</u>	<u>-</u>
<b>Surplus (Deficit) for the period</b>	<b>₱ (553,226.63) ₱</b>	<b>₱ (309,453.78)</b>

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

	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Tax Revenue	₱	₱
Share from Internal Revenue Collections		
Other Share from National Taxes		
Service and Business Income		
Shares, Grants and Donations	16,101.00	113,601.00
Gains		
Miscellaneous Income	67,000.00	54,000.00
<b>Total Revenue</b>	<u><b>83,101.00</b></u>	<u><b>167,601.00</b></u>
<b>Less: Current Operating Expenses</b>		
Personnel Services	1,487,403.40	1,425,924.34
Maintenance and Other Operating Expenses	5,001,913.88	431,165.76
Financial Expenses		
Non-cash Expenses		
<b>Current Operating Expenses</b>	<u><b>6,489,317.28</b></u>	<u><b>1,857,090.10</b></u>
<b>Surplus (Deficit) from Current Operation</b>	<b>(6,406,216.28)</b>	<b>(1,689,489.10)</b>
Add (Deduct):		
Transfers, Assistance and Subsidy From	6,406,216.28	1,689,489.10
Transfers, Assistance and Subsidy To	-	-
<b>Net Financial Assistance/Subsidy</b>	<u><b>6,406,216.28</b></u>	<u><b>1,689,489.10</b></u>
<b>Surplus (Deficit) for the period</b>	<b>₱ - ₱</b>	<b>₱ - ₱</b>

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

	<u>2024</u>	<u>2023</u>
<b>Balance, January 1</b>	₱ 442,763,669.04	₱ 413,500,831.34
Add (Deduct)		
Change in Accounting Policy	(12,701,663.13)	7,707,142.52
Prior Period Errors	(273,482.00)	(1,894,521.41)
Restated Balance	429,788,523.91	419,313,452.45
Add (Deduct) Changes in Net Assets/Equity during the year		
Adjustments recognized directly in Net Assets/Equity		
Surplus (Deficit) for the period	20,690,961.47	23,450,216.59
<b>Total reconized revenue and expenses for the period</b>	20,690,961.47	23,450,216.59
<b>Balance, December 31</b>	<b>₱ 450,479,485.38</b>	<b>₱ 442,763,669.04</b>

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

	<u>2024</u>	<u>2023</u>
<b>Balance, January 1</b>	₱ 2,582,376.86	₱ 2,901,070.64
Add (Deduct)		
Change in Accounting Policy	(310,223.11)	
Prior Period Errors		(9,240.00)
Restated Balance	2,272,153.75	2,891,830.64
Add (Deduct) Changes in Net Assets/Equity during the year		
Adjustments recognized directly in Net Assets/Equity	-	-
Surplus (Deficit) for the period	(553,226.63)	(309,453.78)
<b>Total reconized revenue and expenses for the period</b>	<b>(553,226.63)</b>	<b>(309,453.78)</b>
<b>Balance, December 31</b>	<b>₱ 1,718,927.12</b>	<b>₱ 2,582,376.86</b>

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

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

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

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Cash Inflows:		
Collection from Taxpayers	₱ 6,555,038.46	₱ 5,459,192.50
Share from Internal Revenue Allotment	191,335,191.00	180,076,784.00
Receipts from business/service income		
Interest Income	89,427.48	212,526.79
Dividend Income		
Other Receipts	3,875,620.61	7,319,166.20
<b>Total Cash Inflow</b>	<b><u>201,855,277.55</u></b>	<b><u>193,067,669.49</u></b>
Cash Outflows:		
Payment of expenses		
Payments to suppliers and creditors	78,045,094.00	90,479,529.05
Payments to employees	62,828,731.39	57,886,139.76
Interest Expenses	3,064,940.41	3,509,062.00
Other Expenses	10,571,134.40	7,335,120.91
Total Cash Outflow	<u>154,509,900.20</u>	<u>159,209,851.72</u>
Net Cash from Operating Activities	<b><u>47,345,377.35</u></b>	<b><u>33,857,817.77</u></b>
<b>Cash Flows from Investing Activities:</b>		
Cash Inflows:		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant & Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflow	<u>-</u>	<u>-</u>
Cash Outflows:		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant & Equipment	40,105,299.20	27,781,972.39
Investment	-	-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflow	<u>40,105,299.20</u>	<u>27,781,972.39</u>
Net Cash from Investing Activities	<b><u>(40,105,299.20)</u></b>	<b><u>(27,781,972.39)</u></b>
<b>Cash Flows from Financing Activities:</b>		
Cash Inflows:		
Proceeds from issuance of bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflow	<u>-</u>	<u>-</u>
Cash Outflows:		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of Debt Securities	-	-
Payment of Loan Amortization	8,877,333.36	8,977,653.81
Total Cash Outflow	<u>8,877,333.36</u>	<u>8,977,653.81</u>
Net Cash from Financing Activities	<b><u>(8,877,333.36)</u></b>	<b><u>(8,977,653.81)</u></b>
<b>Total Cash Provided by Operating, Investing &amp; Financing Activities</b>	<b><u>(1,637,255.21)</u></b>	<b><u>(2,901,808.43)</u></b>
Cash, Beginning of the Period	177,222,569.68	180,124,378.11
<b>Cash, at the end of the Period</b>	<b><u>₱ 175,585,314.47</u></b>	<b><u>₱ 177,222,569.68</u></b>

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

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Cash Inflows:		
Collection from Taxpayers	₱ 1,626,186.74	₱ 1,325,473.34
Share from Internal Revenue Allotment		
Receipts from business/service income		
Interest Income	1,644.05	1,763.30
Dividend Income		
Other Receipts		
<b>Total Cash Inflow</b>	<u><b>1,627,830.79</b></u>	<u><b>1,327,236.64</b></u>
Cash Outflows:		
Payment of expenses		
Payments to suppliers and creditors	2,284,721.93	1,536,693.36
Payments to employees		36,000.00
Interest Expenses		
Other Expenses		
Total Cash Outflow	<u>2,284,721.93</u>	<u>1,572,693.36</u>
Net Cash from Operating Activities	<u><b>(656,891.14)</b></u>	<u><b>(245,456.72)</b></u>
<b>Cash Flows from Investing Activities:</b>		
Cash Inflows:		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant & Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflow	<u>-</u>	<u>-</u>
Cash Outflows:		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant & Equipment	-	155,107.50
Investment	-	-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflow	<u>-</u>	<u>155,107.50</u>
Net Cash from Investing Activities	<u>-</u>	<u><b>(155,107.50)</b></u>
<b>Cash Flows from Financing Activities:</b>		
Cash Inflows:		
Proceeds from issuance of bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflow	<u>-</u>	<u>-</u>
Cash Outflows:		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of Debt Securities	-	-
Payment of Loan Amortization	-	-
Total Cash Outflow	<u>-</u>	<u>-</u>
Net Cash from Financing Activities	<u>-</u>	<u>-</u>
<b>Total Cash Provided by Operating, Investing &amp; Financing Activities</b>	<u><b>(656,891.14)</b></u>	<u><b>(400,564.22)</b></u>
Cash, Beginning of the Period	1,654,222.85	2,054,787.07
<b>Cash, at the end of the Period</b>	<u><b>₱ 997,331.71</b></u>	<u><b>₱ 1,654,222.85</b></u>

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

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Cash Inflows:		
Collection from Taxpayers	₱ -	₱ -
Share from Internal Revenue Allotment	-	-
Receipts from business/service income	-	-
Interest Income	3,712.58	8,614.50
Dividend Income	-	-
Other Receipts	4,911,370.30	-
<b>Total Cash Inflow</b>	<b>4,915,082.88</b>	<b>8,614.50</b>
Cash Outflows:		
Payment of expenses	-	-
Payments to suppliers and creditors	6,015,497.82	6,508,049.09
Payments to employees	-	-
Interest Expenses	-	-
Other Expenses	-	-
Total Cash Outflow	6,015,497.82	6,508,049.09
Net Cash from Operating Activities	<b>(1,100,414.94)</b>	<b>(6,499,434.59)</b>
<b>Cash Flows from Investing Activities:</b>		
Cash Inflows:		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant & Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collection of Principal on loans to other entities	-	-
Total Cash Inflow	-	-
Cash Outflows:		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant & Equipment	3,564,012.81	3,756,686.12
Investment	-	-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflow	3,564,012.81	3,756,686.12
Net Cash from Investing Activities	<b>(3,564,012.81)</b>	<b>(3,756,686.12)</b>
<b>Cash Flows from Financing Activities:</b>		
Cash Inflows:		
Proceeds from issuance of bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflow	-	-
Cash Outflows:		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of Debt Securities	-	-
Payment of Loan Amortization	-	-
Total Cash Outflow	-	-
Net Cash from Financing Activities	-	-
<b>Total Cash Provided by Operating, Investing &amp; Financing Activities</b>	<b>(4,664,427.75)</b>	<b>(10,256,120.71)</b>
Cash, Beginning of the Period	6,825,683.20	17,081,803.91
<b>Cash, at the end of the Period</b>	<b>₱ 2,161,255.45</b>	<b>₱ 6,825,683.20</b>



Particulars	Budgeted Amounts				Difference		Actual Amounts		Difference		
	Original		Final		Original and Final Budget				Final Budget and Actual		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
<b>Housing and Community Development</b>											
Personal Services	939,468.21	738,400.00	894,297.91	757,182.80	45,170.30	(18,782.80)	857,992.57	736,390.03	36,305.34	20,792.77	
Maintenance and Other Operating Expenses	11,792,378.00	10,418,500.00	14,675,644.80	16,966,000.00	(2,883,266.80)	(6,547,500.00)	13,696,493.87	14,186,312.24	979,150.93	2,779,687.76	
Capital Outlay	-	60,000.00	-	-	-	60,000.00	-	-	-	-	
<b>Social Services and Social Welfare</b>											
Personal Services	2,223,557.61	2,105,153.03	2,062,772.39	1,746,379.23	160,785.22	358,773.80	1,961,176.89	1,741,249.16	101,595.50	5,130.07	
Maintenance and Other Operating Expenses	22,206,847.55	14,869,415.09	21,296,649.54	19,688,504.68	910,198.01	(4,819,089.59)	20,002,702.77	17,461,994.25	1,293,946.77	2,226,510.43	
Capital Outlay	2,875,000.00	330,895.00	200,000.00	40,895.00	2,675,000.00	290,000.00	-	40,895.00	200,000.00	-	
<b>Economic Services</b>											
Personal Services	3,099,590.29	2,985,000.74	2,563,997.27	2,293,777.98	535,593.02	691,222.76	2,528,044.52	2,244,226.01	35,952.75	49,551.97	
Maintenance and Other Operating Expenses	8,725,300.00	6,730,464.00	8,254,050.00	8,289,738.16	471,250.00	(1,559,274.16)	5,776,102.30	6,439,774.10	2,477,947.70	1,849,964.06	
Capital Outlay	1,325,000.00	60,000.00	1,099,000.00	-	226,000.00	60,000.00	99,000.00	-	1,000,000.00	-	
<b>Other Purposes:</b>											
Debt Service	-	-	-	-	-	-	-	-	-	-	
Financial Expense	-	-	-	-	-	-	-	-	-	-	
Amortization	-	-	-	-	-	-	-	-	-	-	
<b>LDRRMF</b>											
Maintenance and Other Operating Expenses	2,307,333.27	4,762,371.25	3,559,503.14	4,762,371.25	(1,252,169.87)	-	2,209,350.75	1,368,747.00	1,350,152.39	3,393,624.25	
Capital Outlay	4,791,168.95	4,750,000.00	4,791,168.95	5,450,000.00	-	(700,000.00)	-	249,000.00	4,791,168.95	5,201,000.00	
<b>20% Development Fund</b>											
Maintenance and Other Operating Expenses	18,215,356.80	18,215,356.80	18,215,356.80	18,215,356.80	-	-	11,972,923.17	15,150,204.88	6,242,433.63	3,065,151.92	
Capital Outlay	26,874,330.32	17,800,000.00	26,874,330.32	26,874,330.32	-	(9,074,330.32)	15,058,238.79	6,008,503.00	11,816,091.53	20,865,827.32	
<b>Share from National Wealth</b>											
Maintenance and Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
<b>Allocation for Senior Citizens and PWD</b>											
Maintenance and Other Operating Expenses	2,149,605.36	1,792,474.26	2,135,155.36	1,852,474.26	14,450.00	(60,000.00)	1,518,936.39	1,128,633.45	616,218.97	723,840.81	
Capital Outlay	-	104,945.00	-	44,945.00	-	60,000.00	-	44,945.00	-	-	
<b>Others</b>											
Personal Services	2,469,468.16	4,394,468.16	2,182,356.76	1,856,392.76	287,111.40	2,538,075.40	1,402,900.45	1,828,045.48	779,456.31	28,347.28	
Maintenance and Other Operating Expenses	1,112,600.00	1,062,600.00	4,002,300.00	3,166,500.00	(2,889,700.00)	(2,103,900.00)	3,535,927.27	2,690,861.83	466,372.73	475,638.17	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
<b>Total Current Appropriations</b>	<b>222,843,637.14</b>	<b>191,755,826.60</b>	<b>229,912,663.69</b>	<b>215,153,270.00</b>	<b>(7,069,026.55)</b>	<b>(23,397,443.40)</b>	<b>185,595,024.26</b>	<b>162,214,463.77</b>	<b>44,317,639.43</b>	<b>52,938,806.23</b>	
<b>Continuing Appropriations</b>											
<b>General Public Services</b>											
Capital Outlay	5,772,742.24	5,396,358.00	3,347,827.52	5,396,358.00	2,424,914.72	-	993,854.90	1,313,258.00	2,353,972.62	4,083,100.00	
<b>Education</b>											
Capital Outlay	1,000,000.00	-	1,000,000.00	-	-	-	-	-	1,000,000.00	-	
<b>Health, Nutrition and Population Control</b>											
Capital Outlay	113,164.00	160,856.00	-	160,856.00	113,164.00	-	-	47,700.00	-	113,156.00	
<b>Labor and Employment</b>											
Capital Outlay	-	-	-	-	-	-	-	-	-	-	
<b>Housing and Community Development</b>											
Capital Outlay	1,149,310.00	1,187,300.00	720,000.00	1,187,300.00	429,310.00	-	-	37,990.00	720,000.00	1,149,310.00	
<b>Social Services and Social Welfare</b>											
Capital Outlay	2,281,992.92	3,664,890.42	1,536,994.92	3,664,890.42	744,998.00	-	65,075.00	382,897.50	1,471,919.92	3,281,992.92	
<b>Economic Services</b>											
Capital Outlay	1,488,537.50	1,670,436.00	918,101.50	1,670,436.00	570,436.00	-	-	181,898.50	918,101.50	1,488,537.50	
<b>Other Purposes:</b>											
Capital Outlay	72,621,627.00	71,464,307.24	67,268,206.00	66,667,056.11	5,353,421.00	4,797,251.13	24,505,335.36	25,671,530.81	42,762,870.64	40,995,525.30	
<b>Total Continuing Appropriations</b>	<b>84,427,373.66</b>	<b>83,544,147.66</b>	<b>74,791,129.94</b>	<b>78,746,896.53</b>	<b>9,636,243.72</b>	<b>4,797,251.13</b>	<b>25,564,265.26</b>	<b>27,635,274.81</b>	<b>49,226,864.68</b>	<b>51,111,621.72</b>	
<b>Total Appropriations</b>	<b>307,271,010.80</b>	<b>275,299,974.26</b>	<b>304,703,793.63</b>	<b>293,900,166.53</b>	<b>2,567,217.17</b>	<b>(18,600,192.27)</b>	<b>211,159,289.52</b>	<b>189,849,738.58</b>	<b>93,544,504.11</b>	<b>104,050,427.95</b>	

**Municipality of Pamplona, Negros Oriental**  
Statement of Comparison of Budget and Actual Amounts  
**Special Education Fund**  
For the Year Ended December 31, 2024  
*(With comparative figures for CY 2023)*

**Appendix**  
**E.2**

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
<b>Revenue</b>											
A. Local Sources											
1. Tax Revenue											
a. Tax Revenue - Property	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	-	-	1,626,186.74	1,325,473.34	(126,186.74)	174,526.66	
b. Tax Revenue - Goods and Services					-	-			-	-	
c. Other Local Taxes					-	-			-	-	
<b>Total Tax Revenue</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>	<b>-</b>	<b>-</b>	<b>1,626,186.74</b>	<b>1,325,473.34</b>	<b>(126,186.74)</b>	<b>174,526.66</b>	
2. Non-Tax Revenue											
a. Service Income					-	-			-	-	
b. Business Income					-	-	1,644.05		(1,644.05)	-	
c. Other Income and Receipts					-	-			-	-	
<b>Total Non-Tax Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,644.05</b>	<b>-</b>	<b>(1,644.05)</b>	<b>-</b>	
B. External Sources											
1. Share from the National Internal Revenue Taxes (IRA)					-	-			-	-	
2. Share from GOCCs					-	-			-	-	
3. Other Shares from National Tax Collections	-	-	-	-	-	-	-	-	-	-	
a. Share from Ecozone					-	-			-	-	
b. Share from EVAT					-	-			-	-	
c. Share from National Wealth					-	-			-	-	
d. Share from Tobacco Excise Tax					-	-			-	-	
4. Other Receipts	-	-	-	-	-	-	-	-	-	-	
a. Grants and Donations					-	-			-	-	
b. Other Subsidy Income					-	-			-	-	
5. Inter-local Transfer					-	-			-	-	
6. Capital /Investment Receipts	-	-	-	-	-	-	-	-	-	-	
a. Sale of Capital Assets					-	-			-	-	
b. Sale of Investments					-	-			-	-	
c. Proceeds from Collections of Loan Receivables					-	-			-	-	
C. Receipts from Borrowings					-	-			-	-	
<b>Total Revenue and Receipts</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>	<b>-</b>	<b>-</b>	<b>1,627,830.79</b>	<b>1,325,473.34</b>	<b>(127,830.79)</b>	<b>174,526.66</b>	
<b>Expenditures</b>											
<b>Current Appropriations</b>											
<b>General Public Services</b>											
Personal Services					-	-			-	-	
Maintenance and Other Operating Expenses					-	-			-	-	
Capital Outlay					-	-			-	-	
<b>Education</b>											
Personal Services					-	-			-	-	
Maintenance and Other Operating Expenses	2,230,000.00	2,230,000.00	2,230,000.00	2,230,000.00	-	-	2,122,871.00	1,540,307.00	107,129.00	689,693.00	
Capital Outlay					-	-			-	-	
<b>Health, Nutrition and Population Control</b>											
Personal Services					-	-			-	-	
Maintenance and Other Operating Expenses					-	-			-	-	
Capital Outlay					-	-			-	-	
<b>Labor and Employment</b>											
Personal Services					-	-			-	-	
Maintenance and Other Operating Expenses					-	-			-	-	
Capital Outlay					-	-			-	-	
<b>Housing and Community Development</b>											
					-	-			-	-	

Particulars	Budgeted Amounts				Difference		Actual Amounts		Difference	
	Original		Final		Original and Final Budget				Final Budget and Actual	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Social Services and Social Welfare</b>					-	-			-	-
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Economic Services</b>					-	-			-	-
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Other Purposes:</b>					-	-			-	-
Debt Service					-	-			-	-
Financial Expense					-	-			-	-
Amortization					-	-			-	-
<b>LDRRMF</b>					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>20% Development Fund</b>					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Share from National Wealth</b>					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Allocation for Senior Citizens and PWD</b>					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Others</b>					-	-			-	-
Personal Services					-	-			-	-
Maintenance and Other Operating Expenses					-	-			-	-
Capital Outlay					-	-			-	-
<b>Total Current Appropriations</b>	<b>2,230,000.00</b>	<b>2,230,000.00</b>	<b>2,230,000.00</b>	<b>2,230,000.00</b>	<b>-</b>	<b>-</b>	<b>2,122,871.00</b>	<b>1,540,307.00</b>	<b>107,129.00</b>	<b>689,693.00</b>
<b>Continuing Appropriations</b>					-	-			-	-
<b>General Public Services</b>					-	-			-	-
Capital Outlay					-	-			-	-
<b>Education</b>					-	-			-	-
Capital Outlay	270,440.85	270,440.85	270,440.85	270,440.85	-	-		163,507.50	270,440.85	106,933.35
<b>Health, Nutrition and Population Control</b>					-	-			-	-
Capital Outlay					-	-			-	-
<b>Labor and Employment</b>					-	-			-	-
Capital Outlay					-	-			-	-
<b>Housing and Community Development</b>					-	-			-	-
Capital Outlay					-	-			-	-
<b>Social Services and Social Welfare</b>					-	-			-	-
Capital Outlay					-	-			-	-
<b>Economic Services</b>					-	-			-	-
Capital Outlay					-	-			-	-
<b>Other Purposes:</b>					-	-			-	-
Capital Outlay					-	-			-	-
<b>Total Continuing Appropriations</b>	<b>270,440.85</b>	<b>270,440.85</b>	<b>270,440.85</b>	<b>270,440.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,507.50</b>	<b>270,440.85</b>	<b>106,933.35</b>
<b>Total Appropriations</b>	<b>2,500,440.85</b>	<b>2,500,440.85</b>	<b>2,500,440.85</b>	<b>2,500,440.85</b>	<b>-</b>	<b>-</b>	<b>2,122,871.00</b>	<b>1,703,814.50</b>	<b>377,569.85</b>	<b>796,626.35</b>