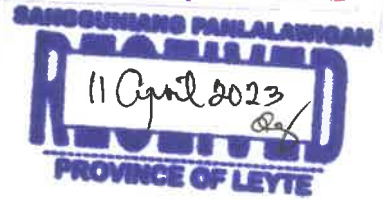




REPUBLIC OF THE PHILIPPINES
Commission on Audit
REGIONAL OFFICE NO. VIII
Candahug, Palo, Leyte

Item No.: 09
Date: APR 25 2023



April 04, 2023

The Honorable Presiding Officer
And Members of the Sangguniang Panlalawigan
Province of Leyte
Provincial Government Complex, Palo, Leyte

Sirs/Mesdames:

Pursuant to Section 2, Article IX-D of the Constitution of the Republic of the Philippines, Section 43(2) of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, and in line with this Commission's efforts toward informing management on how fiscal responsibility had been discharged, we are pleased to transmit the report of our Auditors on the audit of the accounts and operations of the Provincial Government of Leyte for the year ended December 31, 2022.

The audit was conducted to ascertain the propriety of financial transactions and compliance of the agency to prescribed laws, rules and regulations. It was also made to ascertain the accuracy of financial records and reports, as well as the fairness of the presentation of the financial statements.

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements due to the audit exceptions noted as indicated in the Independent Auditor's Report.

In our transmittal of even date, we requested the Local Chief Executive to act on the recommendations contained in the report and to inform this Commission through our Auditor of the action (s) thereon within sixty days from receipt hereof.

We acknowledge the cooperation and support extended to our Audit Team during the audit.

Very truly yours,

~~FOR THE COMMISSION ON AUDIT:~~

By:


Atty. FELIX M. BASALLAJE, JR.
Director IV
Regional Director *LA*

EXECUTIVE SUMMARY

Introduction

The Provincial Government of Leyte (The Province) is a first class Province composed of 40 municipalities and three cities. Beginning March 2022, the seat of the Provincial Government was transferred to the newly-constructed Provincial Government Complex in West Bypass Road, Palo, Leyte.

A financial and compliance audit was conducted on the Province's accounts and operations for CY 2022, with particular emphasis on the audit thrusts identified in COA Unnumbered Memorandum from the Local Government Sector dated September 14, 2022, which include: Cash and Cash Equivalents; Property, Plant and Equipment (PPE); Accounts and Loans Payable; Audit of COVID-19 Vaccination Program; Fund transfers from National Government Agencies (NGAs), Government Owned and-or Controlled Corporations (GOCCs), and Other Financial/Lending Institutions; Revenues; and the payment to Casuals, Job Orders, Contractuals and Consultants. The audit also covered the review of the LGU's compliance with pertinent legal and regulatory provisions on the utilization of the 20% Development Fund (DF) and Local Disaster Risk Reduction and Management Fund (LDRRMF).

The audit was aimed to ascertain the propriety and validity of the disbursements and receipts, and to obtain reasonable assurance about whether the financial statements are free from material misstatements. It likewise included a review of operating procedures; vouching of transactions documents; interview with management officials and employees concerned; reconciliation and analysis of accounts; ocular inspection of infrastructure projects undertaken; and such other audit techniques considered necessary under the circumstances. The audit also took into consideration the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management, and evaluated the overall presentation of the financial statements. The audit was conducted in accordance with International Public Sector Standards on Auditing.

Financial Highlights

A comparative analysis of the Assets, Liabilities and Equity of the Province of Leyte between CY 2021 to CY 2022 showed a slight increase of ₱1,863,216,218.64, ₱376,936,482.92 and ₱1,486,279,735.72, respectively.

Income and expenses likewise increased comparatively between the same years, at ₱1,098,307,740.80 and ₱219,743,411.80, respectively. A graphical illustration of these changes are presented in Figure 1 & Figure 2.

Figure 1. Statement of Financial Position CY 2021-2022

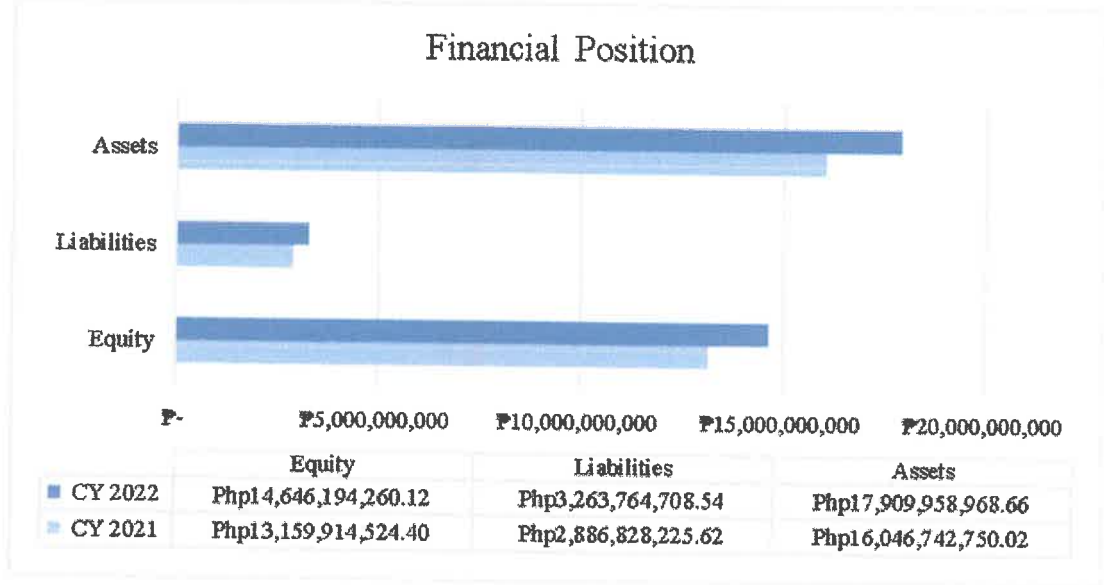
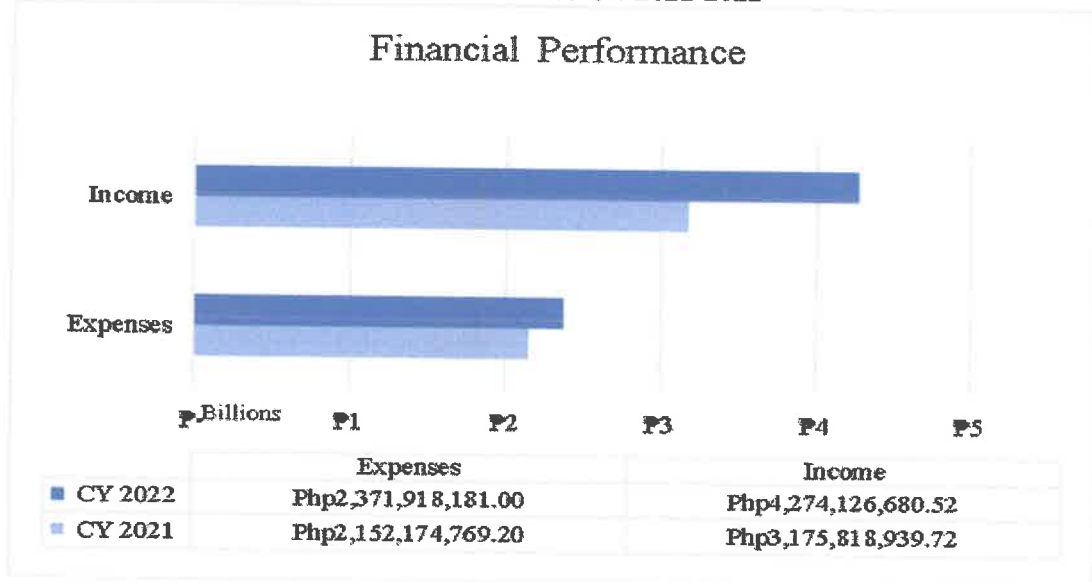


Figure 2. Statement of Financial Performance CY 2021-2022



The appropriation/allotment and obligations for the current and previous years, including funds received from, and transferred to, other agencies and non-government and people's organizations are as follows:

Particulars	CY 2022	CY 2021
Appropriations/Allotment	₱4,275,007,581.75	₱4,580,144,992.13
Obligations	2,600,912,369.06	2,664,710,486.53
Funds received from NGAs	311,896,418.52	224,042,984.28
Funds transferred to LGUs	121,242,800.00	2,000,000.00
Funds transferred to NGOs/POs	6,070,270.00	4,796,000.00

Independent Auditor's Report on the Financial Statements

The Auditor rendered a qualified opinion on the combined financial statements of the Province of Leyte for the year ended December 31, 2022 due to the exceptions stated in the Independent Auditor's Report and as discussed in Part II of the report.

Summary of Significant Observations and Recommendations

- 1. The book value of 55 completed infrastructure projects totaling ₱1,347,976,279.99 acquired by the Province in CY 2022 was overstated by ₱33,684,293.39 due to unrecorded depreciation.**

We recommended that the Provincial Accountant:

- a.) Prepare the appropriate Journal Entry Voucher to record the unrecognized depreciation of the 55 PPEs and adjust the individual carrying values of the related PPE accounts; and
- b.) Record, in future transactions, the additional adjusting entry to take up the depreciation expense/accumulated depreciation for the intervening period between date of project completion to the date of recording in eNGAS.

- 2. The accuracy of the year-end balance of the Cash and Cash Equivalents of ₱5,521,673,633.50 is doubtful due to: (a) unrecorded receipts, recording errors and other book reconciling items that understated the balance by a net amount of ₱6,639,222.69; (b) non-cancellation of stale checks totaling ₱6,075,676.03; and (c) unreconciled difference of ₱48,880,906.31 between the book and bank balance of various accounts.**

We recommended that the Provincial Accountant:

- a) Prepare the appropriate Journal Entry Vouchers to adjust the affected accounts on the noted understatement caused by errors and omissions amounting to ₱6,639,222.69, and revert the stale checks totaling ₱6,075,676.03 back to the respective cash account; and,
- b) Reconcile monthly the accounting records on Cash In Bank with the records of the Provincial Treasurer and the banks so that differences between the said records may be promptly adjusted or corrected.

We also recommended that the Provincial Treasurer:

- a) Facilitate and coordinate with the depository banks for the monthly release of bank statements of bank accounts maintained by the Province and forward immediately to the Provincial Accountant;

- b) Reconcile monthly her cash records with the records of the Provincial Accountant; and
 - c) Inform or send notices to the payees at least one month before checks become stale, so that the latter may be made aware of the readiness of their claims.
3. **Projects funded from the 20% Development Fund costing ₱32,522,548.40 remain incomplete beyond the targeted completion dates due to unresolved external issues and circumstances existing prior to procurement.**

We recommended that the Provincial Engineer conduct a thorough detailed engineering on each project and resolve external issues and pre-existing circumstances before its inclusion in the Annual Investment Plan and before procurement, in order to avoid unnecessary delays.

4. **The Province disbursed ₱79,550,000.00 from the 20% Development Fund as financial assistance to other LGUs for their development projects even if there was no document to prove that the recipients can readily implement the same.**

We recommended that the Provincial Governor, the Provincial Budget Officer and Provincial Accountant, release funds from the 20% Development Fund to other LGUs for their development projects, only if the request is supported with Program of Work, Detailed Estimates and Plans/Designs, and the intended purpose have been screened and cleared as to readiness of implementation.

5. **Multiple contract time extensions and work suspensions were granted to contractors of projects totaling ₱251,135,402.69 while negative slippages were not determined due to leniency in monitoring actual project status and contractors' performance.**

We recommended that the Provincial Engineer and the Project Monitoring Team:

- a) Designate a project site/area engineer who will monitor closely the progress of construction works, and maintain the project logbook to record the daily project activities, in order to validate the contractor's compliance of the project specifications and protect the interest of the government;
- b) Inspect all on-going infrastructure projects, and on the expected date of completion, even without the contractors' request, to counter-check the report of the Project Site Engineer and ensure completion within the dates specified in the contracts;

- c) Confirm and evaluate the reasons cited in the requests for time extensions and require the necessary documents, including pictures, before the same is submitted to the Office of the Governor for approval; and
- d) Apply promptly, when necessary, the calibrated actions prescribed under GPPB Circular No. 03-2019 dated March 8, 2019 on infrastructure projects with computed negative slippages.

Summary of Audit Suspensions, Disallowances and Charges

The total audit suspensions and disallowances of the Province as at December 31, 2022 amounted to ₱181,265,407.62 and ₱34,000,524.54, respectively. The Notices of Suspensions and/or Disallowances, if any, resulting from post-audit of CY 2022 transactions are still for issuance.

Status of Implementation of Prior Years' Unimplemented Audit Recommendations

Of the 52 audit recommendations embodied in CY 2021 and Prior Years' Annual Audit Reports, 24 were implemented and 28 were not acted upon by management.

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Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. VIII
Leyte Government Center
Candahug, Palo, Leyte

INDEPENDENT AUDITOR'S REPORT

HON. CARLOS JERICHO L. PETILLA

Governor
Province of Leyte

Qualified Opinion

We have audited the financial statements of the Provincial Government of Leyte which comprise the Statement of Financial Position as at December 31, 2022 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, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Provincial Government of Leyte as at December 31, 2022, and its financial performance, its cash flows and its comparison of budget and actual amounts for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

The Property, Plant and Equipment was overstated and the reported depreciation expenses was understated due to unrecorded depreciation amounting to ₱33,684,293.39 on completed infrastructure projects totaling ₱1,347,976,279.99. Also, the accuracy of the year-end balance of the Cash and Cash Equivalents was also doubtful due to the unrecorded receipts, recording errors and other book reconciling items which understated the cash accounts by a net amount of ₱6,639,222.69, the non-reversion of stale checks totaling ₱6,075,676.03 and the unreconciled difference of ₱48,880,906.31 between the book and bank balances.

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

Key Audit Matters

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

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

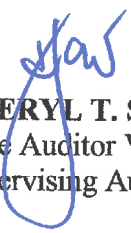
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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:


CHERYL T. SYPACO
State Auditor V
Supervising Auditor

31 March 2023

*Office of the Supervising Auditor
Local Government Audit Sector – B (Province of Leyte I)
COA Regional Office No. VIII Compound
Candahug, Palo, Leyte*



Republic of the Philippines
PROVINCE OF LEYTE
Tacloban City

**Statement of Management Responsibility for Financial
Statements**

*The Management of the PROVINCE OF LEYTE is responsible for
(Name of the LGU)
all information and representation contained in the Statement of Financial Position as
of December 31, 2022 and the related Statement of Financial Performance,
(Date)
Statement of Changes in Net Assets / Equity, Statement of Cash Flows and the
Statement of Comparison of Budget and Actual Amounts for the period then ended.
The financial statements have been prepared in conformity with Philippine Public
Sector Accounting Standards and reflect amounts that are based on best estimates and
informed judgment of management with an appropriate consideration of materiality.*

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


MA. DORIS M. HELOY
Provincial Accountant


CARLOS JERICO L. PETILLA
Local Chief Executive



PROVINCE/CITY/MUNICIPALITY of LEYTE

Combined Statement of Financial Position

As of December 31, 2022

(With Comparative Figures for CY 2021)

	<i>Note</i>	<u>2022</u>	<u>2021</u>
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	4	5,521,673,633.50	4,769,915,351.79
Investments	5	532,352.54	532,352.54
Receivables	6	654,690,114.23	716,102,159.79
Inventories	7	288,525,244.14	259,896,124.00
Prepayments and Deferred Charges	8	58,605,023.50	59,379,027.49
Total Current Assets		<u>6,524,026,367.91</u>	<u>5,805,825,015.61</u>
<i>Non-Current Assets</i>			
Investments		-	-
Receivables		-	-
Investment Property		-	-
Property, Plant and Equipment	9	11,385,932,600.75	10,240,808,087.67
Biological Assets		-	-
Intangible Assets		-	-
Total Non-Current Assets		<u>11,385,932,600.75</u>	<u>10,240,808,087.67</u>
Total Assets		<u>17,909,958,968.66</u>	<u>16,046,633,103.28</u>
LIABILITIES			
<i>Current Liabilities</i>			
Financial Liabilities	10.1	600,130,988.92	553,395,600.68
Inter-Agency Payables	10.2	635,770,530.90	649,006,609.56
Intra-Agency Payables	10.3	29,621,702.11	38,713,417.04
Trust Liabilities	10.4	223,167,778.41	280,299,767.57
Deferred Credits/Unearned Income	10.5	99,785,050.02	99,785,050.02
Other Payables	11.1	339,493,373.94	441,450,767.82
Total Current Liabilities		<u>1,927,969,424.30</u>	<u>2,062,651,212.69</u>
<i>Non-Current Liabilities</i>			
Financial Liabilities	10.1a	1,335,795,284.24	824,177,012.93
Deferred Credits/Unearned Income		-	-
Provisions		-	-
Other Payables		-	-
Total Non-Current Liabilities		<u>1,335,795,284.24</u>	<u>824,177,012.93</u>
Total Liabilities		<u>3,263,764,708.54</u>	<u>2,886,828,225.62</u>
NET ASSETS/EQUITY			
Government Equity		<u>14,646,194,260.12</u>	<u>13,159,804,877.66</u>
Total Liabilities and Net Assets/Equity		<u>17,909,958,968.66</u>	<u>16,046,633,103.28</u>

(See accompanying Notes to Financial Statements)



PROVINCE/CITY/MUNICIPALITY of LEYTE

Combined Statement of Financial Performance

For the Year Ended December 31, 2022

(With Comparative Figures for CY 2021)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Revenue			
Tax Revenue	12	157,053,854.95	125,289,613.36
Share from Internal Revenue	12	3,648,789,333.00	2,727,692,762.00
Collections			
Other Share from National Taxes	12	-	-
Service and Business Income	13,25	460,823,307.50	315,462,856.79
Shares, Grants and Donations	14	7,162,514.01	7,271,099.80
Miscellaneous Income	15	297,671.06	102,607.77
Total Revenue		<u>4,274,126,680.52</u>	<u>3,175,818,939.72</u>
Less: Current Operating Expenses			
Personnel Services	16	905,639,674.65	850,372,678.60
Maintenance and Other Operating Expenses	17-19,22-23	901,095,178.15	834,224,764.32
Non-cash Expenses	26	516,653,184.54	437,409,184.94
Financial Expenses	24	48,530,143.66	30,168,141.34
Current Operating Expenses		<u>2,371,918,181.00</u>	<u>2,152,174,769.20</u>
Surplus (Deficit) from Current Operations		1,902,208,499.52	1,023,644,170.52
Add (Deduct)			
Transfers, Assistance and Subsidy To	20-21	<u>(21,829,471.12)</u>	<u>(35,525,478.50)</u>
Surplus (Deficit) for the period		<u>1,880,379,028.40</u>	<u>988,118,692.02</u>

(See accompanying Notes to Financial Statements)



PROVINCE/CITY/MUNICIPALITY of L E Y T E
Combined Statement of Changes in Net Assets/Equity
For the Year Ended December 31, 2022
(With Comparative Figures for CY 2021)

	<i>Note</i>	<u>2022</u> <u>Accumulated</u> <u>Surpluses/(Deficits)</u>	<u>2021</u> <u>Accumulated</u> <u>Surpluses/(Deficits)</u>
Balance at January 1, 2022		13,159,804,877.66	12,005,942,372.48
Add (Deduct)			
Change in Accounting Policy		(127,083.28)	(236,730.02)
Prior Period Errors		(256,582,362.33)	(184,263,328.30)
Restated Balance		12,903,095,432.05	11,821,442,314.16
Add (Deduct) Changes in net assets/equity during the year			
Adjustment of net revenue recognized directly in net assets/equity	28	(137,280,200.33)	350,243,871.48
Surplus (Deficit) for the period		1,880,379,028.40	988,118,692.02
Total recognized revenue and expenses for the period		1,743,098,828.07	1,338,362,563.50
Balance at December 31, 2022		14,646,194,260.12	13,159,804,877.66

(See accompanying Notes to Financial Statements)



PROVINCE/CITY/MUNICIPALITY of LEYTE

Combined Statement of Cash Flows

For the Year Ended December 31, 2022

(With Comparative Figures for CY 2021)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities			
Cash Inflows			
Collection from Taxpayers		212,591,526.85	161,797,358.39
Share from Internal Revenue Allotment	12	3,648,789,333.00	2,727,692,762.00
Receipts from business/service income		511,824,284.37	368,226,605.58
Interest Income		28,426,174.80	32,669,328.20
Dividend Income		-	-
Other Receipts		514,749,964.26	240,688,490.44
Total Cash Inflows		<u>4,916,381,283.28</u>	<u>3,531,074,544.61</u>
Cash Outflows			
Payments of expenses		899,144,493.32	902,436,529.74
Payments to suppliers and creditors		1,119,276,613.96	770,585,175.44
Payments to employees		78,969,714.62	50,033,805.99
Interest Expense		-	-
Other Expenses		1,077,824,577.23	1,070,824,113.04
Total Cash Outflows		<u>3,175,215,399.13</u>	<u>2,793,879,624.21</u>
Net Cash Flows from Operating Activities	27	<u>1,741,165,884.15</u>	<u>737,194,920.40</u>
Cash Flows From Investing Activities			
Cash Inflows			
Proceeds from Sale of Investment Property		-	-
Proceeds from Sale/Disposal of Property, Plant and Equipment		-	-
Proceeds from Sale of Non-Current Investments		-	-
Collections of Principal on loans to other entities		-	-
Total Cash Inflows		<u>-</u>	<u>-</u>
Cash Outflows			
Purchase/Construction of Investment Property		-	-
Purchase/Construction of Property, Plant and Equipment		1,456,197,302.64	1,438,683,552.81
Investment		-	-
Purchase of Bearer Biological Assets		-	-
Purchase of Intangible Assets		-	-
Grant of Loans		-	-
Total Cash Outflows		<u>1,456,197,302.64</u>	<u>1,438,683,552.81</u>
Net Cash Flows from Investing Activities		<u>(1,456,197,302.64)</u>	<u>(1,438,683,552.81)</u>
Cash Flows From Financing Activities			
Cash Inflows			
Proceeds from Issuance of Bonds		-	-
Proceeds from Loans		522,932,035.23	393,620,242.71
Total Cash Inflows		<u>522,932,035.23</u>	<u>393,620,242.71</u>
Cash Outflows			
Payment of Long-Term Liabilities		-	-
Retirement/Redemption of debt securities		-	-
Payment of loan amortization		56,142,335.03	82,261,348.23
Total Cash Outflows		<u>56,142,335.03</u>	<u>82,261,348.23</u>
Net Cash Flows from Financing Activities		<u>466,789,700.20</u>	<u>311,358,894.48</u>
Total Cash Provided by Operating, Investing and Financing Activities		751,758,281.71	(390,129,737.93)
Add: Cash at the Beginning of the Year		4,769,915,351.79	5,160,045,089.72
Cash Balance Ending December 31,2022	4	<u>5,521,673,633.50</u>	<u>4,769,915,351.79</u>

(See accompanying Notes to Financial Statements)



Province of Leyte
Statement of Comparison of Budget and Actual Amounts
 For the Year Ended December 31, 2022
General Fund

Particulars	Notes	Budgeted Amounts		Difference Original and Final Budget	Actual Amounts	Difference Final Budget and Actual
		Original	Final			
Revenue						
A. Local Sources						
1. Tax Revenue						
a. Tax Revenue- Property		30,491,488.00	30,491,488.00	-	39,966,108.95	9,474,620.95
b. Tax Revenue – Goods and Services				-	22,973,127.02	22,973,127.02
c. Other Local Taxes		15,432,859.00	15,432,859.00	-	18,854,946.83	3,422,087.83
Total Tax Revenue		45,924,347.00	45,924,347.00	-	81,794,182.80	35,869,835.80
2. Non-Tax Revenue						
a. Service Income		125,000,000.00	125,000,000.00	-	9,448,601.80	(115,551,398.20)
b. Business Income		125,000,000.00	125,000,000.00	-	325,501,982.28	200,501,982.28
c. Other Income and Receipts		10,531,930.00	10,531,930.00	-	297,671.06	(10,234,258.94)
Total Non-Tax Revenue		260,531,930.00	260,531,930.00	-	335,248,255.14	74,716,325.14
B. External Sources						
1. Share from the National Internal Revenue Taxes		3,700,000,000.00	3,700,000,000.00	-	3,648,789,333.00	(51,210,667.00)
2. Share from GOCCs		12,523,723.00	12,523,723.00	-	6,107,144.01	(6,416,578.99)
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		20,000.00	20,000.00	-		(20,000.00)
4. Other Receipts						
a. Grants and Donations		1,000,000.00	1,000,000.00	-		(1,000,000.00)
b. Other Subsidy Income(Philhealth)(Drugs &		130,000,000.00	130,000,000.00	-	125,753,703.85	(4,246,296.15)
5. Inter-local Transfer				-		-
6. Capital /Investment Receipts				-		-
a. Sale of Capital Assets				-		-
b. Sale of Investments				-		-
c. Proceeds from Collections of Loans				-		-
7. Unappropriated Balance				-		-
C. Receipts from Borrowings(DBP LOAN)				-		-
Total External Sources		3,843,543,723.00	3,843,543,723.00	-	3,780,650,180.86	(62,893,542.14)
Total Revenues and Receipts		4,150,000,000.00	4,150,000,000.00	-	4,197,692,618.80	47,692,618.80

Particulars	Notes	Budgeted Amounts		Difference Original and Final Budget	Actual Amounts	Difference Final Budget and Actual
		Original	Final			
Expenditures						
General Public Services						
Personnel Services		348,870,686.00	357,176,968.00	(8,306,282.00)	293,686,813.59	63,490,154.41
Maintenance and Other Operating Expenses		463,152,518.11	482,428,526.79	(19,276,008.68)	355,332,791.41	127,095,735.38
Capital Outlay		699,242,700.00	837,742,700.00	(138,500,000.00)	249,422,826.59	588,319,873.41
Education						
Personnel Services		-	-	-	-	-
Maintenance and Other Operating Expenses		50,800,000.00	50,800,000.00	-	39,583,305.40	11,216,694.60
Capital Outlay		5,200,000.00	5,200,000.00	-	-	5,200,000.00
Health, Nutrition and Population Control						
Personnel Services		461,427,251.00	484,686,278.00	(23,259,027.00)	388,872,435.35	95,813,842.65
Maintenance and Other Operating Expenses		307,464,351.00	309,073,463.00	(1,609,112.00)	235,852,466.06	73,220,996.94
Capital Outlay		6,005,000.00	6,005,000.00	-	2,675,420.00	3,329,580.00
Labor and Employment						
Personnel Services		-	-	-	-	-
Maintenance and Other Operating Expenses		-	-	-	-	-
Capital Outlay		-	-	-	-	-
Housing and Community Development						
Personnel Services		7,645,852.00	8,950,852.00	(1,305,000.00)	8,600,479.82	350,372.18
Maintenance and Other Operating Expenses		1,724,500.00	2,374,500.00	(650,000.00)	1,033,836.75	1,340,663.25
Capital Outlay		-	-	-	-	-
Social Services and Social Welfare						
Personnel Services		21,763,910.00	23,714,910.00	(1,951,000.00)	17,200,379.64	6,514,530.36
Maintenance and Other Operating Expenses		12,289,000.00	12,163,265.00	125,735.00	11,942,599.74	220,665.26
Capital Outlay		576,000.00	576,000.00	-	88,300.00	487,700.00
Economic Services						
Personnel Services		246,732,841.00	258,404,460.00	(11,671,619.00)	197,279,566.25	61,124,893.75
Maintenance and Other Operating Expenses		164,607,890.89	144,423,825.21	20,184,065.68	140,275,717.72	4,148,107.49
Capital Outlay		1,700,000.00	1,400,000.00	300,000.00	728,909.00	671,091.00
Other Purposes:						
Debt Service		-	-	-	3,335,935.70	(3,335,935.70)
Financial Expense		51,815,000.00	51,815,000.00	-	48,530,143.66	3,284,856.34
Amortization		-	-	-	-	-
LDRRMF						
Maintenance and Other Operating Expenses		60,310,000.00	103,810,000.00	(43,500,000.00)	31,088,465.97	72,721,534.03
Capital Outlay		147,190,000.00	103,690,000.00	43,500,000.00	12,868,625.62	90,821,374.38
20% Development Fund						
Maintenance and Other Operating Expenses		78,000,000.00	78,000,000.00	-	73,652,997.25	4,347,002.75
Capital Outlay		1,002,000,000.00	1,002,000,000.00	-	411,593,596.82	590,406,403.18
Share from National Wealth						
Maintenance and Other Operating Expenses		-	-	-	-	-
Capital Outlay		-	-	-	-	-
Allocation for Senior Citizens and PWD						
Maintenance and Other Operating Expenses		-	-	-	-	-
Capital Outlay		-	-	-	-	-
Others						
Personnel Services		-	-	-	-	-
Maintenance and Other Operating Expenses		11,482,500.00	11,482,500.00	-	7,979,668.27	3,502,831.73
Capital Outlay		-	300,000.00	(300,000.00)	194,590.00	105,410.00
Total		4,150,000,000.00	4,336,218,248.00	(229,718,248.00)	2,531,819,870.61	1,804,398,377.39
Surplus (Deficit) for the period		-	(186,218,248.00)	229,718,248.00	1,665,872,748.19	1,852,090,996.19

SPECIAL EDUCATION FUND(SEF)						
Particulars	Notes	Budgeted Amounts		Difference Original and Final Budget	Actual Amounts	Difference Final Budget and Actual
		Original	Final			
A. Local Sources						
1. Tax Revenue						
a. Tax Revenue- Property		82,000,000.00	82,000,000.00	-	75,259,672.15	6,740,327.85
Total Tax Revenue		82,000,000.00	82,000,000.00	-	75,259,672.15	6,740,327.85
2. Non-Tax Revenue						
a. Business Income				-	119,019.57	(119,019.57)
Total Non-Tax Revenue		-	-	-	119,019.57	(119,019.57)
Total Revenues and Receipts		82,000,000.00	82,000,000.00	-	75,378,691.72	6,621,308.28
Expenditures						
Current Appropriations						
Education						
Personnel Services				-		-
Maintenance and Other Operating Expenses		62,000,000.00	62,000,000.00	-	21,791,495.00	40,208,505.00
Capital Outlay		20,000,000.00	20,000,000.00	-	-	20,000,000.00
Total Current Appropriations		82,000,000.00	82,000,000.00	-	21,791,495.00	60,208,505.00
Surplus (Deficit) for the period		-	-	-	53,587,196.72	(53,587,196.72)
Total Surplus (Deficit) for the period		-	(186,218,248.00)	229,718,248.00	1,719,459,944.91	1,798,503,799.47

RECAP:

	General Fund	SEF
PS	905,639,674.65	-
MOOE	896,741,848.57	21,791,495.00
CO	677,572,268.03	-
Financial Expenses	48,530,143.66	-



Republic of the Philippines
PROVINCE OF LEYTE
COMBINED NOTES TO FINANCIAL STATEMENTS
December 31, 2022
(With Comparative Figures for CY 2021)

Note I - Profile

The political Province of Leyte existed as early as 1622, from a simple structure of government ran by Encomienderos, until it became a politico-military province in 1735 with jurisdiction over Samar. It was politically separated from the latter in 1768. Leyte has a total land area of 6,515.05 square kilometers. This represents 28.01% of Eastern Visayas total land area of 23,253.95 square kilometers.

Leyte's first military Governor under the American Regime was Colonel Arthur Murray, a commander of the 43rd Infantry, who exercised all three powers of government- executive, legislative and judicial. The military government established late in 1899 ended in 1901 with the establishment of the civil government in accordance with the "General Act for the Organization of Provincial Governments in the Philippine Islands" passed by the Philippine Commission on February 6, 1901. It was Act No. 121 enacted on April 22, 1901 which extended the provisions of the "Provincial Government Act" to the Province of Leyte.

With the enactment of Republic Act 7160, otherwise known as the Local Government Code of 1991, the Province of Leyte now enjoys total independence in managing, deciding and planning its own administrative, fiscal and development affairs consistent with the national government's thrust for sustainable social and economic growth.

Governor Carlos Jericho L. Petilla continues to propel development in the Province having been elected during the May 9, 2022 local elections. With the support of the new set of Sanggunian Panlalawigan Members, he has brought the provincial government closer to the people, making the 41 municipalities and component barangays as prime implementers of various infrastructure, socio-economic programs and projects.

Like any other local government unit, the Provincial Government of Leyte has two (2) independent departments, namely the executive and legislative branches. These departments which compose of 2,624 manpower (1,090 are permanent employees, 15 are elective officials, 698 are casual employees and 836 are job order employees) exercise respective functions to carry out the implementation of various programs, projects and activities with the end view of delivering quality basic services to the Leyteños such as economic, social, general and legislative services

Accordingly, its Visions, Goals and Objectives for CY 2023 are as follows:

Visions:

By Year 2023 and beyond, a progressive Province of Leyte shall emerge whose empowered citizenry live within a healthy and peaceful environment, and shall serve in the following capacities, among others, to wit:

- Production center for Industrial crops;
- Jump – off points for commerce and trade;
- Seat for medium and heavy industries;
- Geothermal power production and technology center; and
- Major tourism destination point for history, culture and nature travel.

Goals:

- To accelerate economic development in all sustainable levels;
- To develop Leyte as a strategic hub for inter – regional trade and industry; and
- To develop healthy, highly-skilled and self-reliant Leyteños.

Main Objectives:

- To generate more employment opportunities particularly in the rural areas, in order to reduce poverty.

Specific Objectives:

- To increase the productivity level of major food and industrial crops;
- To increase investments for agro-processing and power-intensive industries;
- To optimize the utilization of existing facilities;
- To upgrade the tourism facilities and services;
- To regenerate the coastal and forest resources;
- To provide efficient infrastructure facilities and utilities;
- To optimize the benefits derived from the utilization of the province’s geothermal reserves; and
- To improve the quality of education, basic health, manpower, population and social services.

Note 2 - The consolidated financial statements of the Province of Leyte have been prepared in accordance with and comply with the Philippine Public Sector Accounting Standards (PPSAS). The consolidated financial statements are presented in pesos, which is the functional and reporting currency of the LGU. The accounting policies have been applied starting the year 2015.

Note 3 - Summary of significant accounting policies

3.1 Basis of accounting

The consolidated financial statements are prepared on an accrual basis in accordance with the Philippine Public Sector Accounting Standards (PPSAS).

3.2 Devolution

With the enactment of Republic Act No. 11223 otherwise known as the “Universal Health Care Act”, The Province of Leyte offered its intention to the City Government of Baybay to devolve the operation, maintenance, control and management of the Western Leyte Provincial Hospital, Baybay City, Leyte. Both parties recognize the vital importance of mutual cooperation and collaboration in improving the delivery of basic health services to its constituents. Thus, the City Government of Baybay readily and willingly accepted the offer which was supported by a Memorandum of Agreement between parties.

As agreed, the Province of Leyte will transfer among others, the buildings and other improvements found within the premises of New Western Leyte Provincial Hospital, Baybay City, including the existing hospital equipment found at the Old Western Leyte Provincial Hospital, subject to the inventory, usual accounting and auditing rules and regulations.

To ensure the unhampered effective and continuous delivery of health service, the parties further agreed to observe a three (3) year transitory period for the purpose of providing financial subsidy by way of an appropriation under Maintenance and Other Operating Expenses (MOOE) effective forty- five (45) days after signing of the Memorandum of Agreement.

Other relevant matters pertaining to this transition shall be provided in the Memorandum of Agreement entered into by the parties.

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.

Transfers from other government entities

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

The LGU availed of the 5 – year transitional provision for the recognition of Tax Revenue- Real Property and Special Education Tax. For the first year, there will be no change in policy for the recognition of the aforementioned tax revenue.

Sale of goods

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

Interest income

Interest income is 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.

Rental income

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

3.4 Property, Plant and Equipment

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

The LGU uses the 10% salvage value for Property, Plant and Equipment for the year 2015 as prescribed under the NGAS.

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

(refer to COA issuances on the prescribed useful life of assets)

3.5 Financial instruments

Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Financial assets at fair value through surplus or deficit

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

Loans and receivables

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

Held-to-maturity

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

Derecognition

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

- a) The rights to receive cash flows from the asset have expired or is waived;

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

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

Loans and borrowings

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

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

Derecognition

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

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

Offsetting of financial instruments

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

Fair value of financial instruments

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

3.6 Cash and cash equivalents

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

3.7 Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- a) Raw materials: purchase cost using the weighted average cost method;
- b) Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

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

This year, the LGU adheres to COA – Circular, 2022-004, dated May 31,2022.

The said circular provides for the guidelines of the implementation of Section 23 of the General Provisions of RA No. 11639 also known as General Appropriation Act (GAA) for Fiscal Year 2022 relative to the increase in the capitalization threshold from 15,000.00 to 50,000.00. Hence, tangible items below P50,000.00 shall be accounted as semi-expendable property.

For purposes of fair presentation and comparability of balances, 2021 Financial Statement Balances is restated. Items acquired with acquisition cost of less than 50,000.00 are classified as semi-expendables. In effect, there are changes in 2021 balances of Property, Plant and Equipment, Accumulated Depreciation, Depreciation Expense, Inventory, Total Assets, Surplus for the Period and Government Equity.

Contingent liabilities

The LGU does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Group does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LGU in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.8 Nature and purpose of reserves

The LGU creates and maintains reserves in terms of specific requirements.

3.9 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.

3.10 Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

3.11 Borrowing costs

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

of the asset is complete. Further, borrowing costs are charged to the statement of financial performance.

3.12 Service concession arrangements

The LGU analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the LGU recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other

than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the LGU also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

3.13 Budget information

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

3.14 Significant judgments and sources of estimation uncertainty

Judgments

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The LGU

based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the LGU. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

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

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

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

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

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

Fair value estimation – financial instruments

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

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions

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

Held-to-maturity investments and loans and receivables

The LGU assesses its loans and receivables (including trade receivables) and its held-to-maturity investments at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the LGU evaluates the indicators present in the market to determine if those indicators are indicative of impairment in its loans and receivables or held-to-maturity investments.

Where specific impairments have not been identified the impairment for trade receivables, held-to-maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

3.15 Financial instruments - financial risk management

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

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

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

- a) Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments;
- b) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the LGU based on parameters such as interest rates, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the incurred losses of these receivables and market related interest rates. As at 31 December 2018 the carrying
- c) amounts of such receivables, net of allowances, are not materially different from their calculated fair values;
- d) Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities;
- e) Fair value of financial assets is derived from quoted market prices in active markets, if available;
- f) Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques

Fair value hierarchy

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices);

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 31 December 2022, the LGU held the following financial instruments measured at fair value:

	2022	Level 1	Level 2	Level 3
Investments	532,352.54	0.00	0.00	0.00
	<u>532,352.54</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

During the reporting period ending December 31, 2022, there were no transfers between levels 1 and 2 fair value measurements

Credit risk

Credit risk is the risk of financial loss to the LGU if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the LGU's investments, loans, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

	2022
Investments	0.00
Trade receivables and other receivables	0.00
Cash and cash equivalent	0.00
Maximum exposure to credit risk	<u>0.00</u>

Credit quality

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

For financial statement purposes, the investments and balances with banks are limited to the investments, loans receivable and cash and cash equivalents line items in the statement of financial position. The LGU follows Department Order No. 27-05 of the Department of Finance (DOF) in the maintenance of depository accounts. It also determines credit quality of the investments and banks using information obtained from external rating agencies. In accordance with its financial risk management policy, the LGU does not invest in instruments with a credit rating below ___ and does not advance loans to counterparties with a credit rating below ____.

	2022 Rating
Investments	-
Loans receivables	-
Cash and cash equivalent	-

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

- a) High - Those customers who have no history of defaulting on payments to the Group and only includes customers who settle their accounts in full and within the prescribed minimum period;
- b) Medium - Those customers with a history of late payments only. These customers usually arrange ahead of time with the Group in settling balances in arrears and when payments are made, the outstanding amounts (including interest) are settled in full; and
- c) Low - Those customers with a significant history of defaults. The balances of these customers are rarely settled in full. The recovery of outstanding balances from these customers is problematic.

The credit quality of the balance of receivables and other receivables is made up, as follows:

	2022
High	0.00
Medium	0.00
Low	0.00
Total instrument at amortized cost exposed to credit risk	0.00

Investments

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

Receivables

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

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

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

The outstanding amounts of the 10 largest debtors represent 0.8% (2012: 1.2%) of the total outstanding balance. The average credit period on services rendered is 30 days from date of invoice. Interest is raised at the three-month government bond rate plus 1% on any unpaid accounts after the due date. The LGU provided fully for all receivables outstanding over 365 days where there was no evidence of expected recovery. Receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

Cash and cash equivalents

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

Liquidity risk

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

The LGU ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. On average, 94.93% (2012: 93.88%) of receivables are settled within 30 days after the due date, and payables are settled within 30 days of invoice date.

The following are contractual liabilities of which interest is included in borrowings:

2022	On demand	> 3 months	3-12 months	1-5 years	> 5 years	Total
Liabilities						
Borrowings	-	-	-	-	1,335,795,284.24	1,335,795,284.24
Payables	-	-	1,927,969,424.30	-	-	1,927,969,424.30
Total Liabilities	-	-	1,927,969,424.30	-	1,335,795,284.24	3,263,764,708.54

Capital management

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

Currency risk

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

Note 4. Cash and Cash Equivalents

	2022	2021
Cash on Hand		
Cash- Local Treasury	3,306,916.05	287,338.00
Petty Cash	410,234.95	256,679.99
Cash in Bank – Local Currency		

Cash in Bank-Local Currency-Current Account	3,317,640,038.27	2,633,374,641.04
Cash in Bank – Local Currency- Savings Account	1,935,641.73	29,084,508.40
Cash in Bank –Foreign Currency, Savings Account	0.00	45,294.98
Cash in Bank – Local Currency, Time Deposits	2,198,380,802.50	2,106,866,889.38
Total Cash and Cash Equivalent	5,521,673,633.50	4,769,915,351.79

Due to the consecutive non – working holidays, collections dated December 29,2022, amounting to 2,792,380.74 and 503,425.31 under General Fund (GF) and Special Education Fund (SEF), respectively, will be deposited on the first working day of the following year. Thus, the increase of the account, Cash – Local Treasury.

For SEF, The Cash in Bank – Local Currency, Time Deposits amounting to P39,992,884.67 consists of temporary cash placements at different Authorized Government Depository Banks (AGDBs) of the Province of Leyte which will mature within 90 days thus considered cash equivalent. An additional of P18,588,342.31 was placed in a time deposit account from the collection of Special Education Tax share of the Province from the Municipality of Kananga for period March 2022.

For Trust Fund (TF), the bank balance amounting to 526,771,332.53 pertains to current accounts maintained with the Authorized Government Depository Banks (AGDBs) of the Province of Leyte. Majority of the disbursements during the year was charged to funds received the previous years and fund transfers received during the year were also disbursed during the year, resulting to material decrease in the cash balance.

While the balance of Cash in Bank – Foreign Currency Savings account was closed during the year and was transferred to a time deposit account.

The Cash in Bank – Local Currency, Time Deposits amounting to P7,730,640.99 consists of temporary cash placements at different Authorized Government Depository Banks (AGDBs) of the Province of Leyte which will mature within 90 days thus considered cash equivalent. An additional of P816,650.89 was placed in a time deposit account from the proceeds of the closure of various Philippine National Bank accounts, namely: Early Childhood Care & Development Account, Drug Rehabilitation Fund account and the FCSA North Carolina Medical Mission Foreign Currency Savings account.

Note 5 - Investment

	<u>2022</u>	<u>2021</u>
Deposits on Letters of Credit	126,127.51	126,127.51
<i>Allowance for Impairment</i>	0.00	0.00
Guarantee Deposits	406,225.03	406,225.03
<i>Allowance for Impairment</i>	0.00	0.00
Total	<u>532,352.54</u>	<u>532,352.54</u>

The LGU has no long term investment for the current year. The Time deposit account is considered cash equivalent since its maturity period is 90days.

Note 6 - Receivables

Loans and Receivable Accounts	<u>2022</u>		<u>2021</u>	
Accounts Receivable	40,561,903.47		27,744,012.56	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	40,561,903.47	<i>(0.00)</i>	27,744,012.56
Real Property Tax Receivable	0.00		43,210.59	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	0.00	<i>(0.00)</i>	43,210.59
Special Education Tax Receivable	2,678,317.54		844,132.31	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	2,678,317.54	<i>(0.00)</i>	844,132.31
Loans Receivable-Local Govt. Units	0.00		0.00	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	0.00	<i>(0.00)</i>	0.00
Loans Receivable - Others	16,799,798.25		16,595,018.87	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	16,799,798.25	<i>(0.00)</i>	16,595,018.87
Total		<u>60,040,019.26</u>		<u>45,226,374.33</u>

Lease Receivables

	<u>2022</u>	<u>2021</u>
Operating Lease Receivable	42,828,130.25	70,093,130.25
Total	<u>42,828,130.25</u>	<u>70,093,130.25</u>

The Operating Lease Receivable includes the account of AMA Computer College, LAC, Palo, Leyte (P34,469,607.38) and St. Augustine School of Nursing, LAC, Palo, Leyte (P8,297,405.37). These receivable accounts were forwarded to the Legal Department for proper legal action.

Receivables for the settlement of the past year's lease from LKY Property Holdings/Oriental Hotel amounting to 27,365,000.00 were reversed due to the compromise agreement dated February 1, 2018 and per SP Resolution No. 2019-149 dated April 5, 2019.

Inter-Agency Receivables	2022		2021	
Due from National Govt. Agencies	39,222,083.93		38,574,213.93	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	39,222,083.93	<i>(0.00)</i>	38,574,213.93
Due from Government Owned and Controlled Corporation	8,448,381.46		8,448,381.46	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	8,448,381.46	<i>(0.00)</i>	8,448,381.46
Due from Local Government Units	395,398,874.77		429,128,131.41	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	395,398,874.77	<i>(0.00)</i>	429,128,131.41
Total		<u>443,069,340.16</u>		<u>476,150,726.80</u>

Transfers from other government agencies represent those funds received for specific projects undertaken by the LGU for specific purpose. These funds were received on the basis of the project budgets submitted. Accordingly, the LGU is contractually bound to spend these funds only in connection with the projects. Furthermore, the contracts stipulate that the funds received for the project may only be applied to the costs incurred for the project, as and when the phases of the project are certified as complete. The conditions remaining therefore represent phases of the projects that are yet to be certified as complete. Returned of the unspent portion of the fund is subject to the conditions stated in the respective Memorandum of Agreements executed between the LGU and the proponent government agencies.

Intra-Agency Receivables	2022	2021
Due from Other Funds	<u>29,621,702.11</u>	<u>38,713,417.04</u>
Total	<u>29,621,702.11</u>	<u>38,713,417.04</u>

For General Fund, the amount of 8,363,156.25 was transferred from Trust Fund to facilitate the payment of One Covid-19 Allowance paid through General Fund - Authority to Debit Account (ADA).

For Special Education Fund, the balance of this account pertains to the recognition of the 50% of the collections from Energy Development Corporation (EDC) and Green Core Geothermal, Inc. under protest from 2015 to 2019, in accordance with the distribution proceeds under the Local Revenue Code.

Advances	2022	2021
Advances for Operating Expenses	50,000.00	23,658.75
Advances for Payroll	1,183,071.55	2,897,442.35
Advances to Special Disbursing Officer	2,607,920.12	2,827,065.90
Advances to Officers and Employees	2,049,418.71	2,178,782.99
Total	<u>5,890,410.38</u>	<u>7,926,949.99</u>

Other Receivables	<u>2022</u>		<u>2021</u>	
Receivables – Disallowances and Charges	791,352.42		791,352.42	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	791,352.42	<i>(0.00)</i>	791,352.42
Due from Officers and Employees	393,774.37			
<i>Allowance for Impairment</i>		393,774.37		
Due from Non-Government Organizations/ Peoples Organization			68,459,465.71	
	63,314,642.03			
<i>Allowance for Impairment</i>	<i>(0.00)</i>	63,314,642.03	<i>(0.00)</i>	68,459,465.71
Other Receivables	8,740,743.25		8,740,743.25	
<i>Allowance for Impairment</i>	<i>(0.00)</i>	8,740,743.25	<i>(0.00)</i>	8,740,743.25
Total		<u>73,240,512.07</u>		<u>77,991,561.38</u>

As of December 31, 2022, there was no allowance for impairment provided for in the total Other Receivables account balance during the year.

As at 31 December 2022, the ageing analysis of current exchange receivables is as follows:

	Total	Neither past due or impaired	Past due but not impaired		
			<30 days	30-60 days	>60 days
Accounts Receivable	40,561,903.47				27,744,012.56
Real Property Tax Receivable	0.00				
Special Education Tax Receivable	2,678,317.54		0.00		
Loans Receivables -Others	16,799,798.25				2,678,317.54
Operating Lease Receivable	42,828,130.25				16,799,798.25
Due from NGAs	39,222,083.93				42,828,130.25
Due from GOCCs	8,448,381.46				39,222,083.93
Due from LGUs	395,398,874.77				8,448,381.46
Receivables – Disallowances/ Charges	791,352.42				395,398,874.77
Due from NGOs/POs	63,314,642.03				791,352.42
Other Receivables	8,740,743.25				63,314,642.03
Total	618,784,227.37	0.00	0.00	0.00	618,784,227.37

Note 7 – Inventories

	<u>2022</u>	<u>2021</u>
<i>Inventory Held for Sale</i>		
Merchandise Inventory	26,319,510.68	19,610,187.48
<i>Inventory Held for Distribution</i>		
Food Supplies for Distribution	2,896,400.00	11,851,400.00
Welfare Goods for Distribution	25,033,453.50	21,769,361.50
Drugs and Medicines for Distribution	28,292,361.94	30,372,096.58
Medical, Dental and Laboratory Supplies for Distribution	17,458,372.26	20,359,887.50
Agricultural and Marine Supplies for Distribution	4,586,515.00	0.00
Agricultural Produce for Distribution	534,730.00	343,940.00
Property and Equipment for Distribution	5,335,550.00	0.00
Other Supplies and Materials for Distribution	61,506.00	61,506.00

	2022	2021
<i>Inventory Held for Consumption</i>		
Office Supplies Inventory	16,000,644.77	9,182,958.04
Food Supplies Inventory	237,100.00	514,600.00
Animal/Zoological Supplies Inventory	0.00	194,652.00
Drugs and Medicines Inventory	64,941,354.98	62,848,404.63
Medical, Dental and Laboratory Supplies Inventory	86,524,488.31	74,942,600.72
Agricultural and Marine Supplies Inventory	2,497,418.00	727,666.00
Other Supplies and Materials Inventory	7,805,838.70	7,116,863.55
Total	288,525,244.14	259,896,124.00

In General Fund, payments of fresh palay in excess of loan amount and interest under the Rice Program from Phase 27 and 28 were taken during the year. Hence the increase of Merchandise Inventory.

Agricultural and Marine Supplies for Distribution is recognized due to the delivery of various hog feeds to 12 MIC Farmers Association Livelihood Hog Breeding Project under the Economics Program in the Province of Leyte.

Proper entry for the donation of Property and Equipment for Distribution shall be made promptly on the next fiscal year.

As anticipated, the rise of various inventory accounts is due to the implementation of COA –Circular No. 2022-004, dated May 31,2022 which provides that tangible *items* below P50,000.00 shall be accounted as *semi- expendable property*.

In Trust Fund, the balance of the Welfare Goods for Distribution account pertains to food supplies purchased for the mitigation, preparation and disaster relief operation. The said amount will be removed from the records upon submission of the Requisitions and Issue Slips prepared in the distribution of the supplies.

Relief for the issuance of inventory items was made during the year based on the Requisition and Issue Slip forwarded.

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

Note 8. Prepayments and Deferred Charges

	2022	2021
Advances to Contractors	56,650,332.90	57,424,336.89
Other Prepayments	1,954,690.60	1,954,690.60
Total Prepayments and Deferred Charges	58,605,023.50	59,379,027.49

Advances to Contractors represent the un-recouped 15% mobilization cost for various infrastructure projects undertaken by the Province of Leyte. In adherence with the specific objective of the LGU to provide efficient infrastructure facilities and utilities is an increase in implemented infrastructure projects during this year.

For major and urgent projects, the LGU as it considers fair and reasonable, allow advance payment to the contractor fifteen percent (15%) of the total contact price.

Note 9 - Property, Plant and Equipment

(See Attached Consolidated Schedule of Property, Plant and Equipment)

The transfer and adjustment column relates to reclassifications between the different classes of assets and also to other categories of assets including inventory and intangible assets.

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.

Pursuant to COA Circular 2022-004, dated May 31, 2022 and for purposes of comparability, 2021 PPE balances have been restated. Items acquired with acquisition cost of less than 50,000.00 are classified as semi-expendables.

Note 10 – Liabilities

10.1 Financial Liabilities (Current)

	<u>2022</u>	<u>2021</u>
Accounts Payable	530,971,148.79	474,857,095.01
Due to Officers and Employees	61,011,337.7	77,380,531.44
Interest Payable	8,148,502.43	1,157,974.23
	<u>600,130,988.92</u>	<u>553,395,600.68</u>

10.1a Financial Liabilities (Non-Current)

Loans Payable - Domestic	<u>1,335,795,284.24</u>	<u>824,177,012.93</u>
Total	<u>1,935,926,273.16</u>	<u>1,377,572,613.61</u>

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

Loans Payable – Domestic represents:

Name of Loan	DBP Loan Payable	DBP Loan Payable
Type of Loan:	Long Term	Long Term
Kind of Indebtedness:	Long Term	Long Term

Purpose of Loan:	For Planning and Design of the Proposed Leyte Provincial Government Complex with Site Development and Construction of Main Building	To finance the various projects under Bayanihan Act II - Stimulus Package	
Bank/ Lending Institution:	Development Bank of the Philippines	Development Bank of the Philippines	
Date Granted:	April 27,2020	Farm to Market Roads	February 17,2022
		Slope Protection	April 29,2022
		Multi-Purpose Building	March 24,2022
Maturity Date:	April 27,2035	Farm to Market Roads	February 17,2037
		Slope Protection	April 29,2037
		Multi-Purpose Building	March 24,2037
Interest Rate:	4.93% per annum	3.70% per annum	
		For the first year, interest subsidy cap has been granted as follows:	
		Borrower	2% per annum
		Interest Subsidy from the National Government	2% per annum
Other Charges:	Gross Receipt Tax 1% of Interest	None	
Current Outstanding Loan Balance:	855,597,961.96	Farm to Market Roads	410,789,536.92
		Slope Protection	7,482,132.87
		Multi-Purpose Building	61,925,652.49

Due to the interest subsidy cap provided for the first year of the loan contract, only 2% per annum was charged to the LGU on the said period.

10.2 Inter-Agency Payables

	<u>2022</u>	<u>2021</u>
Due to BIR	9,939,586.32	38,122,428.71
Due to GSIS	6,041,389.32	3,864,296.09
Due to Pag-IBIG	6,367,252.82	6,339,655.00
Due to PhilHealth	497,662.22	280,661.61
Due to NGAs	496,176,022.02	489,706,764.06
Due to GOCCs	4,685,435.46	4,685,435.46
Due to LGUs	112,063,182.74	106,007,368.63
Total	<u>635,770,530.90</u>	<u>649,006,609.56</u>

The first four accounts represent 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.

Taxes withheld from compensation of the LGU has been appropriately paid. Hence, the immense reduction of the Due to BIR.

10.3 Intra-Agency Payables	<u>2022</u>	<u>2021</u>
Due to other Funds	29,621,702.11	38,713,417.04
Total	<u>29,621,702.11</u>	<u>38,713,417.04</u>

In General Fund, this account represents transfer of funds to Special Education Fund and Trust Fund from General Fund representing various transactions.

While in Trust Fund, due to Other Funds pertains to various payable to General Fund due to the following transactions: a.) Inadvertent classification of Due to NGA account; and b.) Various collection which were receipted under the Trust Fund instead of the General Fund account. The material decrease in the balance was due to the payment of Active Hazard Duty Pay and Special Risk Allowance amounting to P8,970,442.11 which was paid through ADA in General Fund in the previous year. The said amount was transferred the during the year per JEV# JEV-2022-01-000062.

10.4 Trust Liabilities	<u>2022</u>	<u>2021</u>
Trust Liabilities – Disaster Risk Reduction and Management Fund	124,554,765.33	166,225,962.02
Guarantee/Security/Deposits Payable	98,613,013.08	114,073,805.55
Total	<u>223,167,778.41</u>	<u>280,299,767.57</u>

Trust Liabilities – Disaster Risk Reduction Management (DRRM) pertains to the unexpended balance of Local Disaster Risk Reduction & Management Fund (LDRRMF) of previous years, in compliance with Section 21 of Republic Act (RA) No. 10121 and Section 5.0 of COA Circular No. 2012-002 dated September 12, 2012. While the Guaranty/Security Deposits Payable consists of un-withdrawn Retention Money withheld from various contractors for infrastructure projects undertaken.

10.5 Deferred Credits/Unearned Income	<u>2022</u>	<u>2021</u>
Deferred Credits		
Other Deferred Credits	99,785,050.02	99,785,050.02
Total	<u>99,785,050.02</u>	<u>99,785,050.02</u>

Note 11– Other Payables

	<u>2022</u>	<u>2021</u>
Other Payables (11.1 Current)	441,450,767.82	441,450,767.82
Total	<u>339,493,373.94</u>	<u>441,450,767.82</u>

Note 12 – Tax Revenue

	<u>2022</u>	<u>2021</u>
<i>Tax Revenue - Individual and Corporation</i>		
Professional Tax	129,377.62	0.00
<i>Tax Revenue-Property</i>		
Real Property Tax - Basic	43,488,409.69	40,848,182.60
Discount on Real Property Tax -Basic	(7,322,151.64)	(6,056,535.95)
Special Education Tax	78,017,698.36	70,377,554.62
Discount on Special Education Tax	(10,532,796.72)	(8,672,508.60)
Real Property Transfer Tax	3,799,850.90	3,035,318.25
<i>Tax Revenue-Goods and Services</i>		
Tax on Sand, Gravel and Other Quarry	17,224,407.63	7,803,850.78
Tax on Delivery Trucks and Vans	2,065,953.93	1,971,518.19
Amusement Tax	841,335.7	110,079.10
Franchise Tax	2,841,429.76	2,901,686.83
<i>Tax Revenue-Others</i>		
Other Taxes	9,310,487.50	56,943.00
<i>Tax Revenue – Fines and Penalties</i>		
Tax Revenue – Fines and Penalties-Property Taxes	13,401,612.42	12,700,564.54
Tax Revenue - Fines and Penalties - Other Taxes	3,788,239.80	212,960.00
<i>Share from National Taxes</i>		
Share Internal Revenue Collection	3,648,789,333.00	2,727,692,762.00
Total	<u>3,805,843,187.95</u>	<u>2,852,982,375.36</u>

During the year, Executive Order No. 02-01-2022, Series of 2022 has been issued, ordering the reorganization of the “Sand and Gravel Task Force” of the province of Leyte. Defining and prescribing its powers, functions and for other purposes.

This has been one of the major reasons of the rise of revenue from Tax on Sand, Gravel and Other Quarry.

Note 13– Service and Business Income

	<u>2022</u>	<u>2021</u>
<i>Service Income</i>		
Permit Fees	691,235.00	291,501.80
Clearance and Certificate Fees	271,296.70	270,176.06
Occupation Fees	249,380.10	339,435.80
Other Service Income	8,236,690.00	5,194,500.00
<i>Business Income</i>		
Rent/Lease Income	7,696,127.86	9,292,600.79
Sales Revenue	9,017,328.31	6,664,382.90
Hospital Fees	406,132,427.91	260,711,635.89
Interest Income	28,528,821.62	32,698,623.55
Total	<u>460,823,307.50</u>	<u>315,462,856.79</u>

With the continuous efforts of the LGU, ongoing recovery from the economic effects of COVID-19 pandemic is evident. Most of the hospital operations has been restored and can accommodate back to its regular number of patients. Thus, the increase in income from Hospital Fees.

Note 14 – Share, Grants and Donation

	<u>2022</u>	<u>2021</u>
<i>Share</i>		
Share from PCSO	6,107,144.01	4,471,038.77
<i>Grants and Donation</i>		
Grants and Donations in Cash	1,055,370.00	2,800,061.03
Total	<u>7,162,514.01</u>	<u>7,271,099.80</u>

Note 15 – Miscellaneous Income

	<u>2022</u>	<u>2021</u>
<i>Miscellaneous Income</i>		
Miscellaneous Income	297,671.06	102,607.77
Total	<u>297,671.06</u>	<u>102,607.77</u>

Note 16 - Employee Costs

	<u>2022</u>	<u>2021</u>
<i>Personnel Services</i>		
Salaries and Wages – Regular	401,420,949.50	383,494,238.61
Salaries and Wages- Casual/Contractual	88,126,776.60	84,355,007.85
<i>Other Compensation</i>		
Personal Economic Relief allowance	39,083,932.36	39,678,094.96
Representation Allowance	4,154,600.00	3,974,943.55
Transportation Allowance	2,565,214.34	2,387,943.55
Clothing/Uniform Allowance	10,056,100.00	10,212,000.00
Subsistence Allowance	5,928,884.33	5,850,964.84
Laundry Allowance	666,077.42	702,972.08
Quarters Allowance	61,989.00	61,989.00
Productivity Incentive Allowance	8,048,463.71	8,353,875.00
Honoraria	755,700.00	41,800.00
Longevity Pay	1,095,000.00	1,150,000.00
Overtime and Night Pay	8,045,120.95	5,651,264.44
Year-End Bonus	41,577,440.28	40,127,314.35
Cash Gift	8,304,861.10	8,375,250.00
Other Bonuses and Allowances	41,085,977.40	38,018,982.89
<i>Personnel Benefit Contribution</i>		
Retirement and Life Insurance Premiums	58,088,273.65	56,607,689.47
Pag-IBIG Contribution	1,970,380.86	2,011,385.97

	<u>2022</u>	<u>2021</u>
PhilHealth Contribution	8,925,471.73	6,298,965.50
Employees Compensation Insurance Premiums	1,965,268.19	1,998,012.13
<i>Other Personnel Benefit</i>		
Terminal Leave Benefits	65,926,231.31	61,674,415.84
Other Personnel Benefits	107,786,961.88	80,435,064.64
Total	<u>905,639,674.65</u>	<u>850,372,678.60</u>

Note 17 – Maintenance and Other Operating expenses

	<u>2022</u>	<u>2021</u>
<i>Traveling Expenses</i>		
Traveling Expenses – Local	20,382,177.93	7,746,719.69
Traveling Expenses – Foreign	0.00	0.00
<i>Training and Scholarship Expenses</i>		
Training Expenses	47,932,720.50	857,594.85
<i>Supplies and Material Expenses</i>		
Office Supplies Expense	14,750,391.28	14,320,910.00
Accountable Forms Expense	5,726,941.00	468,085.89
Non-Accountable Forms Expense	0.00	572.60
Animal/ Zoological Expenses	654,130.00	552,444.00
Food Supplies Expense	38,972,884.74	40,135,244.29
Welfare Goods Expenses	3,490,775.70	1,790,139.93
Drugs and Medicines Expenses	109,882,696.03	103,851,141.01
Medical, Dental and Laboratory Supplies Expenses	78,410,478.08	83,042,703.51
Fuel, Oil and Lubricant Expenses	49,601,929.47	34,898,984.50
Agriculture and Marine Supplies Expenses	5,495,828.28	3,564,403.00
Other Supplies and Material Expenses	25,671,741.83	17,047,445.95
<i>Utility Expenses</i>		
Water Expenses	5,024,546.20	4,061,511.93
Electricity Expenses	47,160,406.74	32,751,416.40
<i>Communication Expenses</i>		
Postage and Courier Services	61,482.40	75,102.10
Telephone Expenses	2,276,348.76	2,318,612.04
Internet Subscription Expenses	2,110,730.98	999,304.29
Cable, Satellite, Telegraph and Radio Expenses	41,264.92	66,735.00
<i>Awards/Rewards and Prizes</i>		
Prizes	2,295,000.00	0.00
<i>Confidential, Intelligence and Extraordinary Expenses</i>		
Confidential Expenses	6,000,000.00	7,000,000.00
Extraordinary and Miscellaneous Expenses	227,574.40	65,690.00
Total	<u>466,170,049.24</u>	<u>355,614,760.98</u>

Increase in training expenses is due to the Province - wide seminars and trainings conducted for the Production of High Quality Rice and Mechanization.

During this year's inauguration of the Leyte Provincial Government Complex, likewise, held the Leyte EconoMICS PASIDUNGOG 2022. Prizes were awarded to participating farmer's association of the Province of Leyte

Note 18 – Contracted Services

	<u>2022</u>	<u>2021</u>
<i>Professional Services</i>		
Consultancy Services	12,113,485.00	10,357,880.00
Other Professional Services	5,175,200.00	8,064,000.00
<i>General Services</i>		
Janitorial Services	1,485,412.83	2,039,719.17
Security services	19,373,988.79	16,173,358.00
Other General Services	86,453,427.29	76,241,545.71
Total	<u>124,601,513.91</u>	<u>112,876,502.88</u>

Note 19 – Repairs and Maintenance

	<u>2022</u>	<u>2021</u>
Repairs and Maintenance -Infrastructure Assets	3,330,738.00	20,343,627.73
Repairs and Maintenance -Buildings and Other Structure	7,027,401.32	16,957,047.64
Repairs and Maintenance -Machinery and Equipment	12,166,147.01	11,883,064.51
Repairs and Maintenance -Transportation Equipment	8,059,941.83	10,037,533.73
Repairs and Maintenance – Other Property, Plant and Equipment	6,353.00	724,300.00
Total	<u>30,590,581.16</u>	<u>59,945,573.61</u>

Note 20- Financial Assistance/Subsidy

	<u>2022</u>	<u>2021</u>
Subsidy to NGAs	0.00	0.00
Subsidy to Other Local Government Units	1,278,000.00	364,000.00
Subsidy to Other Funds	20,551,471.12	10,909,409.10
Total	<u>21,829,471.12</u>	<u>11,273,409.10</u>

Note 21 – Transfers

	<u>2022</u>	<u>2021</u>
Transfers of Unspent Current Year DRRM Funds to the Trust Funds	0.00	24,252,069.40
Total	<u>0.00</u>	<u>24,252,069.40</u>

Unspent DRRM fund will be transferred promptly next succeeding reporting period.

Note 22 - Taxes, Insurance Premiums and Other Fees

	<u>2022</u>	<u>2021</u>
Taxes, Duties and Licenses	4,098,345.42	4,914,676.63
Fidelity Bond Premiums	573,626.25	612,917.50
Insurance Expenses	13,855,449.97	6,613,963.39
Total	<u>18,527,421.64</u>	<u>12,141,557.52</u>

Note 23 – Other Maintenance and Operating Expenses

	<u>2022</u>	<u>2021</u>
Advertising Expenses	14,529,400.00	15,184,800.00
Printing and Publication Expenses	233,190.00	48,000.00
Representation Expenses	29,937,274.71	11,957,510.60
Rent/Lease Expenses	1,335,575.00	152,700.00
Membership Dues and Contributions to Organizations	840,460.00	686,010.00
Subscription Expenses	85,380.00	95,804.00
Donations	203,161,238.91	261,017,881.25
Other Maintenance and Operating Expenses	11,083,093.58	4,503,663.48
Total	<u>261,205,612.20</u>	<u>293,646,369.33</u>

Note 24 - Financial Expenses

	<u>2022</u>	<u>2021</u>
Interest Expenses	48,225,853.55	30,168,141.34
Bank Charges	304,290.11	0.00
Total	<u>48,530,143.66</u>	<u>30,168,141.34</u>

Note 25 - Direct Cost

	<u>2022</u>	<u>2021</u>
Cost of Sales	0.00	3,164,528.49
Total	<u>0.00</u>	<u>3,164,528.49</u>

Cash expenses are inclusive of those incurred for the implementation of the Gender and Development (GAD) Program.

The Department of the Interior and Local Government (DILG), Regional Office VIII, issued a **Certificate of Review and Endorsement**. It certifies that the GAD Plan and Budget (GPB) for Calendar Year 2022 of the Province has been reviewed and was found fully compliant in form and contents with the provisions of the JMC No. 2016-01 re: Localization of Magna Carta for Women.

The approved GPB has an appropriated amount of P431,053,930.00 covering 60 client focused and 3 organization focused programs, projects and activities for implementation for the year.

Note 26 – Non-Cash Expenses

	<u>2022</u>	<u>2021</u>
<i>Depreciation and Losses</i>		
Depreciation - Land Improvements	3,709,204.40	3,576,468.66
Depreciation - Infrastructure Assets	372,631,058.13	315,415,391.68
Depreciation - Buildings and Other Structure	37,550,947.14	26,371,409.26
Depreciation - Machinery and Equipment	87,940,763.14	72,914,415.04
Depreciation - Transportation Equipment	10,910,654.78	15,647,525.44
Depreciation - Furniture, Fixtures and Books	2,218,873.44	1,943,996.65
Depreciation – Other Property, Plant and Equipment	1,691,683.51	1,539,978.01
Total	<u>516,653,184.54</u>	<u>437,409,184.74</u>

Note 27 - Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit)

	<u>2022</u>	<u>2021</u>
Surplus/(Deficit)	1,880,379,028.4	988,118,692.02
Non-cash transactions		
Depreciation and Losses	516,653,184.54	437,409,184.94
Increase (Decrease) in payables	(1,715,468,571.18)	(760,203,619.51)
Increase (Decrease) in current assets	998,190,196.83	197,910,034.67
Increase (Decrease) in receivables	61,412,045.56	(126,039,371.72)
Net Cash from Operating Activities	<u>1,741,165,884.15</u>	<u>737,194,920.40</u>

Note 28 – Other Items in Statement of Changes in Net Assets/Equity

Receipt of PPE from Trust Fund	251,014,649.33
Receipt of Medical Equipment	25,606,000.00
Transferred Property, Plant and Equipment to various Municipalities and Barangays	(315,877,648.48)
Adjustment of Construction in Progress Account in compliance with COA AOM 2022-08 (2021).	(97,523,696.87)
Disposal of Unserviceable PPE (GF)	(477,139.31)
Disposal of Unserviceable PPE (SEF)	(22,365.00)
	<u>(137,280,200.33)</u>

Note 29 – Reconciliation Between Actual Amounts on a Comparable Basis as Presented in the Statement of Comparison of Budget and Actual Amounts and Statement of Financial Performance as of December 31, 2022.

Reconciliation between actual amounts on a comparable basis as presented in this statement and in the Statement of Financial Performance for the Year Ended December 31, 2022	Province of Leyte (GENERAL FUND)				
	Income	Personnel Services	MOOE		Capital Outlay
			MOOE	Financial Expenses	
Comparison Statement of Budget and Actual	4,197,692,618.80	905,639,674.65	896,741,848.57	48,530,143.66	677,572,268.03
Entity Differences	-	-	-	-	-
Basis Differences:					
Income not considered budgetary items					
Non-cash income					
Gain on Sale of Assets		-	-	-	
Receipts not considered as income		-	-	-	
Sale of capital assets		-	-	-	
Borrowings		-	-	-	
Non-cash expenses:					
Depreciation	-	-	506,873,545.46	-	
Amortization – Intangible Assets	-	-	-	-	
Impairment Loss	-	-	-	-	
Losses	-	-	-	-	
Debt Service (Loan Amortization, Retirement of Debt Instruments)		-	3,335,935.70	-	
Interest Expenses capitalized				-	
Capital Expenditures	-	-	-	-	(677,572,268.03)
Timing Differences:					
Prepayments charged to current appropriations	-	-	-	-	
Unconsumed Inventories charged to current appropriations	-	-	-	-	
Consumed Inventories and deferred charges charged to prior period appropriations			-		
Per Statement of Financial Performance	4,197,692,618.80	905,639,674.65	1,406,951,329.73	48,530,143.66	-

Reconciliation between actual amounts on a comparable basis as presented in this statement and in the Statement of Financial Performance for the Year Ended December 31, 2022	Province of Leyte (SEF)				
	Income	Personnel Services	MOOE		Capital Outlay
			MOOE	Financial Expenses	
Comparison Statement of Budget and Actual	75,378,691.72	-	21,791,495.00	-	-
Entity Differences	-	-	-	-	-
Basis Differences:					
Income not considered budgetary items					
Non-cash income		-	-	-	
Gain on Sale of Assets					
Receipts not considered as income		-	-	-	
Sale of capital assets		-	-	-	
Borrowings		-	-	-	
Non-cash expenses:					
Depreciation	-	-	9,779,639.08	-	
Amortization – Intangible Assets	-	-	-	-	
Impairment Loss	-	-	-	-	
Losses		-	-	-	
Debt Service (Loan Amortization, Retirement of Debt Instruments)		-	-	-	
Interest Expenses capitalized				-	
Capital Expenditures	-	-	-		-
Timing Differences:					
Prepayments charged to current appropriations	-	-	-		
Unconsumed Inventories charged to current appropriations	-	-	-		
Consumed Inventories and deferred charges charged to prior period appropriations			-		
Per Statement of Financial Performance	75,378,691.72	-	31,571,134.08	-	-

Note 30 – Local Disaster Risk Reduction and Management Fund (LDRRMF)

The LDRRMF represents the amount set aside by the LGU to support its disaster risk management activities pursuant to R.A. No. 10121 otherwise known as the “Philippine Disaster Risk Reduction and Management Act of 2010.” The amount available and utilized during the year totaled P426,280,527.58 and P140,140,838.86 respectively, and are broken down as follows:

Particulars	Amount		
	Available	Utilized	Balance
Current Year Appropriation:			
Quick Response Fund (QRF)	62,250,000.00	9,387,500.00	52,862,500.00
Mitigation Fund (MF)			
MOOE	41,560,000.00	41,146,389.07	413,610.93
Capital Outlay	103,690,000.00	12,868,625.62	90,821,374.38
Total	207,500,000.00	63,402,514.69	144,097,485.31
Continuing Appropriation:	98,901,609.95	26,016,617.89	70,884,992.06
Special Trust Fund			
CY 2021	24,252,069.40	12,750,000.00	11,502,069.40
CY 2020	21,962,580.00	0.00	21,962,580.00
CY 2019	75,664,368.23	37,971,806.28	37,692,561.95
Total	121,879,017.63	50,721,806.28	71,157,211.35
Total	426,280,527.58	140,140,838.86	286,139,688.72

Note:

Transfer of the unexpended balance of DRRM Fund of CY 2022 to Special Trust Fund account was already made on the following year with check no. 4716454 amounting to P53,276,110.93 which comprises the Quick Response Fund and MOOE balance only. The balance of P144,097,485.31 of the Capital Outlay will form part of Continuing Appropriation the following year.

PART II

AUDIT OBSERVATIONS AND RECOMMENDATIONS

Overstated Book Value of Infrastructure Assets Due to Unrecorded Depreciation

1. **The book value of 55 completed infrastructure projects totaling ₱1,347,976,279.99 acquired by the Province in CY 2022 was overstated by ₱33,684,293.39 due to unrecorded depreciation, thus, the Property Plant and Equipment account was overstated and the reported depreciation expense was understated.**

1.1 Item No. 71 of IPSAS 17 provides:

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated. However, under usage methods of depreciation the depreciation charge can be zero while there is no production. (underscoring ours)

1.2 For CY 2022, a review of the accounting process for newly-constructed or acquired infrastructure PPEs was made. To this end, an interview was conducted with the accounting staff of the Province to determine the process of recording the assets, including the recognition of its corresponding depreciation. The inquiry disclosed that the eNGAS system used by the Provincial Accounting Office (PACCO) automatically generates the details used in the recognition and recording of its monthly depreciation. And accordingly, with the present set-up, the system uses the date of entry in the eNGAS as its initial reckoning date in recording the depreciation instead of the actual completion date or acquisition date of the specific PPE asset.

1.3 For illustration purposes, a screenshot of the system is presented in the next page on a sampled PPE transaction. The system showed that the input date in the eNGAS was on October 27, 2022, which automatically triggered the system to start recording depreciation for the same month despite clear indication that the actual date of acquisition/completion of the asset was on April 20, 2022. Based on the given information, the PPE was already available for use on April 20, 2022 and should have been depreciated starting from that date, instead of October 27, 2022 when payment was made. Thus, the gap of 190 days between the actual date of acquisition and the eNGAS entry date should have been taken into account in computing the depreciation of the property.

Report: Journal/Ledgers: PPE Ledger Card

S.A. 001 - GF - Proper
Fund
As of December 31, 2022

Property No 10704010-2022-001
Type of PPE
Description Leyte Provincial Government Complex, Barangay Gundapan and Camp
Date of Acquisition April 20, 2022
Responsibility Center 083700-00-8000-400-5751 Provincial Engineer's Offi
Est. Useful Life 20
Rate of Depreciation 5

>>> Show PPE Repair History >>> Show PPE Transfer History

Ledger Details

Date	JEV NO.	Particulars	Cost	Depreciation		Adjustment / Transfer	Book Value	Repairs and Maintenance	
				Monthly	Accumulated			Amount	Accumulated
10/27/2022	JEV-2022-10-018148	Completed	859,734,232.1				859,734,232.18		
10/31/2022	JEV-2022-10-019123	To take up		3,224,003.37	3,224,003.37		856,510,228.79		
11/30/2022	JEV-2022-11-021174	To take up		3,224,003.37	6,448,006.74		853,286,225.42		
12/02/2022	JEV-2022-12-020210	<SYDGLN BUILDERS						378,477.31	378,477.31
12/29/2022	JEV-2022-12-024320	LEAPWELL						830,000.00	1,208,477.31
12/31/2022	JEV-2022-12-024812	To take up		3,224,003.37	9,672,010.11		850,062,222.05		

Refresh List Preview / Print Close

- 1.4 To confirm the initial observation, the Audit Team sampled for review 55 projects acquired by the Province during CY 2022 with a total cost of ₱1,368,353,922.13 and noted an average period gap of 229 days between the date of PPE acquisition/completion and the input entry date of the PPE in the eNGAS system facility. Details of which are shown in *Appendix H*.
- 1.5 The actual carrying values as of December 31, 2022 of the 55 projects was also computed and revealed that, due to the unaccounted depreciation, the value recorded in the books of the sampled PPEs at ₱1,347,976,279.99 should instead be ₱1,314,291,986.60 only, thereby resulting in the overstatement of the PPE by ₱33,684,293.39. The details of the individual computations are shown in full in *Appendix I*.
- 1.6 The Audit Team acknowledged that contributory to this deficiency is the gap in the eNGAS system that still need to be updated and resolved. However, pending the necessary update on the facility, the responsibility falls upon the Provincial Accountant to adopt substitute or supplemental procedures to ascertain that financial transactions are recorded correctly and that the books of accounts are maintained with prudence.
- 1.7 In fact, the PACCO personnel already inputs manually into the eNGAS system the details (acquisition date/asset title/amount) relating to the transfer of the PPE from the Construction-In-Progress account to the related individual asset account. Thus, the additional adjusting entry to take up the depreciation expense/accumulated depreciation which was not recognized by the system for the intervening period, though inconvenient, should have been manually inputted as well since it is necessary.

- 1.8 Thus, the Property Plant and Equipment account was overstated and the reported depreciation expense was understated by ₱33,684,293.39
- 1.9 **We recommended that the Provincial Accountant:**
- a.) **Prepare the appropriate Journal Entry Voucher to record the unrecognized depreciation of the 55 PPEs and adjust the individual carrying values of the related PPE accounts; and**
 - b.) **Record, in future transactions, the additional adjusting entry to take up the depreciation expense/accumulated depreciation for the intervening period between date of project completion to the date of recording in eNGAS.**
- 1.10 In their submitted reply to the AOM, the Provincial Accountant attached the JEV prepared in March 2023 showing their adjusting entry to take up the unrecorded depreciation. The said official also informed COA that they will endeavor to make the necessary adjusting entries for the 2023 completed projects. During the exit conference, the Provincial Accountant also agreed to comply with the suggestion that they should secure a list of completed projects for CY 2022 from the Provincial Engineer's Office (PEO) so that completed projects which were not included in the 55 sampled transactions may likewise be adjusted.

Unreliable Year-End Balance of Cash and Cash Equivalents

2. **The accuracy of the year-end balance of the Cash and Cash Equivalents of ₱5,521,673,633.50 is doubtful due to: (a) unrecorded receipts, erroneous recording and other book reconciling items that understated the cash accounts by a net amount of ₱6,639,222.69; (b) non-cancellation of stale checks totaling ₱6,075,676.03; and (c) unreconciled difference of ₱48,880,906.31 between book and the bank balances of various accounts with incomplete monthly bank reconciliation statements (BRS).**
- 2.1 IPSAS No. 1 on Fair Presentation and Compliance with IPSASs provides that financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSASs:
- 2.2 Section 74 of PD No. 1445, otherwise known as the State Audit Code of the Philippines, states:

Section 74. Monthly reports of depositories to agency head. At the close of each month, depositories shall report to the agency head, in such form as he may

direct, the condition of the agency account standing on their books. *The head of the agency shall see to it that a reconciliation is made between the balance shown in the reports and the balance found in the books of the agency.*

- 2.3 Relative thereto, COA Circular No. 96-011 provides:
- 3.2 The Local Accountants shall within ten (10) days from receipt of the Bank Statements, reconcile the same (BS) with the General Ledgers (GL) and prepare the BRS in five (5) copies xxx
 - 3.3 The accountant shall draw journal vouchers to record all valid reconciling items that require adjustment and correction in the GL.
 - 3.4 The duplicate and quadruplicate copies of the BRS including paid checks, original copies of debit/credit memos, shall be submitted to the Auditor concerned for verification within ten (10) days for receipt after the end of each month.
- 2.4 The Audit of the Cash and Cash Equivalents accounts disclosed various deficiencies that rendered the reported balance unreliable, for reasons discussed in the succeeding paragraphs.
- a) **unrecorded receipts, erroneous recording and other book reconciling items that understated the cash accounts by a net amount of ₱6,639,222.69;**
- 2.5 Verification of the books of accounts and the BRS disclosed the following errors which understated the Cash and Cash Equivalents by ₱6,639,222.69 with details shown in Table 1.

Table 1: Book Reconciling Items

Description of Errors/Omissions noted per audit	Accounts Affected	Under/ (Over) Statement	
		Cash and Cash Equivalent Accounts	Other Accounts
Unrecorded fund transfers from Department of Health Regional Office VIII	<i>Cash in Bank, LCCA Due to NGAs</i>	6,726,288.48	6,726,288.48
Check drawn against insufficient fund	<i>Accounts Receivable Cash in Bank, LCCA</i>	(77,480.00)	77,480.00
Discrepancy between the amount recorded per book and amount per check	<i>Cash in Bank, LCCA Food Supplies Expenses Other General Services</i>	(8,307.32)	4,671.00 3,636.32

Description of Errors/Omissions noted per audit	Accounts Affected	Under/ (Over) Statement	
		Cash and Cash Equivalent Accounts	Other Accounts
Unrecorded bank service charges	<i>Cash in Bank, LCCA Prior Period Adjustment Bank Charges</i>	(2,000.00)	(800.00) 1,200.00
Unrecorded interest income	<i>Cash in Bank, LCCA Interest Income</i>	721.53	721.53
Net Understatement		<u>₱6,639,222.69</u>	

2.6 The errors and omissions noted in Table 1 resulted to understatement of Cash and Cash Equivalent accounts by ₱6,639,222.69 and the corresponding understatement/overstatement of the affected particular asset, liability, income, and expense accounts.

b) Stale checks not reverted to restore cash balance – ₱6,075,676.03

2.7 The audit also disclosed that there were stale checks in the custody of the Provincial Treasurer which were not yet canceled such that the equivalent amount of ₱6,075,676.03 was not reverted to the cash balance. Details are shown in Table 2.

Table 2: List of Bank accounts with Unreverted Stale Checks

Bank Account	Period Check was Drawn or Issued	Amount
General Fund (1 bank account)		
LBP Account No. 0182-1035-60	April 2021 to December 2021	₱ 1,543,516.84
	January to June 2022	762,749.17
Trust Fund (6 bank accounts)		
a. LBP Account No. 0182-1125-34	January to November 2019	38,187.25
b. LBP Account No. 0182-1115-38	August to December 2020	1,186,188.00
c. DBP Account No. 1153-775-9	March to December 2021	1,762,060.56
d. LBP-Real Acct No. 1732-1074-59	January to March 2022	782,974.21
e. DBP Account No. 1157-775-4		
f. LBP Account No. 0182-1183-97		
Total Amount of Stale Checks		<u>₱ 6,075,676.03</u>

2.8 These checks could no longer be encashed nor honored by the bank due to lapse of more than six months from their date of issuance. The non-cancellation of stale checks resulted to the understatement of the Cash in Bank by ₱6,075,676.03 and the corresponding Accounts Payable in General Fund books and other pertinent Liability accounts in the Trust Fund books.

c) Unreconciled difference between book and bank balance – ₱48,880,906.31

2.9 For CY 2022, the Audit Team issued requests for confirmation of all bank account balances as of December 31, 2022. Out of the total 57 bank accounts maintained by the Province of Leyte, only 47 confirmation replies were received. To date, Land Bank of the Philippines (LBP)-Real Branch (9 current accounts) and the Philippine National Bank (PNB) -Tacloban Branch (1 current account) have not replied to the confirmation request. Thus, the reported book balances of the 10 bank accounts totaling ₱72,298,572.51 could not be validated. These are as follows:

Table 3. Accounts Without Confirmed Bank Balances as of Dec. 31, 2022

	Bank	Account No.	Account Name	BOOK Balance as of 12/31/2022
1	LBP-Real	1732-1064-28	POL-General Fund	₱ 289,625.06
2	LBP-Real	1732-1074-59	TF-BFAR Aquafarm Rehab & Devt. Program	364,855.03
3	LBP-Real	1732-1117-90	Leyte-GPBP-BUB	70,342,219.16
4	LBP-Real	1732-1074-67	POL-DILG-RAY Fund	37,683.10
5	LBP-Real	1732-1150-44	POL-IREAP-PRDP-Dept. of Agriculture	26,000.00
6	LBP-Real	1732-1137-26	POL-IREAP-PRDP-PLGU-Leyte Equity	26,094.24
7	LBP-Real	1732-1150-36	POL-IREAP-PRDP-World Bank-Loan Proceeds	78,031.65
8	LBP-Real	1732-1002-84	POL-Mobilizing the Youth for Population Dev. Objectives	54,543.43
9	LBP-Real	1732-1075-80	POL-SALT(Sloping Agriculture Land and Technology	57,757.07
10	PNB	3140-70002159	POL-Trust Fund (National Entities	1,021,763.77
			TOTAL	₱ 72,298,572.51

2.10 As an alternative audit procedure to substantiate validation of the unconfirmed balances of the 10 accounts, the Audit Team looked into the Bank Reconciliation Statements (BRS) prepared by the Provincial Accounting Office (PACCO) for the different bank accounts of the Province. The audit disclosed that for the nine LBP-Real accounts, the most recent BRS was for the month of September 2022, and none was prepared on the PNB account for the whole year of CY 2022. Thus, any error or adjustment that needs to be corrected on the book balances of the 10 bank accounts listed in Table 3 were not corrected.

2.11 Among the 47 bank accounts with confirmed balances, the Audit Team noted that no reconciliation between bank and book balances for the whole year of 2022 was made on seven bank accounts (including 3 Time Deposit accounts). While the BRS for the other accounts were mostly until September 2022 only. A summary

of these bank accounts without or incomplete bank reconciliations which resulted to unreconciled difference of **₱48,880,906.31** between book and bank balances is shown in Table 4 (see *Appendix J* for complete details).

Table 4: List of Bank Accounts Without or Incomplete BRS

Bank	Account No.	Balance per Bank as of 12/31/22	Balance per Book as of 12/31/22	Difference
Cash In Bank (CIB) Local Currency, Current Account (LCCA) Gen. Fund				
1.) DBP	775-17525-530/ 5051167751/ 24197752	₱559,126,079.57	₱554,818,892.99	₱ 4,307,186.58
2.) DBP	0775-017525- 530/ 1138-775-0	739,680,293.82	739,420,352.20	259,941.62
3.) LBP-Tac	0182-1242-73	6,107,472.29	6,080,144.10	27,328.19
4.) LBP-Tac	0182-1195-39	3,744,644.85	25,000.00	3,719,644.85
5.) LBP-Tac	0182-1195-20	2,027,689.00	25,000.00	2,002,689.00
6.) LBP-Tac	0182-1125-34	326,606,116.12	323,709,785.15	2,896,330.97
7.) LBP-Tac	0182-1117-83	72,867,541.67	51,686,712.47	21,180,829.20
CIB-LCCA Special Education Fund				
8.) LBP-Tac	0182-1078-67	39,217,192.24	37,920,464.24	1,296,728.00
CIB-LCCA – Trust Fund				
9.) LBP-Tac	0182-1183-97	42,469,529.49	42,425,555.75	43,973.74
10.) LBP-Tac	0182-1120-38	727,978.09	727,903.68	74.41
11.) LBP-Tac	0182-1103-45	75,496.92	75,489.20	7.72
12.) LBP-Tac	0182-1186-21	21,988,500.47	9,154,288.80	12,834,211.67
13.) LBP-Tac	0182-1196-10	126,721,010.08	126,424,524.84	296,485.24
14.) LBP-Tac	0182-1118-48	24,824,503.39	24,821,966.03	2,537.36
15.) LBP-Tac	0182-1123-30	634,125.39	634,060.57	64.82
16.) LBP-Tac	0182-1097-97	481,758.75	481,709.51	49.24
TOTAL Unreconciled Balances of CIB-LCCA				₱48,868,082.61
CIB-Local Currency, Savings Account (LCSA) GF				
17.) DBP	5-42175-775-4	1,921,129.02	1,918,072.85	3,056.17
18.) DBP	1164-775-1	27,336.41	17,568.88	9,767.53
TOTAL Unreconciled Balances of CIB-LCSA				12,823.70
GRAND TOTAL				<u>₱48,880,906.31</u>

- 2.12 Upon inquiry, the Provincial Accountant explained that the unreconciled difference is mainly due to the fact that banks were not sending the bank statements regularly or on time, hence, the monthly BRS could not be prepared on all bank accounts of the Province.
- 2.13 Consequently, such delay in the receipt of bank statements precluded the responsible personnel from conducting a timely verification of the Cash in Bank

account balances through the bank reconciliation process, thereby resulting in the risk that any deficiencies/errors may not be discovered and corrected promptly. Thus, the accuracy of the year-end balance of the Cash and Cash Equivalents of ₱5,521,673,633.50 is doubtful.

2.14 **We recommended that the Provincial Accountant:**

- a.) **Prepare the appropriate Journal Entry Vouchers to adjust the affected accounts on the noted understatement caused by errors and omissions amounting to ₱6,639,222.69, and to revert the amount of stale checks in the amount of ₱6,075,676.03 back to the respective cash account; and**
- b.) **Reconcile monthly the accounting records on Cash in Bank with the records of the Provincial Treasurer and the banks so that differences between the said records may be promptly adjusted or corrected.**

2.15 **We also recommended that the Provincial Treasurer:**

- a.) **Facilitate and coordinate with the depository banks for the monthly release of bank statements of bank accounts maintained by the Province and forward immediately to the Provincial Accountant;**
- b.) **Reconcile monthly her cash records with the records of the Provincial Accountant; and**
- c.) **Inform or send notices to the payees at least one month before checks become stale, so that the latter may be made aware of the readiness of their claims.**

2.16 In her reply to the AOM, the Provincial Treasurer informed COA that they have recently enrolled the bank accounts of the Province to LBP's internet banking facility *WeAccess* for real time viewing of transactions and daily generation of bank statements; in the case of DBP, the bank regularly sends bank statements, which are also readily available upon request. She also gave the assurance that the Provincial Treasurer's Office (PTO) will comply with the reconciliation with PACCO records and the sending of notices to payees. During the exit conference, she also agreed to take prompt action on the closure of inactive bank accounts and the transfer of its balances to the active accounts to avoid surcharges.

2.17 The PACCO staff have also prepared the JEVs in March 2023 to adjust the cash accounts on the unrecorded receipts and errors as well as the stale checks noted in the AOM and the related checks were consequently cancelled by the PTO. They are likewise in the process of updating the bank reconciliation of the various bank accounts based on the bank snapshots that have been requested, and the bank statements that were obtained through LBP's *WeAccess*.

20% DF-Funded Projects Without Adequate Detailed Engineering

3. **Projects funded from the 20% Development Fund costing ₱32,522,548.40 remain incomplete beyond the targeted completion dates due to unresolved external issues and circumstances existing prior to procurement, which could have been avoided if adequate detailed engineering activities were conducted.**
- 3.1 Annex A of the Revised Implementing Rules and Regulations of Republic Act No. 9184 on DETAILED ENGINEERING FOR THE PROCUREMENT OF INFRASTRUCTURE PROJECTS states:
 1. Detailed engineering shall proceed only on the basis of the feasibility or preliminary engineering study made which establishes the technical viability of the project and conformance to land use and zoning guidelines prescribed by existing laws. The findings contained in the feasibility study, if undertaken for the project, shall be examined xxx .
 2. A schedule of detailed engineering activities shall include the following:
 - a) Survey
 - b) Site Investigation
 - c) xxx
 3. Xxx
 - i. No program of work for any project shall be approved without detailed engineering. The program of work shall include, among other things, estimates of the work, items, quantities and costs and a PERT/CPM network of the project activities. The program of work shall cover at least a usable portion of the project and no construction shall be started for portions of the project that are less than usable, xxx.
- 3.2 As part of the audit procedures to confirm the existence of projects charged to the 20% DF of the Province, the Audit Team, together with the personnel of the Provincial Engineering Office (PEO), conducted an ocular inspection of thirteen (13) projects costing ₱194,511,294.00 from among the numerous projects of the Province for CY 2022. The 13 projects were selected at random based on materiality of amount and the projected start and completion dates (oldest and latest projects). The project sites were on scattered locations in various barangays within the Province of Leyte. Pictures taken during the Audit Team's inspection (with GPS tagged mapping when internet signal was available) are attached to this report as *Appendix K* for easy reference.
- 3.3 During inspection, the Audit Team noted that projects, with a total contract amount of ₱32,522,548.40, were not yet completed on the expected date of completion and have already incurred delays. Details are shown in Table 5.

Table 5. Projects Charged to 20% DF Which are Delayed Due to Pre-existing Issues

Project Name	Contract Amount	Target Completion Date	Date of Ocular Inspection	Estimated % of Accomplishment as of Inspection Date per info provided by the PEO	Reasons for the Delay
1.) Construction of Flood Control in Brgy. Poblacion 2, Hindang , Leyte	₱ 6,156,814.15	04/15/2022	Feb 6, 2023	approximately 80% completed	On-going dispute with illegal settlers and due to bad weather
2.) Construction of Multi-Purpose Buildings in Brgys. Malabca, Bobon and Villa Rosas, all in Burauen , Leyte	16,382,206.71	07/22/2022	Feb 2-3, 2023	structure in Malabca is complete but still needs to be painted; 2 other project sites said to be 50% completed	Unresolved issues with settlers in the area (Villa Rosas) and due to bad weather condition.
3.) Concreting of Road along Cahigan-San Francisco Road Section in Villaba , Leyte	9,983,527.54	6/11/2022	Feb 6, 2023	approximately 95% completed	On-going DPWH construction adjacent to the site; due to bad weather condition and inaccessible terrain
TOTAL	₱32,522,548.40				

- 3.4 As shown in Table 5, the reasons for the delay in the completion of the projects were due to external issues and circumstances existing prior to the award of the contract. Projects 1 and 2 were bid and awarded even if the issues with illegal settlers at the project site were not yet resolved.
- 3.5 The PEO explained that they were not aware that the DPWH will implement its own road project adjacent to the site location of Project 3. When the contractor started with site preparations for the said project, DPWH already had an on-going road project at the site. The contractor was likewise not aware about the DPWH project adjacent to the location of Project 3 before the contract was awarded to them. The difficulty on the accessibility of the terrain meant that they had to wait for a certain period of time for the DPWH to finish the major construction activities before the Province could proceed with their own project.
- 3.6 Bad weather conditions were also cited as one of the reasons for the delay; however, the same can only be considered if it is due to fortuitous events and extreme weather disturbance, since the number of rainy/unworkable days which are unfavorable for the prosecution of the works should have already been estimated when the PERT/CPM and Program of Work was prepared.

- 3.7 The issues with the landowners/homeowners, and the existence of an on-going project by a national government agency, should have been resolved prior to the inclusion of these projects in the Annual Investment Plan (AIP) of the Province and prior to its procurement. This indicates that the Program of Work for the three projects were approved even without detailed engineering, while the contractor obviously did not conduct site inspection prior to the bidding.
- 3.8 The Programs/Activities/Projects (PAPs) listed in the original and supplemental AIP of the Province have been earmarked and selected for prioritization and should be implementation-ready. Unresolved issues prior to implementation will ultimately result in subsequent delay in the delivery of the intended usage of the projects.
- 3.9 **We recommended that the Provincial Engineer conduct a thorough detailed engineering on each project and resolve external issues and pre-existing circumstances before its inclusion in the Annual Investment Plan and before procurement, in order to avoid unnecessary delays.**
- 3.10 During the exit conference, the Provincial Engineer explained that there are issues which they cannot resolved right away, such as problems on road-right-of-way which may only be settled by the courts; also, adjacent projects, like that of the DPWH, happen only in isolated cases. The Provincial Governor agreed that a coordination with the DPWH may be made to minimize overlapping of passage to project sites but further explained that it will not completely eliminate the problem. Management further justified that there are instances that issues arise only when the projects have actually started on the same site, especially projects with the national government agencies which have different priorities.
- 3.11 On the part of COA, it was explained that findings of this nature are not rare, and they have been recurring because the main cause for the delay are the non-completion of detailed engineering activities. It was also emphasized that the present guidelines on 20% requires that funded projects should be implementation or procurement ready, which means that before it is included in the AIP, the prerequisite activities should have already been conducted and completed.

20% DF Disbursed for Projects of Other LGUs that were Not Implementation-Ready

4. **The Province disbursed ₱79,550,000.00 from the 20% Development Fund as financial assistance to other LGUs for their development projects even if there was no document to prove that the recipients can readily implement the same, thus, there was no assurance that the funds granted by the Province will be utilized as intended for the development projects.**

- 4.1 DBM-DOF-DILG Joint Memorandum Circular (JMC) No. 1 dated November 4, 2020 enjoins LGUs to observe specific policies and guidelines in the appropriation and utilization of the 20% DF. Item 3.2.3 thereof states:

3.2.3 *The LGUs shall ensure that the development projects to be funded out of the 20% DF are well-planned and procurement-and implementation-ready.*

- 4.2 Aside from the charges for infrastructure projects, the Audit Team validated, through sampling, that the Province disbursed from the 20% DF the total amount of ₱79,550,000.00 as financial assistance to other LGU's (municipalities/barangays). However, the disbursements were supported only with either a Sangguniang Bayan/Barangay Resolution, Work and Financial Plan and Memorandum of Agreement. Details of the disbursements are shown in Table 6.

Table 6. Financial Assistance to Various Local Government Units

Check Date	Check No.	Recipient LGU and Intended Purpose	Amount	Supporting documents
2/07/2022	3927300	BRGY. TABOK HINDANG, LEYTE for Rehab of Multi-Purpose Building	₱ 150,000.00	Resolution Work and Financial Plan
2/7/2022	3927311	BRGY. SAN BENITO, DAGAMI, LEYTE for Rehab of Streetlights	150,000.00	Resolution Work and Financial Plan
2/7/2022	3927340	BRGY. POBLACION DIST. 1, MACARTHUR, LEYTE - Road Resurfacing	150,000.00	Resolution Work and Financial Plan
2/7/2022	3927364	MUNICIPALITY OF MERIDA, LEYTE - Construction of Brgy. Road from, Brgy. Tubod Landfill Site to Brgy. Calunangan	30,000,000.00	Resolution Work and Financial Plan
2/7/2022	3927368	BRGY. PATOC, DAGAMI, LEYTE - Road Concreting	150,000.00	Resolution/Work and Financial Plan
2/7/2022	3927299	Brgy. Bugho, Julita, Leyte - Road Concreting	150,000.00	Resolution/Work and Financial Plan
6/9/2022	3927395	MUNICIPALITY OF MERIDA, LEYTE - Construction of Brgy. Road from, Brgy. Calunasan to Brgy. San Isidro	20,000,000.00	Resolution Work and Financial Plan MOA Program Of Work
6/6/2022	3927382	MUNICIPALITY OF TABANGO, LEYTE for the Opening of the Farm to Market Road from Sitio Cuatro of Barangay Tabing, Sitio SAMBALAWAN OF BRGY. OMAGANHAN, GOING TO SITIO COLONIA OF BRGY. Manlawaan, TABANGO,	25,000,000.00	Resolution Work and Financial Plan MOA

Table 6. Financial Assistance to Various Local Government Units

Check Date	Check No.	Recipient LGU and Intended Purpose	Amount	Supporting documents
		LEYTE		
6/28/2022	3927426	BRGY. STA. CRUZ, TANAUAN, LEYTE - CONSTRUCTION OF FARM TO MARKET ROAD	3,000,000.00	Resolution Work and Financial Plan MOA
7/2/2022	3927294	BRGY. BARAYONG, ABUYOG, M LEYTE FOR THE CONST OF BRGY. PATHWAYS	150,000.00	Resolution Only
11/16/2022	3927780	BRGY. RIZAL, KANANGA, LEYTE - REHAB/IMPROVEMENT OF WATER SUPPLY SYSTEM	350,000.00	Resolution Work and Financial Plan
11/28/2022	4121209	BRGY. HINAGBUAN, PALOMPON, LEYTE - CONSTRUCTION OF MULTI-PURPOSE HALL	300,000.00	Resolution Work and Financial Plan MOA
			P 79,550,000.00	

- 4.3 Considering that the purpose of each financial assistance was for a project that needs to be implemented, and the source of fund was the 20% DF, there is a need to put in place mechanisms which will guarantee that the projects to be funded were procurement and implementation-ready. Thus, one of the requirements which should support the grant of the financial assistance are the preliminary documents, such as the Program of Work, Detailed Estimates and Plans/Designs, that will show that the important activities of the project to be funded have already been completed and there is sufficient basis for the amount to be granted.
- 4.4 In the absence of such documents, there was no assurance that the funds granted by the Province to the recipient LGUs will be utilized for the development projects.
- 4.5 **We recommended that the Provincial Governor, the Provincial Budget Officer and Provincial Accountant, release funds from the 20% Development Fund to other LGUs for their development projects, only if the request is supported with Program of Work, Detailed Estimates and Plans/Designs, and the intended purpose have been screened and cleared as to readiness of implementation.**
- 4.6 During the exit conference, the Governor agreed that proof of readiness to implement proposed projects should be required from LGUs requesting assistance from the Province to avoid delayed liquidation of the funds. He further gave his

assurance that the Province will monitor the financial assistance given to various LGUs as his administration does not condone the piling up of unliquidated financial assistance. The Provincial Accountant also explained that they have implemented control measures so as not to allow the grant of additional assistance to those LGUs with pending unliquidated amounts.

- 4.7 The Audit Team emphasized that the purpose of the recommendation is to ensure that funds are utilized for the proposed purpose, and avoid the release of the 20% DF to other LGUs when the same cannot be utilized for the desired project. Also, it is one way of resolving the issue on the increase of unliquidated financial assistance in the books of the Province. Requiring the proponent LGUs to submit the Program of Work, Plans & Designs, will at least provide initial proof that preparatory activities have already been completed, so that the intended implementation or purpose of the project can proceed as intended.

Multiple Contract Time Extensions in Project Implementation

5. **Multiple contract time extensions and work suspensions were granted to contractors of projects totaling ₱251,135,402.69 while negative slippages were not determined due to leniency in monitoring actual project status and contractors' performance, thus, implementation of projects were not speedy and efficient and significant amount of liquidated damages could not be imposed on erring contractors.**

- 5.1 Section 11.5 of Annex E of the Revised Implementing Rules and Regulations (IRR) of RA 9184 prescribes the details on Contract Implementation Guidelines for The Procurement Of Infrastructure Projects, the pertinent portion of which states:

11.5. Extension of contract time shall be granted for rainy/unworkable days considered unfavorable for the prosecution of the works at the site, based on the actual conditions obtained at the site, in excess of the number of rainy/unworkable days pre-determined by the government in relation to the original contract time during the conduct of detailed engineering and in the preparation of the contract documents as agreed upon by the parties before contract perfection, and/or for equivalent period of delay due to major calamities such as exceptionally destructive typhoons, floods and earthquakes, and epidemics, and for causes such as non-delivery on time of materials, working drawings, or written information to be furnished by the procuring entity, non-acquisition of permit to enter private properties within the right-of-way resulting in complete paralization of construction activities, and other meritorious causes as

determined by the Government's authorized Engineer and approved by the procuring entity.'

- 5.2 Volume 3 GPPB Manual of Procedures for the Procurement of Infrastructure Projects (page 95) likewise explains that: 'No extension of contract time will be granted if the reason given to support the request for extension was already considered in the determination of the original contract time during the conduct of detailed engineering and in the preparation of the contract documents. The contract period includes a particular number of unworkable days, to cover days when unfavorable weather conditions and special circumstances not within the control of the contractor prevent any work from being done. This number of unworkable days should be consumed first before any contract extension can be considered.'
- 5.3 The Government Procurement Policy Board (GPPB) Circular No. 03-2019, dated March 8, 2019, provides the relevant guidelines on the calibrated actions to ensure the timely implementation of infrastructure projects and effective management of the performance of contractors, in cases when there is:

4.2.1 Negative slippage of five percent (5%) – The contractor shall be given a warning and be required to:

- 4.2.1.1 Submit a detailed "catch-up" program every two weeks in order to eliminate the slippage and to restore the project to its original schedule;
- 4.2.1.2 Accelerate work and identify specific physical targets to be accomplished over a definite period of time; and
- 4.2.1.3 Provide additional input resources such as the following: money, manpower, materials, equipment, and management, which shall be mobilized for this action. The Implementing Unit shall exercise closer supervision and meet the contractor every other week to evaluate the progress of work and resolve any problems and bottlenecks.

4.2.2 Negative slippage of ten percent (10%)– The contractor shall be issued a final warning and be required to come-up with a revised detailed "catch-up" program with weekly physical targets together with the required additional input resources. The implementing unit shall intensify on-site supervision and evaluation of the project performance to at least once a week and prepare contingency plans for a possible termination of the contract or take-over of the work by administration or contract.

- 4.2.3 Negative slippage of fifteen percent (15%) – The implementing unit shall initiate termination of the contract or take-over of the work by administration or contract in accordance with Section 53.3 of the 2016 revised IRR of RA No. 9184 and the Revised Guidelines for the Implementation of Infrastructure Projects by Administration. It shall likewise take proper transitory measures to minimize work disruptions, e.g., take-over by administration while negotiation or rebidding is on-going.
- 5.4 Meanwhile, GPPB Resolution No. 02-2020 dated February 27, 2020 on ‘Harmonizing The Rules On Imposition of Liquidated Damages Provided Under Annexes “D” And “E” Of The 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 With GPPB Resolution No. 07-2019’ served to differentiate the application of the rules of negative slippage and the entitlement to liquidated damages by the procuring entity, thus:
8. **NEGATIVE SLIPPAGE** The Procuring Entity shall ensure the timely implementation of infrastructure projects by monitoring the performance of the contractors.
- When the contractor incurs negative slippage during the contract duration, the Procuring Entity shall implement the calibrated measures provided under GPPB Circular No. 03-2019 dated 8 March 2019, entitled “Guidance on Contract Termination Due to Fifteen Percent (15%) Negative Slippage by the Contractor in Infrastructure Projects.”
9. **LIQUIDATED DAMAGES** (revised and renumbered)
- 9.1. Once the contract duration expires, including any time extension duly granted, and GPPB Resolution No. 02-2020, dated 27 February 2020 page 6 of 6 the contractor refuses or fails to satisfactorily complete the work, the Procuring Entity shall impose upon the contractor in default liquidated damages. Liquidated damages is an amount equal to at least one tenth (1/10) of one (1) percent of the cost of the unperformed portion of the works for every day of delay.
- 5.5 During the audit of the CY 2022 disbursements for infrastructure projects of the Province, the Audit Team reviewed the related contracts and evaluated the status of implementation of the identified projects, selected through a sampling basis. Included in the selection were 18 projects with an aggregate cost of ₱251,135,402.69.
- 5.6 The Audit Team noted that for these 18 projects, requests by contractors for contract time extensions were made more than twice and were mostly approved by the Province on the next succeeding day after the request was received from the contractor. Details are shown in Table 7.

Table 7. Projects with Multiple Approved Requests for Time Extensions

Project No.	PROJECT NAME	Contract Cost	Contract Delivery Period	Number/Dates of Requests for Extensions	Total # of Extension Days Granted
1	Concreting of Road along Ciabu-Monterico Road Section in Baybay City, Leyte	₱ 19,966,843.72	260	(14) 12/12/2019 01/23/2020 03/12/2020 03/23/2020 05/28/2020 07/28/2020 08/13/2020 09/18/2020 10/27/2020 12/03/2020 01/19/2021 03/13/2021 05/15/2021 06/15/2021	424
2	Project "Rehabilitation and Improvement of Road along Railes - Enage - Anislagan - Casiongan (Calubian, Leyte) Via Sitio Airport - Sitio Crossing - Sitio Limite - Daja Daku, San Isidro, Leyte	19,961,072.22	120	(3) 5/10/21 5/27/21 7/19/21	241
3	Improvement of 3,450m x 3m Farm to Market Road from Brgy. Calubian to Brgy. Camote, Dulag, Leyte and to Brgy. Amandangay, Tabon-tabon, Leyte	20,371,037.47	100	(9) 10/6/2021 11/11/21 12/20/21 2/2/22 2/21/22 3/28/22 4/18/22 5/16/20 6/6/22	212
4	Rehabilitation and improvement of farm to market road from Brgy. Consuegra to Sitio Tabigue to Farm Site, Leyte, Leyte	14,990,000.00	80	(11) 09/07/2021 10/22/2021 10/27/2021 11/04/2021 12/23/2021 01/27/2022 02/24/2022 03/17/2022 04/04/2022 04/19/2022 04/27/2022	185

Project No.	PROJECT NAME	Contract Cost	Contract Delivery Period	Number/Dates of Requests for Extensions	Total # of Extension Days Granted
5	Rehabilitation & Improvement of 3.00750 km Road in San Andres - San Esteban, San Andres - Bugho and San Andres - Caridad Road Section, Julita Leyte	17,380,965.94	110	(5) 10/18/21 11/25/21 1/3/22 1/26/22 2/7/22	132
6	Rehabilitation and Improvement of 3,328m x 3m of Road along JNR Riverside Barangay Cansuso -San Dionesio Masaba Road Section Matag-ob, Leyte	19,980,591.14	100	(5) 9/30/21 11/4/21 11/13/21 1/13/22 1/24/22	120
7	Payment for 100% Work Accomplishment re: Rehabilitation & Improvement of 1,100 LN.M. x 4m Road along Brgy. Bulod - Brgy. Catoogan Road Section and Brgy. Gapas, Sta. Fe, Leyte	7,944,847.07	60	(6) 9/30/21 10/28/21 11/22/21 12/16/21 1/6/22 1/13/22	120
8	Construction of Three (3) Multi-Purpose Bldgs. In different barangays of Sta. Fe and Alang-alang, Leyte and two (2) barangay halls in Palo, Leyte	24,860,636.87	250	(4) 10/11/21 11/25/21 12/28/21 1/24/22	110
9	Construction of Four(4) Multi-Purpose Buildings in different barangays of Capocan and Sta. Fe Municipalities	15,288,000.40	120	(4) 11/11/2021 12/23/2021 02/03/2022 03/14/2022	105
10	Construction of Multi-Purpose Municipal Annex Building (Phase II) Palo, Leyte	9,353,779.34	180	(4) 12/11/2015 01/04/2016 01/21/2016 03/09/2016	100
11	Rehabilitation/Improvement of Farm to Market Road, Brgy. Macagoco, Inopacan, Leyte	24,889,048.85	100	(3) 9/23/21 10/6/21 11/11/21	90
12	Rehabilitation and Improvement of Farm to Market Road in Barangay Matam-is, Baybay City, Leyte	17,697,500.00	70	(3) 12/23/2021 02/07/2022 02/17/2022	90

Project No.	PROJECT NAME	Contract Cost	Contract Delivery Period	Number/Dates of Requests for Extensions	Total # of Extension Days Granted
13	Rehabilitation & Improvement of 1000m x 3m Farm to Market Road along JPR (San Salvador) to Brgy. Bagong Lipunan Road Section, Matalom, Leyte	5,996,000.00	75	(5) 8/26/21 9/28/21 10/25/21 11/11/21 11/25/21	80
14	Improvement of 1.24km Road along Barangay Sta. Cruz - Barangay Villa hermosa Anibong Section, Julita Leyte	14,866,014.50	80	(3) 10/18/2021 11/25/21 12/23/21	80
15	Improvement of Multi-Purpose Building (Senior Citizen Building), Brgy. Buntay, Tanauan, Leyte	4,418,600.00	90	(5) 9/8/21 10/11/21 11/4/21 11/25/21 12/13/21	77
16	Concreting of 650m Farm to Market Road, National Road Pob. Zone II, Sitio Barracks Ob. Zone II, Capoocan, Leyte	4,059,137.57	68	(3) 08/10/20 9/16/20 9/30/20	50
17	Construction of 16m x 21.1m Multi-Purpose Building, Phase II, Brgy. Canmarating, Abuyog, Leyte	3,260,014.72	60	(3) 9/30/21 10/28/21 11/15/21	50
18	Rehabilitation and Improvement of 1006m x 3m Farm to Market Road in Sitio Tuy-a, Brgy. Caridad, Baybay City, Leyte	5,851,312.88	30	(3) 12/20/21 1/6/22 1/24/22	40
		<u>P 251,135,402.69</u>			

5.7 Additional information on these projects, are as follows

- The extended time for **Project No. 1** included a work suspension order for 69 days from 3/23/20-5/31/20 because of the absence/scarcity of workers and laborers on site due to the CoViD-19 pandemic. A variation order (the 5th request in the list), with no additional claims, for 25 days to perform changes in units of work to suit actual site conditions was also approved within the extended time frame.
- The extended time for **Project No. 2** included a work suspension order for 151 days from 10/1/20 – 3/1/21 due to road right-of-way problems that needed to be resolved before the contractor could continue with the construction schedule. A variation order (with no additional cost) for 30 days to perform changes in units of

work to suit actual site conditions was also approved within the extended time frame.

- Extended time for **Project No. 4** included a variation order (2nd request on the list) for 30 days to perform changes in units of work, at no additional cost, to suit actual site conditions.
- Due to the frequent requests for time extensions, the Province was only able to collect minimal liquidated damages and only on **Project Nos. 1 & 16**.
- For all the other requests for extensions submitted by the contractor, the reasons given was *unworkable site conditions due to heavy rains and/or unfavorable weather*.

5.8 As shown in Table 7, the total number of additional days granted by the Province on ten (10) projects (highlighted in **blue**) already exceeded the original contract duration. The total extended days for Project 1, for example, is even more than one year. Looking into the dates of the requests, specifically for Projects 1, 3, 4, and 7, the requests showed that the time extension were made continuously every month, which denotes that no work was ever performed by the contractor on the projects.

5.9 Moreover, the haste within which these requests were approved have given the impression that the reasons given were not being duly evaluated/investigated to determine its justifiability, especially as to whether or not the unworkable days are due to ordinary unfavorable weather conditions or severe weather disturbances. While existing guidelines recognize that extensions may be given for unworkable days for the prosecution of works at project locations, approvals of requests on this ground are not automatic.

5.10 The Province, as the procuring entity, is legally obliged to estimate the actual number of working days required to complete a project; taking into account holidays, weekends, and the estimated number of rainy/unworkable days. These factors form as the basis in determining the total contract time in the preparation of the Program of Work and bidding documents, with the unworkable days presumed to be consumed first before the extensions may be granted. Thus, the inordinate approvals of requests for time extensions due to ordinary weather disturbances or heavy rains may be unreasonable.

5.11 In addition, it likewise seems illogical that some approved requests were made in anticipation or several months in advance of the expected cause of the possible delays in completing the project. To illustrate, consider the data in Table 8.

Table 8. Comparative Data on Completion vs. 1st Request for Extension Dates

Project No.	Date of Request/s for Extension	Expected Project Completion Date	Length of period between date of 1st request for extension and expected project completion date
1	12/12/2019	6/4/2020	approximately 6 months
2	5/10/21	1/18/2021	approximately 4 months
4	09/07/2021	11/4/2021	approximately 2 months
5	10/18/21	12/4/2021	approximately 2 months
6	9/30/21	11/24/2021	approximately 2 months
8	10/11/21	3/13/2022	approximately 5 months
9	11/11/2021	2/2/2022	approximately 3 months
10	12/11/2015	3/15/2016	approximately 3 months
11	9/23/21	11/25/2021	approximately 2 months

- 5.12 The information shown in Table 8 is indicative of the condition that the contractors were anticipating that they will be incurring delays in completing their projects, and that they have expediently found a way to excuse, at the earliest time possible, the stoppage of work. In Project 1 & 8, for example, requests for extension had already been submitted on December 2019, notwithstanding that there are still, 6 months and 5 months, respectively, remaining period to complete the project
- 5.13 While requests for contract time extensions may be approved under justifiable reasons, such requests should also be factored into the procuring entity's responsibility to ensure the timely implementation of infrastructure projects through the effective management of the performance of contractors during the contract duration. Such effective management consists, not of the immediate approval of time extensions, but of the timely monitoring of negative slippages through closer supervision and evaluation of work progress (when slippages/delay reach 5-10%) or the initiation of contract termination (slippage of 15%).
- 5.14 The Audit Team however, noted during the audit query and interview conducted on 23 February 2023, that the Project Monitoring Team (PMT) of the PEO monitors project status only upon the request of the contractor per progress billing or when a project is completed. They likewise declared that, "If the cause of delay is not reasonable, the PEO imposes liquidated damages depending on the negative slippage incurred by the contractor".
- 5.15 Based on the guidelines, the determination of negative slippage/s and the collection/entitlement to liquidated damages do not belong to the same spectrum in the project implementation process. The calibrated actions to reveal slippages are constant and should be performed closely with regular monitoring activities during the contract duration to ascertain that project completion is within the timeline. Meanwhile, liquidated damages compensate the procuring entity for the delays after the contract duration, including time extensions.

- 5.16 Leniency in the monitoring activities of actual project status prevented the procuring entity from being able to promptly respond and act on deficiencies/issues which may have arisen during construction. Along with the observed weakness in the existing evaluation or investigation practices over submitted requests, time extensions which may have been designed to conceal delays in actual construction may have been unnecessarily approved, hence hindering the ability of the Province to collect the correct liquidated damages.
- 5.17 **We recommended that the Provincial Engineer and the Project Monitoring Team:**
- a. **Designate a project site/area engineer who will monitor closely the progress of construction works, and maintain the project logbook to record the daily project activities, in order to validate the contractor's compliance of the project specifications and protect the interest of the government;**
 - b. **Inspect all on-going infrastructure projects, and on the expected date of completion, even without the contractors' request, to counter-check the report of the Project Site Engineer and ensure completion within the dates specified in the contracts;**
 - c. **Confirm and evaluate the reasons cited in the requests for time extensions and require the necessary documents, including pictures, before the same is submitted to the Office of the Governor for approval; and**
 - d. **Apply promptly, when necessary, the calibrated actions prescribed under GPPB Circular No. 03-2019 dated March 8, 2019 on infrastructure projects with computed negative slippages.**
- 5.18 During the exit conference, the Provincial Governor stated that they are currently working on a system with their IT personnel to provide ease in monitoring the implementation of a project, adding that they will now require proof (video or picture) of the inspection before approving requests for extensions. He likewise stated that he will suggest to PEO that non-workable site conditions due to bad weather should be considered when determining the contract duration.
- 5.19 Management was advised that bad weather conditions should have already been considered during the programming/planning phase or during the detailed engineering activities of the project procurement process. The need for an engineer to be assigned to each project/area to check the logbook for monitoring purposes was also pointed out. The Audit Team also emphasized that not all bad weather conditions should be considered unworkable, and that actual project status should be properly monitored so that time extensions will only be approved due to valid reasons.

Cash Donations for Disaster Relief and Recovery Management Not Included in PDRRMF Investment Plan

6. Cash donations totaling **₱39,237,436.00** that were received over a period of eight years from various donors as aid/assistance for typhoon victims were not utilized and were not included as an available funding source for the intended purpose in the preparation of the Provincial DRRMF Investment Plan, thereby defeating the timely utilization of the funds for the delivery of crucial services in times of crises.

6.1 Item 5.2.4 of COA Circular No. 2012-002 dated September 12, 2012 states:

5.2.4 Funds received from private or international donors as a result of the request for assistance provided in Sec. 2 of Rule 14 of the RA 10121 shall be duly receipted by the concerned LGU and treated as special trust liability using the account “Trust Liability-DRRM” (Code 438) in the Trust Fund books of the receiving LGUs. Utilization of the fund shall be in accordance with the purpose of the grant. In absence of a specific purpose, the fund shall be used for purposes provided in the LDRRMFIP.

6.2 Evaluation of the Trust Liability-DRRM account disclosed that the Provincial Government of Leyte received various cash donations totaling **₱40,340,426.00** from CY 2014 to CY 2022 from several donors for various purposes, most of which were for typhoon victims. The details of these donations are presented in Table 9.

Table 9. Details of Cash Donations Received as of December 31, 2022

Date Received	Purpose	Amount Received	Utilized	Balance
01/17/2014	Compact Farming for High Value Crops	₱ 3,200,000.00	₱ 1,102,990.00	₱ 2,097,010.00
01/24/2020	Damaging effects of Typhoon Ursula	1,000,000.00	0.00	1,000,000.00
01/24/2020	For the people affected by Typhoon Ursula	10,000,000.00	0.00	10,000,000.00
06/22/2020	Assistance for COVID	300,000.00	0.00	300,000.00
12/29/2021	Financial Assistance (FA) for Typhoon Odette	1,000,000.00	0.00	1,000,000.00
12/29/2021	FA for Typhoon Odette	500,000.00	0.00	500,000.00
01/11/2022	FA to the areas affected by Typhoon Odette	1,000,000.00	0.00	1,000,000.00

Date Received	Purpose	Amount Received	Utilized	Balance
01/28/2022	FA for the affected by Typhoon Odette	2,000,000.00	0.00	2,000,000.00
03/09/2022	FA to the affected by Typhoon Odette	150,000.00	0.00	150,000.00
06/29/2022	FA for Tropical Storm Agaton	1,000,000.00	0.00	1,000,000.00
07/28/2022	Typhoon Odette assistance	20,190,426.00	0.00	20,190,426.00
TOTAL		₱40,340,426.00	₱1,102,990.00	₱39,237,436.00

- 6.3 Table 9 shows that of the total donations received, ₱39,237,436.00 were not utilized as of year-end, resulting in a utilization rate of only 2.7 %, or an equivalent amount of ₱1,102,990.00.
- 6.4 Review of the Provincial Disaster Risk Reduction and Management Fund Investment Plan (PDRRMFIP) for CY 2022, prepared and submitted by the Provincial DRRM Office, showed that the remaining unutilized funds were not specifically mentioned as an available fund source and no project or program was identified for its utilization during the year.
- 6.5 Inquiries conducted among the personnel of the Provincial Treasurer's Office, Provincial Accounting Office and the Provincial DRRM Office on the current status of the donated funds revealed the following information:
- a) The ₱3,200,000.00 received by the Province last January 17, 2014 was from the House Research Development Company, a private entity, as assistance after the onslaught of *Super-Typhoon Yolanda*. However, only ₱1,102,990.00 was utilized in CY 2014 thereby leaving a balance of ₱2,097,010.00. No charges had been made from this donated amount since September 12, 2014, which had been left idle for more than eight years already;
 - b) Both the amounts of ₱1,000,000.00 and ₱10,000,000.00 were received by the Province on the same date on January 24, 2020, from the City Government of Davao and Office of the President, respectively, as grant/assistance after *Typhoon Ursula* in December 2019. No disbursement had been charged against these funds for almost 3 years from receipt;
 - c) The amount of ₱300,000.00 was received from the Province of Ilocos Norte on June 22, 2020 as *assistance for COVID-19* but this was also not utilized from the time of receipt;
 - d) In CY 2022, the aggregate amount of ₱23,340,426.00 in grants/aids were received by the Province as aid/assistance to help those affected by *Typhoon*

Odette last December 2021. As of December 31, 2022, these amounts remain unutilized:

- ₱1,000,000.00 from City Government of Davao on January 11, 2022
 - ₱2,000,000.00 from Metropolitan Manila Development Authority (MMDA) on January 28, 2022;
 - ₱150,000.00 from the Development Bank of the Philippines (DBP) on March 9, 2022;
 - ₱20,190,426.00 from the Bureau of Treasury on July 28, 2022.
- e) Lastly, the ₱1,000,000.00 received by the Province on June 28, 2022 from the City Government of Davao was in support for the damages brought by *Typhoon Agaton*. Said donated amount likewise remain unutilized.
- 6.6 The Audit Team requested from the PDRRMO for documents regarding the donated funds mentioned in Table 9 but the official concerned could not furnish any document, explaining that no MOA was executed between the donor and the Province ever since these funds were received. Also, one of the reasons why the funds have been idle was because the PRDDMO is hesitant to utilize as there was no MOA that would identify the specific project for each fund. Also, the Provincial Accountant would not process charges to the donated funds if there was no MOA that they could refer to in checking the propriety of the transaction. However, considering that the donors were identified, the Province could just have contacted the LGU-donor concerned for clarification about the donations received.
- 6.7 As shown in Table 9, the general purpose of the donations was clear and distinct: *as assistance to those affected by calamities in the Province of Leyte*, serving as the only restriction on the use of the fund. The guidelines provide that in the absence of a specific purpose, the fund shall be used for purposes provided for in the LDRRMFIP. Hence, the LDRRM Council, through the PDRRMO, is responsible for identifying the specific activities which are aligned to the general purposes of the donations and for ensuring that these are included in the annual LDRRMFIP.
- 6.8 While the Audit Team acknowledges the collaborative efforts exerted by the officials and employees of the Province in the management of calamities and COVID-19 pandemic using their own funds, the Provincial officials, through the PDRRMO, should have adopted a more proactive approach in deciding how the funds were to be utilized in order to ultimately achieve the worthwhile purpose of these donations.
- 6.9 Since the funds were left idle in the bank account of the Province, it defeated the timely utilization of the funds for the delivery of crucial services to the constituents who were affected by the typhoons.

- 6.10 **We recommended that the Provincial Governor and members of the PDRRM Council, identify activities which are aligned with the purpose of the donations and include the same in the LDRRMFIP for the ensuing year.**
- 6.11 As an attachment to her written reply to the AOM, the Provincial Treasurer already executed a certification based on this recommendation. The PACCO likewise furnished us a copy of the report they submitted to the Office of the Provincial Governor and the PDRRMO, showing the available LDRRM funds which were received as donations from various sources. Meanwhile, the PDRRMO stated that they have already written one of the donors for a copy of the MOA, but they were not provided one.
- 6.12 The COA officials stated that it is the recipient agency's responsibility to determine the proper accountability for the amounts received as it is a Trust Liability that needs to be spent for a specific purpose. The Audit Team emphasized that there is a need to therefore contact the grantors/donors to request for a MOA for guidance, on the proper use of the amounts received especially those funds intended as assistance during past typhoons.

Absence of an Updated General Revision of Real Property Tax

7. **The Province of Leyte have not revised the real property assessment values for over ten years due to the lack of a Sangguniang Panlalawigan (SP) ordinance to authorize the revamping of fair market values, thereby preventing the Province from imposing and collecting the correct taxes against property values that are realistic and reflective of prevailing market conditions.**
- 7.1 Republic Act 7160, otherwise known as the Local Government Code of 1991, prescribes the following rules regarding property assessments for taxation purposes:

SECTION 212. Preparation of Schedule of Fair Market Values. – Before any general revision of property assessment is made pursuant to the provisions of this Title, there shall be prepared a schedule of fair market values by the provincial, city and municipal assessors of the municipalities within the Metropolitan Manila Area for the different classes of real property situated in their respective local government units for enactment by ordinance of the sanggunian concerned. The schedule of fair market values shall be published in a newspaper of general circulation in the province, city or municipality concerned, or in the absence thereof, shall be posted in the provincial capitol, city or municipal hall and in two (2) other conspicuous public places therein.'

SECTION 219. General Revision of Assessments and Property Classification. – The provincial, city or municipal assessor shall undertake a general revision of real property assessments within two (2) years after the effectivity of this Code and every three (3) years thereafter.

- 7.2 Section 1 Chapter 3 of the DOF-BLGF Manual on Real Property Appraisal and Assessment Operations echoes the above provisions, while adding further:

However, if there is no sufficient time or resources to complete the general revision work for all real property units (RPU) within the territorial jurisdiction of a particular local government unit, a partial revision may be undertaken by kind or class of real property.

- 7.3 For CY 2022, the Audit Team sent out audit queries/document requests and conducted interviews with the various focal personnel assigned to the departments responsible for the assessment, valuation and collection processes of the Provincial Government of Leyte (Province) in achieving its targets for Real Property Tax (RPT) and Special Education Tax (SET) revenues.
- 7.4 Based on the evaluation of the information obtained from the interviews and copies of official reports/documents gathered, it was disclosed that the general revision of assessment and property classification presently followed for the Province of Leyte was *General Revision No. 13*, which was enacted and approved through *Provincial Ordinance No. 07-04*, dated *August 14, 2007*. This general revision took effect in *January 2008*, and has since been the guide in determining base market values for all real properties and improvements in the Province.
- 7.5 The Audit Team likewise noted that a subsequent *General Revision No. 14*, proposing the new Schedule of Fair Market Values, was completed and submitted by the Provincial Assessors' Office (PASSO) to the Sangguniang Panlalawigan (SP) on August 9, 2011 for enactment and approval through an ordinance. However, there was no feedback received to date by the PASSO on the outcome of such proposal and no proposals of the same nature had been prepared by PASSO for submission to the SP ever since.
- 7.6 Under the existing guidelines, a general revision of real property assessments serves to equalize and update valuation of real properties, purge the rolls of the double assessments of properties that have accumulated through the years, and organize record-keeping to account for properties that may have been excluded. The general revisions of every 3 years also serve to notify the public and cushion them against the effect of abrupt increases in real property valuations for taxation purposes. Barring the ideal general revision, a partial revision by property kind/class is also allowed.

- 7.7 While proposals to revise property values may receive pushback from property owners all over the Province, renewed efforts to enact and approve the ordinance authorizing the same will result to an improvement of the PGL's revenue capability to bear the costs of good governance and public service, which will ultimately benefit the constituents.
- 7.8 The non-revision of real property assessment values prevented the Province from imposing and collecting the correct taxes against property values that are realistic and reflective of prevailing market conditions.
- 7.9 **We recommended that the Provincial Assessor conduct a reassessment of property values for the different types of real properties located in the Province of Leyte, in preparation for eventual issuance of an updated Schedule of Fair Market Values for the ensuing year.**
- 7.10 During the exit conference, the Provincial Governor and Vice-Governor aired their concerns on a revision which will increase property values in the Province of Leyte. While they understand the need to revise, an in effect increase the values to comply with the law; they were concerned with the fact that this may actually discourage property owners, which may result in lower payment of taxes and lower collections for the Province. Meanwhile, the Provincial Assessor stated that the Province of Leyte is a Pilot LGU of the BLGF's Local Government Reform Project, wherein one of the activities is actually the updating of SMV.
- 7.11 The Audit Team stated that there is a pending house bill in Congress proposing for the revision of property values that will be applicable for the whole country. In this instance, the Provincial Governor stated that they will endeavor to comply with the recommendation with respect to the reassessment of fair market values of different types of property in the Province of Leyte, but requested that the same will not be passed to the SP until the timeline for the passing of the house bill is clear, to avoid double revision within the year.

Job Order Personnel Performing Functions Similar to Vacant Plantilla Positions

8. **Of the existing 830 Job Order Contract personnel working at the Province of Leyte, 767 perform functions which were already similar to the job descriptions for 216 vacant plantilla positions, thus, depriving the Province of more competent and accountable regular personnel.**
- 8.1 COA-DBM JC No. 2, series of 2020 provides the updated rules and regulations governing COS and JO workers in the government. Item No. 7 of the said circular states that:

7. Limitations

- 7.1 Hiring under COS shall be limited to consultants, learning service providers, and/or other technical experts to undertake special project or job within a specific period. The project or job is not part of the regular functions of the agency, or the expertise is not available in the agency, or it is impractical or more expensive for the government agency to directly undertake the service provided by the individual or institutional contractor.
- 7.2 Hiring of JO workers shall be limited to emergency or intermittent work, such as clearing of debris on the roads, canals, waterways, etc. after natural/ man-made disasters/occurrences; other trades and crafts, and manual tasks such as carpentry, plumbing, painting, electrical, and the like which are not part of the regular functions of the agency.
- 7.3 COS and JO workers should not, in any case, be made to perform functions which are part of the job description of the agency's existing regular employees. (Underscoring ours)
- 8.2 Verification of the list of the JO workers submitted by the Provincial Human Resource Management Office (HRMO) showed that the agency has currently hired 830 JO workers as of December 31, 2022. The said JOs were assigned to the following offices:

Table 10. List of JOs hired as of December 31, 2022

Office	No. of JOs Assigned
Provincial Governor's Office (PGO)	64
PGO-DYMP	59
PGO-IAS/Warden	1
PGO-LAC	16
PGO-Leyte Sports Academy	9
PGO-MIS	6
PGO-Monitoring	12
Provincial Assessors Office	5
Provincial Legal Office	2
Provincial Jail and Sub-Provincial Jails	46
Office of Provincial Agriculture	39
Provincial Engineers Office	44
Provincial General Services Office	13
Philhealth	3
Provincial COA	1
Provincial POPCOM	3
Provincial Social Welfare and Development Office	10
Sangguniang Panlalawigan	38
Provincial Treasurers Office	16
Abuyog District Hospital	51
Burauen District Hospital	41
Carigara District Hospital	41

Office	No. of JOs Assigned
Dr. Manuel B Veloso Memorial Hospital	31
Hilongos District Hospital	61
Leyte Provincial Hospital	97
North Western Leyte District Hospital	25
Ormoc District Hospital	83
Tabango Community Hospital	13
TOTAL	830

- 8.3 Further inquiry with the Provincial HRMO disclosed that the recruitment of the JO workers depends on the request and the necessities of the departments, jails, and hospitals under the Province, subject to the assessment of the HRMO. Before hiring, the HRMO evaluates the applicant based on the minimum qualifications required for the specific position applied. When the individual is found qualified for the position after screening and evaluation, a JO Contract will then be prepared, to be signed by the Provincial Administrator through the recommendation of the HRMO.
- 8.4 For CY 2022, the evaluation of the agency's Personnel Services Itemization and Plantilla of Personnel (PSIPOP) disclosed that a total of **541** plantilla positions from different departments, jails, and hospitals under the Province were *vacant* as of December 31, 2022. Despite such available vacant positions however, it was noted that the workforce for the Province is largely energized by JO personnel.
- 8.5 To confirm, the Audit Team verified on a sampling basis the actual work performed by JO personnel through an examination of submitted monthly accomplishment reports. The study revealed that 767 out of the 830 JO workers presently employed, were made to perform functions which are already part of the job description for 216 particular vacant plantilla positions such as encoding, receiving, janitorial work, driving, and other technical functions. A breakdown of the results of evaluation is presented in Table 11, thus:

Table 11. No. of JOs Hired with Identical Functions of Vacant Plantilla Positions

Position	Vacant Positions	No. of JOs Hired With Identical Functions
Administrative Aide I (Utility Worker I)	32	286
Administrative Aide III (Utility Worker II)	3	
Administrative Aide III (Clerk I)	15	249
Administrative Aide IV (Clerk II)	8	
Administrative Aide VI (Clerk III)	15	
Administrative Aide III (Driver I)	5	20
Administrative Aide IV (Driver II)	3	
Cook I	11	10
Laundry Worker I	17	5
Prison Guard I	26	47
Nursing Attendant I	23	52
Nursing Attendant II	5	
Security Guard I	8	33
Social Welfare Officer I	4	5

Position	Vacant Positions	No. of JOs Hired With Identical Functions
Electrician II	3	3
Medical Technologist I	1	9
Medical Technologist II	8	
Midwife III	2	8
Nurse I	18	40
Nurse II	9	
TOTAL	216	767

- 8.6 The Audit Team emphasized that the hiring of JO workers should be limited to tasks that entail emergency or intermittent work, such as clearing of debris on the roads, canals, waterways, etc. after natural/ man-made disasters/occurrences; other trades and crafts, and manual tasks such as carpentry, plumbing, painting, electrical, and the like, all of which are not part of the regular functions of the agency.
- 8.7 Therefore, the Province ought to prioritize the recruitment and selection of qualified individuals among the 767 JOs to fill up the vacant plantilla positions, so that deserving workers could enjoy the benefits and tenure befitting that of a regular worker. We have determined that the PS Cap limitation would permit this, considering that existing PS expenditures of the Province are still within the range, computed as follows:

Total Income from Regular Sources Realized in the Next Preceding Year	₱	3,247,161,978.02
Rate of PS Limitation		45%
Computed PS Limitation for CY2022		1,461,222,890.11
Actual PS Utilized for CY2022		905,639,674.65
Minimum Excess PS	₱	555,583,215.46

- 8.8 Moreover, hiring only JOs for jobs that involve critical functions like those for nurses, medical technologists, midwives, prison guards, and others while not providing tenure/benefits that is adequate or closely commensurate to the responsibilities they are handling, will ultimately be detrimental to the Provincial Government and risky for over-all welfare of its constituents. Thus, the Province was deprived of more competent and accountable regular personnel.
- 8.9 We recommended that the HRMO hire qualified personnel to fill up the vacant positions, especially for jobs involving critical responsibilities, based on firm scrutiny of merit and fitness, to help carry out the functions of the Provincial Government effectively and avoid unnecessary hiring of JOs for identical functions.
- 8.10 During the Exit Conference, the Provincial Governor said that his goal is to get all medical function positions filled-up, especially nurses, because there is a present shortage of nurses in public hospitals. He also stated that the Province may need to come up with a policy that positions not filled up for a long time will

subsequently be abolished in order to free up the funding to open up new functions, or hire more personnel for critical functions.

Summary of Audit Suspensions, Disallowances and Charges

The total audit suspensions and disallowances of the Province amounted to ₱185,000,097.62 and ₱34,000,524.54 as at January 1, 2022. No Additional Notices of Suspensions and/or Disallowances were issued, but Notices of Suspension in the total amount of ₱3,734,690.00 were settled during the year. Thus, the total audit suspensions and disallowances of the Province as at December 31, 2022 amounted to ₱181,265,407.62 and ₱34,000,524.54.

Notices of Suspensions and Disallowances, if any, resulting from the post-audit of CY 2022 transactions are still for issuance.

PART III

STATUS OF IMPLEMENTATION OF PRIOR YEARS' UNIMPLEMENTED AUDIT RECOMMENDATIONS

Of the 52 audit recommendations embodied in the CY 2021 and Prior Years' Annual Audit Reports, 24 were implemented, and 28 were not acted upon by management.

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
CY 2021 AAR Finding No. 1 page no.45	The consolidated balance of Construction in Progress – Infrastructure Assets account amounting to ₱1,486,294,134.58 as of December 31, 2021 is unreliable due to: a) inclusion of the acquisition costs of completed projects totaling ₱41,296,461.06; and b) unverified long outstanding Construction in Progress balance amounting to ₱142,265,031.21, contrary to Section 50 of Manual on the New Government Accounting System (NGAS) for Local Government Units (LGUs) Volume 1, thus affecting the fairness of presentation of the account in the Statement of Financial Position.	We recommended that the Provincial Engineer: <ol style="list-style-type: none"> inspect the projects listed in Table 2 which are reported in the books of the Province as ongoing in the Construction in Progress – Infrastructure Asset account as of December 31, 2021; prepare a report as to the status of each project duly certified to as accurate and correct; and submit the said report to the Provincial Accountant for the appropriate adjustment in the books, where necessary. We further recommended that the Provincial Accountant prepare an 	The Provincial Engineering Office has conducted partial inspection of some projects listed in Table 2, to identify its status of completion.	Not implemented	The Provincial Accounting Office have made an adjustment equivalent to ₱39,647,380.14 on the identified completed projects. There was no updated information given by the PEO/PACCO on the remaining ₱102,617,651.07 which are still to be adjusted.

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
		<p>adjusting entry to record in the appropriate Infrastructure Asset account the completed projects totaling ₱41,296,461.06 and compute its corresponding depreciation from their completion date to reflect the correct carrying values; and adjust the Construction in Progress - Infrastructure Asset account based on the report of the Provincial Engineer on the projects listed in Table 2.</p>			
<p>CY 2021 AAR Finding No. 2 page no.49</p>	<p>Two units brand new Rescue Vehicles with a total cost of ₱9,200,000.00 were directly recorded as expense upon payment instead of Motor Vehicles under PPE, while ten units brand new Mini Rescue Vehicles costing ₱9,500,000.00 were still carried in the books of accounts of the Province even if these were already donated to various LGUs, and sound internal control</p>	<p>We recommended that the Provincial Accountant:</p> <ol style="list-style-type: none"> 5. Henceforth, record procurement of properties upon receipt and acceptance, using the appropriate account classifications in the books of accounts; and 6. derecognize from the books the ten units Mini Rescue Vehicle (Ambulance) totaling 	<p>The Management has already derecognized all the donated Motor Vehicles mentioned in this audit observation and implemented the appropriate recording process for the receipt and acceptance of assets for donation.</p>	<p>Implemented</p> <p>Implemented</p>	

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
		<p>SWD Officer the pertinent reports; and</p> <p>9. the Provincial Accountant record the total cost of sacks of rice already distributed based on the SSMI submitted by the PGS Office, duly supported with the RIS of the recipient LGUs in order to reflect the equivalent amount of expenses and the correct balance of the Inventory account.</p>		Implemented	
CY 2021 AAR Finding No. 4 page no.58	The AIP and supplemental AIPs included PPAs totaling ₱4,813,247,500.00, which were expressed in generic terms, of which ₱200,842,720.58 was obligated without prior approval of the Sangguniang Panlalawigan, contrary to Section 454(d) of the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 7160, Executive Order (EO) No. 189 and Supreme Court ruling in G.R. No.	10. We recommended that the Provincial Governor and the members of the Local Development Council, through the Provincial Planning and Development Officer, indicate the specific name of the project, its exact location and estimated cost of each individual project to be funded from the 20% DF, both current and continuing appropriations, during the preparation of the AIP based on the priority needs of		Implemented	

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
	<p>be confirmed whether the funds were used by the recipients according to their purpose while the validity of the financial assistance granted in CY 2021 was not established.</p>				
<p>2021 AAR Finding No. 6 page no.68</p>	<p>The Contract Agreement and the Notice to Proceed (NTP) of some projects funded from the 20% DF were signed and issued beyond the maximum period to act thereon thus, resulting in delayed implementation of the projects.</p>	<p>13. We recommended that the Provincial Governor sign the Contract Agreement and the NTP of future projects within the reglementary period to ensure timely implementation of projects.</p>	<p>Per sampling of contracts and its NTP per project, these were signed within the reglementary period</p>	<p>Implemented</p>	
<p>2021 AAR Finding No. 7 page no.70</p>	<p>The Governor signed and approved the contract agreements for thirty-five infrastructure projects under the 20% DF even if the Construction Safety and Health Program (CSHP) documents attached to the contracts were not approved by the Department of Labor and Employment (DOLE), thus, the safety and health of the workers and the general public were not assured during the</p>	<p>14. We recommended that the Provincial Governor shall ensure that the CSHP attached to the contract is approved by the DOLE before signing the contract agreements, as required under RA No. 9184 and its 2016 Revised IRR.</p>		<p>Implemented</p>	

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
	accounts totaling ₱710,190,779.09, which had been outstanding for eight to twelve years, thus, the liabilities account balances of the Province were not fairly presented in the Statement of Financial Position.	<p>letters to all Accountants of the National Government Agencies (NGAs) and Local Government Units (LGUs) concerned to determine if the Province has existing payables in the books of said NGAs and LGUs;</p> <p>21. Prepare the necessary adjustments based on the result of reconciliation;</p> <p>22. Return to the Bureau of Treasury the unused funds downloaded from various NGAs for PPAs that can no longer be implemented;</p> <p>23. Remit the full amount withheld from the Inter-Agency Payables to avoid the incurrence of unreconciled balances in the said accounts.</p>		<p>Not implemented</p> <p>Not implemented</p> <p>Not implemented</p>	
CY 2020 AAR Finding No. 3 page no.64 CY 2018 AAR	The existence of the Inventory account balance totaling to ₱226,666,664.70 at year end could not be established and its accuracy could not be ascertained because the	<p>We recommended that the LCE:</p> <p>24. Direct the Inventory Committee to conduct annual physical count of inventories, prepare RPCI, reconcile the</p>		Not implemented	The PGSO has not yet submitted the RPCI for CY 2022.

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
<p>Finding No. 1 page no.43</p> <p>CY 2016 AAR Finding no. 2 page no. 43</p> <p>CY 2015 AAR Finding no. 17 page no. 65</p>	<p>balance includes non-moving consumable items procured in prior years and no complete physical inventory was conducted in CY 2020 and in prior years, thereby, rendering the inventory account balance as at December 31, 2020 doubtful, thus, not fairly presented in the Statement of Financial Position.</p>	<p>results of the physical count with the records of the GSO and of the Provincial Accountant and furnish a copy of the approved RPCI to the Audit Team;</p>			
<p>CY 2020 AAR Finding No. 4 page no.67</p> <p>CY 2019 AAR Finding No. 1 page no.45</p>	<p>The Bank Reconciliation Statements (BRS) for twelve bank accounts were not prepared while reconciliation of forty other bank accounts were not updated that resulted in the difference of ₱176,970,451.76 between the Cash in Bank account balances per books and per bank confirmation, thereby rendering the accuracy and completeness of the Cash in Bank balance of ₱264,764,297.37 doubtful.</p>	<p>We recommended that the Provincial Accountant:</p> <p>25. Update the reconciliation of Cash in Bank accounts and the submission of monthly BRSs to the Auditor within the period prescribed in COA Circular No. 96-011;</p> <p>26. Immediately prepare adjusting entries as soon as reconciling items are traced and identified;</p> <p>27. We also recommended that the Provincial Accountant and the Provincial Treasurer</p>		<p>Not implemented</p> <p>Implemented</p> <p>Implemented</p>	<p>See related finding in Part II of this report.</p> <p>For bank accounts with updated BRS, errors have been already adjusted.</p> <p>PACCO & PTO have already started to account for and determine the dormant and inactive bank</p>

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
		determine if the Province has dormant or inactive bank accounts and recommend to the Head of Agency their closure, if applicable.			accounts and have already initiated transfer of their balances to the active accounts.
CY 2020 AAR Finding No. 5 page no.73	The Province still maintains bank accounts, with total confirmed balance of ₱51,354,305.01, at the PNB which is not included in the list of AGDBs, in contravention of the policy of the national government for a Treasury Single Account to strengthen public fiscal management.	28. We recommended that the Provincial Accountant and the Provincial Treasurer fast-track the reconciliation of PNB account nos. 23190300-002-3 and 314010013344 and that the LCE initiate the closure of PNB accounts and transfer the remaining balances to any of the AGDBs enumerated in DOF Department Circular No. 01-2017 dated May 11, 2017.		Implemented	
CY 2020 AAR Finding No. 7 page no.78	The Supplemental Investment Program (SIP) for the utilization of the BGP of ₱106,043,389.00 did not contain the specific COVID-19 related PPAs and expenses and ₱53,443,389.00 of which was not covered by the SP Resolution No. 2020-700.	29. We recommended that disbursement from BGP shall be made only for specific COVID-19 related PPAs and expenses specified in the SIP as approved through SP Resolution.		Implemented	

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
CY 2020 AAR Finding No. 9 page no.81	Procurement of goods and infrastructure totaling ₱105,988,527.35 from the BGP was not supported with evidence on how the negotiated prices were obtained resulting in inadequate safeguards; while the dates of delivery were not specified in the Purchase Orders; and the Notice of Award and Purchase Orders/Contracts were not posted in the website of the Province or in conspicuous places of the Capitol, or in the GPPB Online Portal, contrary to the policy on transparency in the conduct of Emergency Procurement under the Bayanihan to Heal as One Act (Bayanihan Act).	We recommended that the BAC and its Secretariat: 30. Submit to the Audit Team documents to prove the basis of Province's price negotiation with the suppliers; and		Not implemented	PACCO is still in the process of addressing this deficiency.
CY 2020 AAR Finding No. 10 page no.85	The veracity and accuracy of the actual number of families affected by COVID-19 who received the relief goods from the Province are difficult to determine due to incomplete	31. We recommended that the PSWD Officer demand from the recipient LGUs the immediate submission of the required distribution list of beneficiaries and Relief		Implemented	

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
	documentation of their distribution, thus, goods procured were exposed to possible losses as there was no confirmation whether or not the goods were actually received by the intended recipients.	Distribution Slips/Requisition and Issuance Slip of the relief goods to confirm actual receipt of the goods by the intended recipient-families and as basis in recording the distributed relief goods.			
CY 2020 AAR Finding No. 11 page no.88 CY 2019 AAR Finding No. 7 page no.73	The Province utilized only 10% of the ₱442,651,292.19 available LDRRMF in CY 2020 for COVID-19 pandemic response activities; also, the budget for each PPA was not specified in the LDRRMFIP while the PPAs chargeable against prior years' unexpended balance were not included in the LDRRMFIP, contrary to DBM Local Budget Circular No. 124 and COA Circular No. 2012-002, thus the support to frontline workers and affected population, among others, was not maximized, the authorized disbursement limits for each	We recommended that the Provincial Disaster Risk Reduction Management Officer: 32. Conduct needs assessment by coordinating and obtaining from the administrators of hospitals and sub-provincial jails under the jurisdiction of the Province their logistic needs to support and improve their capacities to address the COVID-19 emergency and incorporate the same in the LDRRMFIP; and 33. Include in the annual LDRRMFIP, under a separate caption, the list of specific PPAs to be funded from the previous years' unexpended LDRRMF,		Implemented	Specific PAPs to be funded by the LDRRMF of prior years are still not indicated in the submitted LDRRMFIP.
				Not implemented	

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
	of the Province's continued failure to enforce the rules and regulations in the grant utilization and liquidation of fund transfer and cash advances.	strictly observe the existing regulations on the grant, utilization, and liquidation of fund transfers and cash advances.			liquidate their financial assistance/fund transfers.
CY 2019 AAR Finding No. 3 page no.58	The existence of the Infrastructure Assets Road Networks account totaling ₱4.65 Billion at year-end could not be established, and the accuracy of the carrying amount could not be ascertained due to failure of the officials concerned to: (i) complete the conduct of physical count of roads under the jurisdiction of the Province; and (ii) record 136 road components due to absence of corresponding cost or market value.	37. We recommend that the LCE direct the Provincial Accountant, Provincial Assessor, Provincial Engineer and Provincial General Services Officer to comply with their respective duties and responsibilities provided in Items V, VI and VII of COA Circular No. 2015-008 dated November 23, 2015, to include among others, the conduct of a complete physical count of roads under the jurisdiction of the Province, and to record the 136 road components.		Not implemented	The latest report on the Province of Leyte's local road network was for quarter ending March 31, 2020 submitted on May 12, 2020. However, inventory of road networks for Provinces should be done annually pursuant to DILG Memorandum Circular No. 2011-52 dated 13 April 2011.
CY 2019 AAR Finding No. 4 page no.60	Fund transfers totaling ₱46.51 Million received by the Province from various National Government Agencies (NGAs) and other sources during the year	38. We recommended that the Project Coordinator for each PPA be directed to fast-track the implementation or completion of programs and projects supported	Submitted the status of unutilized balances of various fund transfers of the Province to COA dated March 16, 2020. Utilized ₱13.7	Not implemented	Other PPAs are still ongoing and still to be implemented.

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
CY 2017 AAR Finding No. 2 page no. 48	for the implementation of various programs, projects and activities (PPAs), registered a utilization rate of 29% only, and the PPAs supported by the funds have not been strictly implemented or have not been implemented at all.	by fund transfers from the National Government Agencies and other sources based on a timeline as stipulated in the MOA or as stated in the budget proposal, in the absence of a MOA.	Million or 29.37% of the fund transfers received from NGAs.		
CY 2019 AAR Finding No. 5 page no.65	Collections from the different municipalities in the Province of Leyte on shares from Real Property Tax (RPT) registered a rate of 60% resulting in unrealized revenue totaling ₱37.87 Million, and thereby depriving the Province of additional income for implementation of its various projects.	39. We recommend that the Provincial Treasurer be required to intensify collections on shares of RPT by sending collection letters to the municipalities which have not remitted the RPT shares of the Province, and henceforth, to regularly monitor the municipalities' compliance with Section 286 of RA No. 7160.	Monitored the status of collection from the municipalities	Implemented	There is still 1 municipality not fully updated in their remittance due to on-going reconciliation of their accounts from the previous treasurer to the newly designated treasurer.
CY 2018 AAR Finding no. 2 page no. 46	Funds totaling ₱111.41Million downloaded by the Department of Agriculture, Regional Field Office 8 (DA-RFO 8) for the procurement of fertilizers for corn production in some Districts in Leyte, were not utilized as the available funds	40. We recommended that the Province coordinate with the officials of the DA-RFO 8 on possible measures to pursue the project considering the increase in prices of fertilizers, whether to request for additional budget to meet the fertilizer		Implemented	

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
	are no longer sufficient to cover the required number of fertilizers to be procured per project proposal crafted in CY 2016, due to the increase in prices of fertilizers. Likewise, the downloaded funds by the same agency for the establishment of a Tissue Culture Laboratory (TCL) and Automated Weather Stations (AWSs) totaling ₱9Million, registered a minimal utilization rate of 4.90% only.	requirement per municipality or decrease the target sacks/bags to be distributed per municipality based on the original budget. 41. Likewise, fast-track the establishment of a TCL and AWS in order to restore and develop facilities/stations and other resiliency measures in support of, and to establish, farming systems and livelihoods.		Not implemented	The Provincial Agriculturist is still in the process of undertaking the review of the project in order to implement the recommendations.
CY 2018 AAR Finding no. 3 page no. 50 CY 2017 AAR Finding No. 2 page no. 48	Unutilized balances of fund transfers totaling ₱25.70Million were not returned to the Source Agencies (SAs) despite the completion of the programs, projects and activities (PPAs) supported by the fund transfers.	42. We recommended that the Province return the unused balances of fund transfers to the SAs to comply with the provisions stated in the MOA and Item 6.7 of COA Circular No. 94-013 dated December 13, 1994.		Implemented	The Province made periodic returns of funds received to the various source agencies during CY 2022.
CY 2018 AAR Finding no. 4 page no. 54 CY 2017 AAR	Expenditures totaling ₱70.05Million which do not partake of the nature of socio-economic development and environmental management projects were	43. We recommended that the Province strictly observe the guidelines on the appropriation and utilization of the 20% DF in DILG-DBM JMC No. 2017-1 dated February 22, 2017; and ensure		Implemented	

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
Finding no. 3 page no. 55	charged to the 20% Development Fund (DF).	optimal utilization of the 20% DF in the implementation of the PPAs supported by the fund to help achieve the desirable socio-economic and environmental outcomes of the Province.			
CY 2017 AAR Finding no. 6 page no. 65	The Purchase Orders (PO) covering the procurement of goods totaling P253Million did not state the brand names and country of origin or manufacturer of supplies and equipment to be procured, thus, the reasonableness of the price and quality of the supplies/equipment delivered and paid for could not be ascertained.	44. We recommended that the LCE require the BAC to include in the Bid Data Sheet a provision requiring the prospective bidders to specify in their bid offers/price quotations, the brand names and country of origin or manufacturer of goods they are going to offer, and to include this requirement in the evaluation of bids.		Implemented	
CY 2017 AAR Finding no. 8 page no. 70	The Province could have saved approximately P11.7Million in a year had they utilized their time deposits to settle their outstanding loans totaling P193.51 Million.	45. We recommended that the Province settle the outstanding loans totaling P193.51Million, the amount sourced from time deposits, to avoid the incurrence of interest expenses and taxes to be imposed by the banks. Henceforth, use the amount invested in time		Not implemented	Management had not addressed this observation for CY 2022.

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
		deposit to finance priority projects of the Province rather than obtaining loans from the banks.			
<p>CY 2014 AAR Finding no. 4 page no. 58</p> <p>CY 2014 AAR Finding no. 5 page no. 61</p> <p>CY 2012 AAR Finding no. 15 page no. 85</p>	<p>The year-end balances of the Drugs and Medicines account totaling ₱100,136,722.22 and Medical, Dental and Laboratory Supplies account amounting to ₱89,785,387.10 are not supported accurately with their respective Inventory Reports of ₱14,775,470.70 and ₱1,776,006.00, respectively, thus, we cannot establish the accuracy and validity of the balances of these accounts</p>	<p>46. We recommended that management require the Provincial Accountant and the Head of the Medical Depot to reconcile the balances of the medicines and medical, dental and laboratory supplies inventories at least every six months in order to arrive at a reconciled balance at year-end.</p> <p>47. We also recommend that management require the devolved hospitals to conduct inventory taking of their unissued medicines and medical, dental and laboratory supplies at year-end and submit the corresponding inventory reports to the Medical Depot to facilitate the inclusion of their unissued inventories in the</p>		<p>Implemented</p> <p>Not implemented</p>	<p>Only the reconciliation between the Medical Depot and the Accounting Dept. was fully completed. However, full reconciliation could not be made due to the absence of inventory reports from some hospitals.</p>

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
		inventory report submitted by the Depot to the Accounting Office.			
CY 2012 AAR Finding no. 18 page no. 96	Procurement of construction materials for the implementation of two (2) infrastructure projects by administration with aggregate cost of ₱5,885,965.00, was split into smaller Contracts/Purchase Orders and resorted to small-value procurement, instead of public bidding, contrary to Section 10, R.A. 9184, Sections 20.2, 21.2.2, and 54(1) of the Revised Implementing Rules and Regulations of R.A. 9184 and Item 2(a), Annex "H" of the Revised IRR issued under GPPB Resolution No. 3-2009.	48. Management should strictly observe the provisions of Section 10, R.A. 9184, Section 54(1) and Item 2(a) of Annex "H" and other applicable provisions of the Revised Implementing Rules and Regulations issued under GPPB resolution No. 3-2009 dated July 22, 2009.		Not implemented	A Notice of Disallowance was issued on this transaction, on which an appeal is pending.
CY 2012 AAR Finding no. 20 page no. 105	Bid Proposals for Four (4) River Control/Rechanneling projects were rated "PASSED",	49. Management including the Bids and Awards Committee (BAC) should strictly comply with the bidding		Not implemented	A Notice of Disallowance was issued on this transaction, on which an appeal is

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
	"POST-QUALIFIED" and subsequently awarded and paid in the amounts of ₱19,142,911.40 and ₱16,032,247.95	and post qualification requirements relative to the procurement of government contracts.			pending.
CY 2012 AAR Finding no. 25 page no. 119	Rent income from private lessees totaling ₱31,126,907.79 remained uncollected for 3 years as at December 31, 2012 contrary to the terms and conditions embodied in the contract of lease between the Province of Leyte and the lessees.	50. Management should strictly enforce the provisions particularly Paragraphs 3.01 and 3.02, Section 3 and Section 12 of the Contracts of Lease.	Collection of long overdue rent income. This rent receivables had been forwarded to the Legal department for proper legal action that is why it remains in the books due to the legal action filed. Always collected as of date	Not implemented	Review of the GL on Accounts Receivable showed collection from accrued rents but not on its full amount. The Schedule of Operating Lease Receivable as at Dec. 31, 2022, showed Accrued Rental Income amounting ₱42.828M.
CY 2011 AAR Finding no. 9 page no. 73	Management paid ₱100,000.00 to the Sand and Gravel Apprehending Team without clear legal authority contrary to Section 8, Article IX(b) of the Constitution on the prohibition of additional, double, or indirect compensation, COA Decision No. 77-110 dated June 21, 1977, and COA Circular 85-	51. We recommended that the members of the Sand and Gravel Apprehending Team be required to refund the incentive payments they received amounting to ₱100,000.00. Henceforth, management should refrain from paying such allowances, in conformity with Section 8, Article IX(b) of the Constitution, COA Decision		Implemented	A Notice of Disallowance was issued on this transaction, on which an appeal is pending. Per our validation, however, three personnel have already refunded, by monthly installment, their share of the honorarium in question, namely: R. Badiable – ₱2,000/mo. &

Reference	Audit Observations	Audit Recommendations	Management Action	Status of Implementation	Reasons for Partial/Non-Implementation
	55A dated September 8, 1985.	77-110 on June 21, 1977, and COA Circular 85-55A dated September 8, 1985.			₱18,800.00 in cash J. Balano - ₱2,000/mo. starting Dec. 2012 B. Aurelia - ₱10,600.00 deducted from his terminal leave benefits
CY 2009 AAR Finding no. 2 page no. 47	Cash advances granted for special purposes totaling ₱29,155,923.52 were not liquidated at year-end, of which 33.22% or ₱9,687,130.59 have been outstanding for over two years,	52. Require the concerned officials and employees to liquidate immediately their outstanding cash advances, otherwise, withhold payment of any money due them. Likewise, require the Provincial Accountant to submit an aging schedule, whose totals should reconcile with the account balance per books.		Implemented	Demand letters were already sent to the officials and employees concerned who have unliquidated cash advances. As of December 31, 2022, the existing balance for these cash advances amounted to only ₱2,607,920.12, most of which were granted in the current year.

PART IV – APPENDICES

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PROVINCE/CITY/MUNICIPALITY of LEYTE
Statement of Financial Position
Fund GENERAL FUND
As of December 31, 2022
(With Comparative Figures for CY 2021)

Appendix A-1

	<u>Note</u>	<u>2022</u>	<u>2021</u>
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	4	4,733,837,553.08	3,929,856,996.40
Investments	5	486,578.54	486,578.54
Receivables	6	563,862,540.57	626,598,448.89
Inventories	7	283,035,344.14	259,896,124.00
Prepayments and Deferred Charges	8	44,162,430.61	41,095,546.95
Total Current Assets		5,625,384,446.94	4,857,933,694.78
<i>Non-Current Assets</i>			
Investments		-	-
Receivables		-	-
Investment Property		-	-
Property, Plant and Equipment	9	11,013,556,896.24	9,813,948,005.36
Biological Assets		-	-
Intangible Assets		-	-
Total Non-Current Assets		11,013,556,896.24	9,813,948,005.36
Total Assets		16,638,941,343.18	14,671,881,700.14
LIABILITIES			
<i>Current Liabilities</i>			
Financial Liabilities	10.1	592,851,269.33	547,346,480.30
Inter-Agency Payables	10.2	112,008,492.53	128,863,747.65
Intra-Agency Payables	10.3	24,955,802.29	24,955,802.29
Trust Liabilities	10.4	78,752,207.02	75,403,528.67
Deferred Credits/Unearned Income	10.5	99,078,738.59	99,078,738.59
Other Payables	11	303,429,335.26	319,901,421.69
Total Current Liabilities		1,211,075,845.02	1,195,549,719.19
<i>Non-Current Liabilities</i>			
Financial Liabilities	10.1a	1,335,795,284.24	824,177,012.93
Deferred Credits/Unearned Income		-	-
Provisions		-	-
Total Non-Current Liabilities		1,335,795,284.24	824,177,012.93
Total Liabilities		2,546,871,129.26	2,019,726,732.12
NET ASSETS/EQUITY			
Government Equity		14,092,070,213.92	12,652,154,968.02
Total Liabilities and Net Assets/Equity		16,638,941,343.18	14,671,881,700.14



PROVINCE/CITY/MUNICIPALITY of LEYTE
Statement of Financial Position
Fund SPECIAL EDUCATION FUND

As of December 31, 2022

(With Comparative Figures for CY 2021)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	4	253,334,106.90	222,149,334.44
Investments	5	45,774.00	45,774.00
Receivables	5	82,832,785.88	84,508,923.12
Inventories	7	-	-
Prepayments and Deferred Charges	8	328,536.06	-
Total Current Assets		336,541,202.84	306,704,031.56
<i>Non-Current Assets</i>			
Investments		-	-
Receivables		-	-
Investment Property		-	-
Property, Plant and Equipment	9	256,348,511.34	241,378,279.12
Biological Assets		-	-
Intangible Assets		-	-
Total Non-Current Assets		256,348,511.34	241,378,279.12
Total Assets		592,889,714.18	548,082,310.68
LIABILITIES			
<i>Current Liabilities</i>			
Financial Liabilities	10.1	6,955,010.85	5,724,411.64
Inter-Agency Payables	10.2	13,640,804.29	13,861,253.02
Intra-Agency Payables	10.3	3,739.90	5,580.41
Trust Liabilities	10.4	400,873.51	1,493,804.51
Other Payables	11.1	17,765,239.43	19,347,351.46
Total Current Liabilities		38,765,667.98	40,432,401.04
<i>Non-Current Liabilities</i>			
Financial Liabilities		-	-
Deferred Credits/Unearned Income		-	-
Provisions		-	-
Other Payables		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		38,765,667.98	40,432,401.04
NET ASSETS/EQUITY			
Government Equity		554,124,046.20	507,649,909.64
Total Liabilities and Net Assets/Equity		592,889,714.18	548,082,310.68



PROVINCE/CITY/MUNICIPALITY of L E Y T E
Statement of Financial Position - TRUST FUND

As of December 31, 2022

(With Comparative Figures for CY 2021)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	534,501,973.52	617,909,020.95
Investments	5	-	-
Receivables	6	7,994,787.78	4,994,787.78
Inventories	7	5,489,900.00	-
Prepayments and Deferred Charges	8	14,114,056.83	18,283,480.54
Total Current Assets		<u>562,100,718.13</u>	<u>641,187,289.27</u>
Non-Current Assets			
Investments		-	-
Receivables		-	-
Investment Property		-	-
Property, Plant and Equipment	9	116,027,193.17	185,481,803.19
Biological Assets		-	-
Intangible Assets		-	-
Total Non-Current Assets		<u>116,027,193.17</u>	<u>185,481,803.19</u>
Total Assets		<u>678,127,911.30</u>	<u>826,669,092.46</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	10	324,708.74	324,708.74
Inter-Agency Payables	10	510,121,234.08	506,281,608.89
Intra-Agency Payables	10	4,662,159.92	13,752,034.34
Trust Liabilities	10	144,014,697.88	203,402,434.39
Deferred Credits/Unearned Income	10	706,311.43	706,311.43
Other Payables	11	18,298,799.25	102,201,994.67
Total Current Liabilities		<u>678,127,911.30</u>	<u>826,669,092.46</u>
Non-Current Liabilities			
Financial Liabilities		-	-
Deferred Credits/Unearned Income		-	-
Provisions		-	-
Other Payables		-	-
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>678,127,911.30</u>	<u>826,669,092.46</u>
NET ASSETS/EQUITY			
Government Equity		-	-
Total Liabilities and Net Assets/Equity		<u>678,127,911.30</u>	<u>826,669,092.46</u>



Appendix B-1

PROVINCE/CITY/MUNICIPALITY of **LEYTE**

Statement of Financial Performance

Fund **GENERAL FUND**

For the Year Ended December 31, 2022
(With Comparative Figures for CY 2021)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Revenue			
Tax Revenue	12	81,794,182.80	56,648,392.19
Share from Internal Revenue	12	3,648,789,333.00	2,727,692,762.00
Collections			
Service and Business Income	13,25	460,704,287.93	315,351,955.58
Shares, Grants and Donations	14	6,107,144.01	4,471,038.77
Miscellaneous Income	15	297,671.06	102,607.77
Total Revenue		4,197,692,618.80	3,104,266,756.31
Less: Current Operating Expenses			
Personnel Services	16	905,639,674.65	850,372,678.60
Maintenance and Other Operating Expenses	17-19, 22-23	878,268,313.15	823,196,866.29
Non-cash Expenses	26	506,873,545.46	429,981,049.75
Financial Expenses	24	48,530,143.66	30,168,141.34
Current Operating Expenses		2,339,311,676.92	2,133,718,735.98
Surplus (Deficit) from Current Operations		1,858,380,941.88	970,548,020.33
Add (Deduct)			
Transfers, Assistance and Subsidy To	20-21	(21,809,471.12)	(35,525,478.50)
Surplus (Deficit) for the period		1,836,571,470.76	935,022,541.83



PROVINCE/CITY/MUNICIPALITY of LEYTE

Statement of Financial Performance

Fund SPECIAL EDUCATION FUND

For the Period Ending December 31, 2022

(With Comparative Figures for CY 2021)

	Note#	<u>2022</u>	<u>2021</u>
Revenue			
Tax Revenue	12	75,259,672.15	68,641,221.17
Share from Internal Revenue		-	-
Collections			
Other Share from National Taxes		-	-
Service and Business Income	13	119,019.57	110,901.21
Shares, Grants and Donations		-	-
Gains		-	-
Other income		-	-
Total Revenue		<u>75,378,691.72</u>	<u>68,752,122.38</u>
Less: Current Operating Expenses			
Personnel Services		-	-
Maintenance and Other Operating Expenses	14	21,771,495.00	8,227,837.00
Non-cash Expenses	16	9,779,639.08	7,428,135.19
Financial Expenses		-	-
Current Operating Expenses		<u>31,551,134.08</u>	<u>15,655,972.19</u>
Surplus (Deficit) from Current Operations		43,827,557.64	53,096,150.19
Add (Deduct)			
Transfers, Assistance and Subsidy From		-	-
Transfers, Assistance and Subsidy To	15	(20,000.00)	-
Surplus (Deficit) for the period		<u>43,807,557.64</u>	<u>53,096,150.19</u>



PROVINCE/CITY/MUNICIPALITY of LEYTE
Statement of Financial Performance - TRUST FUND

For the Year Ended December 31, 2022

(With Comparative Figures for CY 2021)

	<i>Note</i>	<u>2022</u>	<u>2021</u>
REVENUE			
Shares, Grants and Donations	12	1,055,370.00	2,800,061.03
Miscellaneous Income		-	-
TOTAL REVENUE		<u>1,055,370.00</u>	<u>2,800,061.03</u>
LESS: Current Operating Expenses			
Personnel Services		-	-
Maintenance and Other Operating Expenses	13-14	1,055,370.00	2,800,061.03
Non-Cash Expenses		-	-
Current Operating Expenses		<u>1,055,370.00</u>	<u>2,800,061.03</u>
Surplus/Deficit from Current Operations		-	-
Add/Deduct: Transfers, Assistance and Subsidy			
Transfers from General Fund of Unspent DRRMF	15	-	-
Transfers, Assistance and Subsidy To		-	-
Surplus/Deficit for the Period		<u>-</u>	<u>-</u>



PROVINCE/CITY/MUNICIPALITY of L E Y T E

Statement of Changes in Net Assets/Equity

Fund **GENERAL FUND**

For the Year Ended December 31, 2022

(With Comparative Figures for CY 2021)

	<i>Note</i>	2022	2021
		Accumulated	Accumulated
		Surpluses/(Deficits)	Surpluses/(Deficits)
Balance at January 1		12,652,154,968.02	11,565,443,201.35
Add (Deduct)			
Change in Accounting Policy		(127,083.28)	-
Prior Period Errors		(259,271,306.25)	(198,554,646.64)
Restated Balance		12,392,756,578.49	11,366,888,554.71
Add (Deduct) Changes in net assets/equity during the year			
Adjustment of net revenue recognized directly in net assets/equity		(137,257,835.33)	350,243,871.48
Surplus (Deficit) for the period		1,836,571,470.76	935,022,541.83
Total recognized revenue and expenses for the period		1,699,313,635.43	1,285,266,413.31
Balance at December 31		14,092,070,213.92	12,652,154,968.02



Appendix C-2

PROVINCE/CITY/MUNICIPALITY of L E Y T E
STATEMENT OF NET ASSETS/EQUITY
 Fund **SPECIAL EDUCATION FUND**
 For the Year Ended December 31, 2022
(With Comparative Figures for CY 2021)

	<u>2022</u> <u>Accumulated</u> <u>Surpluses/(Deficits)</u>	<u>2021</u> <u>Accumulated</u> <u>Surpluses/(Deficits)</u>
Balance at January 1, 2022	507,649,909.64	440,499,171.13
Add (Deduct)		
Change in Accounting Policy		(236,730.02)
Prior Period Errors	2,688,943.92	14,291,318.34
Restated Balance	<u>510,338,853.56</u>	<u>454,553,759.45</u>
Add (Deduct) Changes in net assets/equity during the year		
Adjustment of net revenue recognized directly in net assets/equity	(22,365.00)	-
Surplus (Deficit) for the period	43,807,557.64	53,096,150.19
Total recognized revenue and expenses for the period	<u>43,785,192.64</u>	<u>53,096,150.19</u>
Balance at December 31, 2022	<u>554,124,046.20</u>	<u>507,649,909.64</u>



PROVINCE/CITY/MUNICIPALITY of **LEYTE**

Statement of Cash Flows

Fund **GENERAL FUND**

For the Year Ended December 31, 2022

(With Comparative Figures for CY 2021)

Appendix D-1

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities			
<i>Cash Inflows</i>			
Collection from Taxpayers		136,359,727.78	88,996,297.18
Share from Internal Revenue Allotment	12	3,648,789,333.00	2,727,692,762.00
Receipts from business/service income		511,824,284.37	368,226,605.58
Interest Income		28,020,374.13	32,060,976.36
Other Receipts		73,371,652.84	(16,667,834.70)
Total Cash Inflows		<u>4,398,365,372.12</u>	<u>3,200,308,806.42</u>
<i>Cash Outflows</i>			
Payments of expenses		899,098,293.32	902,436,529.74
Payments to suppliers and creditors		979,859,273.16	707,197,848.10
Payments to employees		61,186,664.62	43,298,305.99
Interest Expense		-	-
Other Expenses		845,786,891.28	864,338,180.58
Total Cash Outflows		<u>2,785,931,122.38</u>	<u>2,517,270,864.41</u>
Net Cash Flows from Operating Activities	27	<u>1,612,434,249.74</u>	<u>683,037,942.01</u>
Cash Flows From Investing Activities			
<i>Cash Inflows</i>			
Proceeds from Sale of Investment Property		-	-
Proceeds from Sale/Disposal of Property, Plant and Equipm		-	-
Proceeds from Sale of Non-Current Investments		-	-
Collections of Principal on loans to other entities		-	-
Total Cash Inflows		<u>-</u>	<u>-</u>
<i>Cash Outflows</i>			
Purchase/Construction of Investment Property		-	-
Purchase/Construction of Property, Plant and Equipment		1,275,243,393.26	1,141,002,652.39
Investment		-	-
Total Cash Outflows		<u>1,275,243,393.26</u>	<u>1,141,002,652.39</u>
Net Cash Flows from Investing Activities		<u>(1,275,243,393.26)</u>	<u>(1,141,002,652.39)</u>
Cash Flows From Financing Activities			
<i>Cash Inflows</i>			
Proceeds from Loans		522,932,035.23	393,620,242.71
Total Cash Inflows		<u>522,932,035.23</u>	<u>393,620,242.71</u>
<i>Cash Outflows</i>			
Payment of Long-Term Liabilities		-	-
Retirement/Redemption of debt securities		-	-
Payment of loan amortization		56,142,335.03	82,261,348.23
Total Cash Outflows		<u>56,142,335.03</u>	<u>82,261,348.23</u>
Net Cash Flows from Financing Activities		<u>466,789,700.20</u>	<u>311,358,894.48</u>
Total Cash Provided by Operating, Investing and Financing		<u>803,980,556.68</u>	<u>(146,605,815.90)</u>
Add: Cash at the Beginning of the Year		<u>3,929,856,996.40</u>	<u>4,076,462,812.30</u>
Cash Balance Ending December 31, 2022	4	<u>4,733,837,553.08</u>	<u>3,929,856,996.40</u>



PROVINCE/CITY/MUNICIPALITY of LEYTE
Statement of Cash Flows
Fund SPECIAL EDUCATION FUND
 For the Period Ended December 31, 2022
(With Comparative Figures for CY 2021)

Appendix D-2

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
<i>Cash Inflows</i>		
Collection from Taxpayers	76,231,799.07	72,801,061.21
Share from Internal Revenue Allotment		-
Receipts from business/service income		-
Interest Income	119,019.57	110,901.21
Dividend Income		-
Other Receipts	1,179,504.24	1,675.41
Total Cash Inflows	<u>77,530,322.88</u>	<u>72,913,637.83</u>
<i>Cash Outflows</i>		
Payments of expenses	46,200.00	
Payments to suppliers and creditors	26,154,103.82	8,334,528.24
Payments to employees		-
Interest Expense		-
Other Expenses	3,456,605.66	7,959,441.46
Total Cash Outflows	<u>29,656,909.48</u>	<u>16,293,969.70</u>
Net Cash Flows from Operating Activities	<u>47,873,413.40</u>	<u>56,619,668.13</u>
Cash Flows From Investing Activities		
<i>Cash Inflows</i>		
Proceeds from Sale of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	-
Proceeds from Sale of Non-Current Investments	-	-
Collections of Principal on loans to other entities	-	-
Total Cash Inflows	<u>-</u>	<u>-</u>
<i>Cash Outflows</i>		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant and Equipment	16,688,640.94	30,801,552.32
Investment		-
Purchase of Bearer Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflows	<u>16,688,640.94</u>	<u>30,801,552.32</u>
Net Cash Flows from Investing Activities	<u>(16,688,640.94)</u>	<u>(30,801,552.32)</u>
Cash Flows From Financing Activities		
<i>Cash Inflows</i>		
Proceeds from Issuance of Bonds	-	-
Proceeds from Loans	-	-
Total Cash Inflows	<u>-</u>	<u>-</u>
<i>Cash Outflows</i>		
Payment of Long-Term Liabilities	-	-
Retirement/Redemption of debt securities	-	-
Payment of loan amortization	-	-
Total Cash Outflows	<u>-</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>-</u>
Total Cash Provided by Operating, Investing and Financing Activities	<u>31,184,772.46</u>	<u>25,818,115.81</u>
Add: Cash at the Beginning of the Year	<u>222,149,334.44</u>	<u>196,331,218.63</u>
Cash Balance at December 31, 2022	<u>253,334,106.90</u>	<u>222,149,334.44</u>



PROVINCE/CITY/MUNICIPALITY of LEYTE

Statement of Cash Flows - TRUST FUND

For the Year Ended December 31, 2022

(With Comparative Figures for CY 2021)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities			
Cash Inflows			
Share from Internal Revenue Allotment		-	-
Collection from Taxpayers		-	-
Receipts from sale of goods and services		-	-
Interest Income		286,781.10	497,450.63
Dividend Income		-	-
Other Receipts		440,198,807.18	257,354,649.73
Total Cash Inflows		<u>440,485,588.28</u>	<u>257,852,100.36</u>
Cash Outflows			
Payments of expenses		-	-
Payments to suppliers and creditors		113,263,236.98	55,052,799.10
Payments to employees		17,783,050.00	6,735,500.00
Interest Expenses		-	-
Other Expenses		228,581,080.29	198,526,491.00
Total Cash Outflows		<u>359,627,367.27</u>	<u>260,314,790.10</u>
Net Cash Flows from Operating Activities	16	<u>80,858,221.01</u>	<u>(2,462,689.74)</u>
Cash Flows From Investing Activities			
Cash Inflows			
Proceeds from Sale of Investment Property		-	-
Proceeds from Sale/Disposal of Property, Plant and Equipme		-	-
Proceeds from Sale of Non-Current Investments		-	-
Collection of Principal on Loans to Other Entities		-	-
Total Cash Inflows		<u>-</u>	<u>-</u>
Cash Outflows			
Purchase/Construction of Investment Property		-	-
Purchase/Construction of Property, Plant and Equipment		164,265,268.44	266,879,348.10
Investment		-	-
Purchase of Bearer Biological Assets		-	-
Purchase of Intangible Assets		-	-
Grant of Loans		-	-
Total Cash Outflows		<u>164,265,268.44</u>	<u>266,879,348.10</u>
Net Cash Flows from Investing Activities		<u>(164,265,268.44)</u>	<u>(266,879,348.10)</u>
Cash Flows From Financing Activities			
Cash Inflows			
Proceeds from Issuance of Bonds		-	-
Proceeds from Loans		-	-
Total Cash Inflows		<u>-</u>	<u>-</u>
Cash Outflows			
Payment of Long-Term Liabilities		-	-
Retirement/Redemption of debt securities		-	-
Payment of loan amortization		-	-
Total Cash Outflows		<u>-</u>	<u>-</u>
Net Cash Flows from Financing Activities		<u>-</u>	<u>-</u>
Total Cash Provided by Operating, Investing and Financing		<u>(83,407,047.43)</u>	<u>(269,342,037.84)</u>
Add: Cash at the Beginning of the Year		617,909,020.95	887,251,058.79
Cash Balance at the End of the Year	4	<u>534,501,973.52</u>	<u>617,909,020.95</u>

Appendix E-1



Province of Leyte
Statement of Comparison of Budget and Actual Amounts
 For the Year Ended December 31, 2022
General Fund

Particulars	Notes	Budgeted Amounts		Difference Original and Final Budget	Actual Amounts	Difference Final Budget and Actual
		Original	Final			
Revenue						
A. Local Sources						
1. Tax Revenue						
a. Tax Revenue- Property		30,491,488.00	30,491,488.00	-	39,966,108.95	9,474,620.95
b. Tax Revenue – Goods and Services				-	22,973,127.02	22,973,127.02
c. Other Local Taxes		15,432,859.00	15,432,859.00	-	18,854,946.83	3,422,087.83
Total Tax Revenue		45,924,347.00	45,924,347.00	-	81,794,182.80	35,869,835.80
2. Non-Tax Revenue						
a. Service Income		125,000,000.00	125,000,000.00	-	9,448,601.80	(115,551,398.20)
b. Business Income		125,000,000.00	125,000,000.00	-	325,501,982.28	200,501,982.28
c. Other Income and Receipts		10,531,930.00	10,531,930.00	-	297,671.06	(10,234,258.94)
Total Non-Tax Revenue		260,531,930.00	260,531,930.00	-	335,248,255.14	74,716,325.14
B. External Sources						
1. Share from the National Internal Revenue Taxes		3,700,000,000.00	3,700,000,000.00	-	3,648,789,333.00	(51,210,667.00)
2. Share from GOCCs		12,523,723.00	12,523,723.00	-	6,107,144.01	(6,416,578.99)
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		20,000.00	20,000.00	-		(20,000.00)
4. Other Receipts						
a. Grants and Donations		1,000,000.00	1,000,000.00	-		(1,000,000.00)
b. Other Subsidy Income(Philhealth)(Drugs &		130,000,000.00	130,000,000.00	-	125,753,703.85	(4,246,296.15)
5. Inter-local Transfer				-		-
6. Capital /Investment Receipts						
a. Sale of Capital Assets				-		-
b. Sale of Investments				-		-
c. Proceeds from Collections of Loans				-		-
7. Unappropriated Balance				-		-
C. Receipts from Borrowings(DBP LOAN)				-		-
Total External Sources		3,843,543,723.00	3,843,543,723.00	-	3,780,650,180.86	(62,893,542.14)
Total Revenues and Receipts		4,150,000,000.00	4,150,000,000.00	-	4,197,692,618.80	47,692,618.80

Particulars	Notes	Budgeted Amounts		Difference Original and Final Budget	Actual Amounts	Difference Final Budget and Actual
		Original	Final			
Expenditures						
General Public Services						
Personnel Services		348,870,686.00	357,176,968.00	(8,306,282.00)	293,686,813.59	63,490,154.41
Maintenance and Other Operating Expenses		463,152,518.11	482,428,526.79	(19,276,008.68)	355,332,791.41	127,095,735.38
Capital Outlay		699,242,700.00	837,742,700.00	(138,500,000.00)	249,422,826.59	588,319,873.41
Education						
Personnel Services		-	-	-	-	-
Maintenance and Other Operating Expenses		50,800,000.00	50,800,000.00	-	39,583,305.40	11,216,694.60
Capital Outlay		5,200,000.00	5,200,000.00	-	-	5,200,000.00
Health, Nutrition and Population Control						
Personnel Services		461,427,251.00	484,686,278.00	(23,259,027.00)	388,872,435.35	95,813,842.65
Maintenance and Other Operating Expenses		307,464,351.00	309,073,463.00	(1,609,112.00)	235,852,466.06	73,220,996.94
Capital Outlay		6,005,000.00	6,005,000.00	-	2,675,420.00	3,329,580.00
Labor and Employment						
Personnel Services		-	-	-	-	-
Maintenance and Other Operating Expenses		-	-	-	-	-
Capital Outlay		-	-	-	-	-
Housing and Community Development						
Personnel Services		7,645,852.00	8,950,852.00	(1,305,000.00)	8,600,479.82	350,372.18
Maintenance and Other Operating Expenses		1,724,500.00	2,374,500.00	(650,000.00)	1,033,836.75	1,340,663.25
Capital Outlay		-	-	-	-	-
Social Services and Social Welfare						
Personnel Services		21,763,910.00	23,714,910.00	(1,951,000.00)	17,200,379.64	6,514,530.36
Maintenance and Other Operating Expenses		12,289,000.00	12,163,265.00	125,735.00	11,942,599.74	220,665.26
Capital Outlay		576,000.00	576,000.00	-	88,300.00	487,700.00
Economic Services						
Personnel Services		246,732,841.00	258,404,460.00	(11,671,619.00)	197,279,566.25	61,124,893.75
Maintenance and Other Operating Expenses		164,607,890.89	144,423,825.21	20,184,065.68	140,275,717.72	4,148,107.49
Capital Outlay		1,700,000.00	1,400,000.00	300,000.00	728,909.00	671,091.00
Other Purposes:						
Debt Service		-	-	-	3,335,935.70	(3,335,935.70)
Financial Expense Amortization		51,815,000.00	51,815,000.00	-	48,530,143.66	3,284,856.34
LDRRMF						
Maintenance and Other Operating Expenses		60,310,000.00	103,810,000.00	(43,500,000.00)	31,088,465.97	72,721,534.03
Capital Outlay		147,190,000.00	103,690,000.00		12,868,625.62	90,821,374.38
20% Development Fund						
Maintenance and Other Operating Expenses		78,000,000.00	78,000,000.00	-	73,652,997.25	4,347,002.75
Capital Outlay		1,002,000,000.00	1,002,000,000.00	-	411,593,596.82	590,406,403.18
Share from National Wealth						
Maintenance and Other Operating Expenses		-	-	-	-	-
Capital Outlay		-	-	-	-	-
Allocation for Senior Citizens and PWD						
Maintenance and Other Operating Expenses		-	-	-	-	-
Capital Outlay		-	-	-	-	-
Others						
Personnel Services		-	-	-	-	-
Maintenance and Other Operating Expenses		11,482,500.00	11,482,500.00	-	7,979,668.27	3,502,831.73
Capital Outlay		-	300,000.00	(300,000.00)	194,590.00	105,410.00
Total		4,150,000,000.00	4,336,218,248.00	(229,718,248.00)	2,531,819,870.61	1,804,398,377.39
Surplus (Deficit) for the period		-	(186,218,248.00)	229,718,248.00	1,665,872,748.19	1,852,090,996.19

RECAP:

PS	905,639,674.65
MOOE	896,741,848.57
CO	677,572,268.03
Financial Expenses	48,530,143.66

Appendix E-2

SPECIAL EDUCATION FUND(SEF)						
Particulars	Notes	Budgeted Amounts		Difference Original and Final Budget	Actual Amounts	Difference Final Budget and Actual
		Original	Final			
A. Local Sources						
1. Tax Revenue						
a. Tax Revenue- Property		82,000,000.00	82,000,000.00	-	75,259,672.15	6,740,327.85
Total Tax Revenue		82,000,000.00	82,000,000.00	-	75,259,672.15	6,740,327.85
2. Non-Tax Revenue						
a. Business Income				-	119,019.57	(119,019.57)
Total Non-Tax Revenue		-	-	-	119,019.57	(119,019.57)
Total Revenues and Receipts		82,000,000.00	82,000,000.00	-	75,378,691.72	6,621,308.28
Expenditures						
Current Appropriations						
Education						
Personnel Services				-		-
Maintenance and Other Operating Expenses		62,000,000.00	62,000,000.00	-	21,791,495.00	40,208,505.00
Capital Outlay		20,000,000.00	20,000,000.00	-	-	20,000,000.00
Total Current Appropriations		82,000,000.00	82,000,000.00	-	21,791,495.00	60,208,505.00
Surplus (Deficit) for the period		-	-	-	53,587,196.72	(53,587,196.72)
Total Surplus (Deficit) for the period		-	(186,218,248.00)	229,718,248.00	1,719,459,944.91	1,798,503,799.47

RECAP:

PS	-
MOOE	21,791,495.00
CO	-
Financial Expenses	-

Appendix F-1

STATUS OF APPROPRIATIONS, ALLOTMENTS AND OBLIGATIONS

For the year 2022

Fund Account : General Fund

CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATIONS	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
	GRAND TOTAL	4,336,218,248.00	4,275,007,581.75	2,600,912,369.06	30,227,402.15	61,210,666.25	1,674,095,212.69	2,570,684,966.91
00	CURRENT YEAR APPROPRIATIONS	4,336,218,248.00	4,275,007,581.75	2,600,912,369.06	30,227,402.15	61,210,666.25	1,674,095,212.69	2,570,684,966.91
00	Maintenance and Other Operating Expenses	1,194,556,080.00	1,184,556,080.00	1,003,152,740.28	15,165,721.26	10,000,000.00	181,403,339.72	987,987,019.02
00	Capital Outlay	1,956,913,700.00	1,905,703,033.75	677,572,268.03	2,426,946.50	51,210,666.25	1,228,130,765.72	675,145,321.53
00	Personal Services	1,132,933,468.00	1,132,933,468.00	874,932,405.24	789,678.98	0.00	258,001,062.76	874,142,726.26
00	Financial Expenses	51,815,000.00	51,815,000.00	45,254,955.51	11,845,055.41	0.00	6,560,044.49	33,409,900.10
	GENERAL PUBLIC SERVICES - 1090	1,677,348,194.78	1,667,348,194.78	898,137,734.79	4,731,787.60	10,000,000.00	789,210,480.00	893,405,947.18
1010	EXECUTIVE SERVICES (GOVERNOR/MAYOR)							
1011	GENERAL ADMINISTRATION - 1011	1,283,386,652.57	1,253,386,652.57	661,164,427.73	2,989,543.36	10,000,000.00	692,202,224.84	558,174,884.37
1011	Maintenance and Other Operating Expenses	351,564,896.57	341,564,896.57	249,169,749.41	2,006,586.86	10,000,000.00	92,395,147.16	247,163,162.55
1011	Capital Outlay	833,712,700.00	833,712,700.00	247,392,482.59	982,956.50	0.00	586,320,217.41	248,409,526.09
1011	Personal Services	78,089,056.00	78,089,056.00	64,602,195.73	0.00	0.00	13,486,860.27	64,602,195.73
1012	MAINTENANCE OF PRISONERS - 1012	109,891,856.33	109,891,856.33	95,697,160.85	589,618.08	0.00	14,294,705.48	95,007,542.77
1012	Maintenance and Other Operating Expenses	36,077,210.33	36,077,210.33	34,430,191.47	589,618.08	0.00	1,647,018.86	33,840,573.39
1012	Capital Outlay	400,000.00	400,000.00	232,650.00	0.00	0.00	167,350.00	232,650.00
1012	Personal Services	73,414,656.00	73,414,656.00	60,934,319.38	0.00	0.00	12,480,336.62	60,934,319.38
1013	CIVIL SECURITY - 1013	5,151,731.00	5,151,731.00	2,544,679.57	0.00	0.00	2,607,051.43	2,544,679.57
1013	Maintenance and Other Operating Expenses	945.00	945.00	0.00	0.00	0.00	945.00	0.00
1013	Personal Services	5,150,786.00	5,150,786.00	2,544,679.57	0.00	0.00	2,606,106.43	2,544,679.57
1020	LEGISLATIVE SERVICES - 1020							
1021	LEGISLATION - 1021	95,297,773.32	95,297,773.32	82,832,057.42	806,871.50	0.00	12,465,715.90	82,025,185.92
1021	Maintenance and Other Operating Expenses	24,098,233.00	24,098,233.00	19,954,895.78	413,919.50	0.00	4,143,337.22	19,540,975.28
1021	Capital Outlay	400,000.00	400,000.00	306,840.00	0.00	0.00	93,160.00	306,840.00
1021	Personal Services	70,799,540.32	70,799,540.32	62,570,321.64	392,952.00	0.00	8,229,218.68	62,177,369.64
1040	PLANNING AND DEVELOPMENT COORDINATION							
1041	GENERAL ADMINISTRATION - 1041	17,433,743.21	17,433,743.21	13,188,022.58	28,500.00	0.00	4,245,720.63	13,158,522.58

CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATION	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
1041	Maintenance and Other Operating Expense	1,070,951.21	1,070,951.21	993,218.03	29,500.00	0.00	77,733.18	963,718.03
1041	Capital Outlay	320,000.00	320,000.00	131,195.00	0.00	0.00	188,805.00	131,195.00
1041	Personal Services	16,042,792.00	16,042,792.00	12,063,609.55	0.00	0.00	3,979,182.45	12,063,609.55
1060	GENERAL SERVICES - 1060							
1081	GENERAL ADMINISTRATION - 1081	54,112,798.00	54,112,798.00	47,388,096.89	28,798.12	0.00	6,724,701.31	47,359,298.57
1081	Maintenance and Other Operating Expense	46,640,740.00	46,640,740.00	42,733,798.45	28,798.12	0.00	3,906,943.55	42,704,998.33
1081	Capital Outlay	250,000.00	250,000.00	0.00	0.00	0.00	250,000.00	0.00
1081	Personal Services	7,222,058.00	7,222,058.00	4,654,300.24	0.00	0.00	2,567,757.76	4,654,300.24
1070	BUDGETING SERVICES - 1070							
1071	GENERAL ADMINISTRATION - 1071	12,499,160.00	12,499,160.00	8,493,496.51	104,990.00	0.00	4,005,663.49	8,388,506.51
1071	Maintenance and Other Operating Expense	1,610,040.00	1,610,040.00	1,588,741.17	20,000.00	0.00	23,298.83	1,588,741.17
1071	Capital Outlay	400,000.00	400,000.00	183,040.00	84,990.00	0.00	216,960.00	98,050.00
1071	Personal Services	10,489,120.00	10,489,120.00	6,723,715.34	0.00	0.00	3,765,404.66	6,723,715.34
1080	ACCOUNTING SERVICES - 1080							
1081	GENERAL ADMINISTRATION - 1081	6,599,926.00	6,599,926.00	4,318,843.17	18,823.04	0.00	2,281,082.83	4,300,020.13
1081	Maintenance and Other Operating Expense	2,056,000.00	2,056,000.00	1,482,606.80	18,823.04	0.00	573,493.20	1,483,893.76
1081	Capital Outlay	200,000.00	200,000.00	188,984.00	0.00	0.00	11,016.00	188,984.00
1081	Personal Services	4,343,926.00	4,343,926.00	2,647,352.37	0.00	0.00	1,696,573.63	2,647,352.37
1090	TREASURY SERVICES - 1090							
1091	GENERAL ADMINISTRATION - 1091	57,514,064.57	57,514,064.57	47,970,065.01	25,266.39	0.00	9,543,999.56	47,944,798.62
1091	Maintenance and Other Operating Expense	9,732,264.57	9,732,264.57	8,447,937.25	25,266.39	0.00	1,284,327.32	8,422,670.86
1091	Capital Outlay	560,000.00	560,000.00	393,690.00	0.00	0.00	166,310.00	393,690.00
1091	Personal Services	47,221,800.00	47,221,800.00	39,128,437.76	0.00	0.00	8,093,362.24	39,128,437.76
1100	ASSESSMENT OF REAL PROPERTY - 1100							
1101	GENERAL ADMINISTRATION - 1101	28,760,906.00	28,760,906.00	15,921,463.22	12,771.69	0.00	12,839,442.78	15,908,691.53
1101	Maintenance and Other Operating Expense	1,865,000.00	1,865,000.00	1,411,813.83	12,771.69	0.00	453,186.17	1,398,042.14
1101	Capital Outlay	500,000.00	500,000.00	189,240.00	0.00	0.00	310,760.00	189,240.00
1101	Personal Services	26,395,906.00	26,395,906.00	14,320,409.39	0.00	0.00	12,075,496.61	14,320,409.39

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CODE	FUNCTIONPROGRAMPROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATION	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
1110	AUDITING SERVICES - 1110							
1111	GENERAL ADMINISTRATION - 1111	777,630.00	777,630.00	504,991.53	3,906.28	0.00	272,638.47	501,085.25
1111	Maintenance and Other Operating Expense	527,630.00	527,630.00	334,136.63	3,906.28	0.00	193,493.47	330,230.25
1111	Capital Outlay	250,000.00	250,000.00	170,855.00	0.00	0.00	79,145.00	170,855.00
1120	INFORMATION SERVICES - 1120							
1122	LIBRARY SERVICES - 1122	5,183,045.00	5,183,045.00	2,079,480.70	43,699.14	0.00	3,103,564.30	2,035,761.96
1122	Maintenance and Other Operating Expense	233,345.00	233,345.00	123,199.36	0.00	0.00	110,145.64	123,199.36
1122	Capital Outlay	200,000.00	200,000.00	59,890.00	0.00	0.00	140,110.00	59,890.00
1122	Personal Services	4,749,700.00	4,749,700.00	1,902,271.35	43,699.14	0.00	2,847,428.65	1,958,572.21
1130	LEGAL SERVICES - 1130							
1131	GENERAL ADMINISTRATION - 1131	8,384,866.00	8,384,866.00	6,574,078.86	0.00	0.00	1,810,787.14	6,574,078.86
1131	Maintenance and Other Operating Expense	878,000.00	878,000.00	641,839.88	0.00	0.00	236,160.12	641,839.88
1131	Capital Outlay	350,000.00	350,000.00	79,880.00	0.00	0.00	270,120.00	79,880.00
1131	Personal Services	7,156,866.00	7,156,866.00	5,852,360.18	0.00	0.00	1,304,505.82	5,852,360.18
1140	PROSECUTION SERVICES - 1140							
1141	GENERAL ADMINISTRATION - 1141	778,975.00	778,975.00	537,295.00	33,000.00	0.00	241,680.00	504,295.00
1141	Maintenance and Other Operating Expense	778,975.00	778,975.00	537,295.00	33,000.00	0.00	241,680.00	504,295.00
1150	ADMINISTRATION OF JUSTICE - 1150							
1151	REGIONAL TRAIL COURT - 1151	3,898,000.00	3,898,000.00	3,084,712.00	45,000.00	0.00	803,288.00	3,049,712.00
1151	Maintenance and Other Operating Expense	3,898,000.00	3,898,000.00	3,084,712.00	45,000.00	0.00	803,288.00	3,049,712.00
1180	LAND REGISTRATION SERVICES - 1180							
1181	GENERAL ADMINISTRATION - 1181	852,505.88	852,505.88	731,563.38	0.00	0.00	120,942.50	731,563.38
1181	Maintenance and Other Operating Expense	177,230.00	177,230.00	76,291.86	0.00	0.00	100,938.14	76,291.86
1181	Personal Services	675,275.88	675,275.88	655,271.52	0.00	0.00	20,004.16	655,271.52
1980	LOCAL DISASTER RISK REDUCTION AND M	6,844,552.11	6,844,552.11	5,197,319.57	0.00	0.00	1,647,232.54	5,197,319.57
1980	Maintenance and Other Operating Expenses	1,219,066.11	1,219,066.11	1,203,677.66	0.00	0.00	15,388.45	1,203,677.66
1980	Capital Outlay	200,000.00	200,000.00	99,880.00	0.00	0.00	100,020.00	99,880.00
1980	Personal Services	5,425,486.00	5,425,486.00	3,893,661.91	0.00	0.00	1,531,824.09	3,893,661.91

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CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATION	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
	EDUCATION, CULTURE, SPORTS AND MANPOWER DEVELOPMENT - 3000	<u>56,000,000.00</u>	<u>56,000,000.00</u>	<u>48,149,325.33</u>	<u>928,095.00</u>	<u>0.00</u>	<u>7,850,674.67</u>	<u>47,221,230.33</u>
3390	OTHER EDUCATION, SPORTS AND MANPOWER							
3391	CULTURAL PROJECTS - 3391	40,800,000.00	40,800,000.00	37,062,142.00	908,250.00	0.00	3,537,858.00	36,153,892.00
3391	Maintenance and Other Operating Expense	37,100,000.00	37,100,000.00	37,062,142.00	908,250.00	0.00	37,858.00	36,153,892.00
3391	Capital Outlay	3,500,000.00	3,500,000.00	0.00	0.00	0.00	3,500,000.00	0.00
3392	SPORTS DEVELOPMENT / PHYSICAL FITNESS	15,400,000.00	15,400,000.00	11,087,183.33	19,845.00	0.00	4,312,816.67	11,067,338.33
3392	Maintenance and Other Operating Expense	13,700,000.00	13,700,000.00	11,087,183.33	19,845.00	0.00	2,612,816.67	11,067,338.33
3392	Capital Outlay	1,700,000.00	1,700,000.00	0.00	0.00	0.00	1,700,000.00	0.00
	HEALTH SERVICES - 4000	<u>799,764,741.00</u>	<u>799,764,741.00</u>	<u>653,382,551.31</u>	<u>3,103,608.87</u>	<u>0.00</u>	<u>146,372,189.69</u>	<u>650,288,942.44</u>
4410	HEALTH SERVICES - 4410							
4411	GENERAL ADMINISTRATION - 4411	43,981,508.00	43,981,508.00	34,231,344.06	41,501.97	0.00	9,730,163.94	34,189,842.09
4411	Maintenance and Other Operating Expense	4,398,240.00	4,398,240.00	3,565,036.68	12,097.00	0.00	843,203.32	3,542,938.68
4411	Capital Outlay	380,000.00	380,000.00	78,970.00	0.00	0.00	301,030.00	78,970.00
4411	Personal Services	39,183,268.00	38,183,268.00	30,597,337.38	28,404.97	0.00	8,585,930.62	30,567,932.41
4420	HOSPITAL - 4420							
4421	GENERAL ADMINISTRATION - 4421	755,803,233.00	755,803,233.00	619,181,207.25	3,062,106.80	0.00	136,642,025.75	616,099,100.35
4421	Maintenance and Other Operating Expense	304,875,223.00	304,875,223.00	278,082,428.98	2,940,825.53	0.00	26,812,794.02	276,121,803.45
4421	Capital Outlay	5,625,000.00	5,625,000.00	2,598,450.00	0.00	0.00	3,026,550.00	2,598,450.00
4421	Personal Services	445,503,010.00	445,503,010.00	337,502,328.27	121,281.37	0.00	108,000,681.73	337,381,046.90
	HOUSING AND COMMUNITY DEVELOPMENT - 6000	<u>11,325,352.00</u>	<u>11,325,352.00</u>	<u>9,941,791.06</u>	<u>30,057.65</u>	<u>0.00</u>	<u>1,383,560.94</u>	<u>9,911,733.41</u>
6540	COMMUNITY DEVELOPMENT - 6540							
6544	MAINTENANCE OF PLAZAS, PARKS AND WALKWAYS	11,325,352.00	11,325,352.00	9,941,791.06	30,057.65	0.00	1,383,560.94	9,911,733.41
6544	Maintenance and Other Operating Expense	2,374,500.00	2,374,500.00	1,409,212.75	18,267.14	0.00	965,287.25	1,380,945.61
6544	Personal Services	8,950,852.00	8,950,852.00	8,532,578.31	11,780.51	0.00	418,273.69	8,520,787.80
	SOCIAL WELFARE SERVICES - 7000	<u>36,454,175.00</u>	<u>36,454,175.00</u>	<u>28,446,484.41</u>	<u>118,493.54</u>	<u>0.00</u>	<u>8,007,690.59</u>	<u>28,327,990.87</u>
7610	SOCIAL WELFARE SERVICES - 7610							

CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATION	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
7611	GENERAL ADMINISTRATION - 7611	21,234,963.00	21,234,963.00	16,054,066.79	85,518.54	0.00	5,180,876.21	15,968,568.25
7611	Maintenance and Other Operating Expense	8,862,385.00	8,862,385.00	7,895,566.34	85,518.54	0.00	926,818.66	7,850,047.80
7611	Capital Outlay	326,000.00	326,000.00	0.00	0.00	0.00	326,000.00	0.00
7611	Personal Services	12,046,578.00	12,046,578.00	8,118,520.45	0.00	0.00	3,928,057.55	8,118,520.45
7620	FAMILY PLANNING SERVICES - 7620							
7621	GENERAL ADMINISTRATION - 7621	15,219,212.00	15,219,212.00	12,392,397.62	32,975.00	0.00	2,826,814.38	12,359,422.62
7621	Maintenance and Other Operating Expense	3,300,880.00	3,300,880.00	3,224,300.12	32,975.00	0.00	76,579.88	3,181,325.12
7621	Capital Outlay	250,000.00	250,000.00	88,300.00	0.00	0.00	161,700.00	88,300.00
7621	Personal Services	11,668,332.00	11,668,332.00	9,079,797.50	0.00	0.00	2,588,534.50	9,079,797.50
	ECONOMIC SERVICES - 8000	1,484,528,285.21	1,433,317,618.96	792,927,571.67	9,470,304.08	51,210,666.25	640,390,047.29	783,457,267.59
8710	AGRICULTURAL SERVICES - 8710							
8711	GENERAL ADMINISTRATION - 8711	157,120,718.21	157,120,718.21	123,173,010.59	3,437,349.00	0.00	33,947,707.62	119,735,661.59
8711	Maintenance and Other Operating Expense	23,463,062.21	23,463,062.21	18,425,163.94	3,435,349.00	0.00	5,037,898.27	14,989,814.94
8711	Capital Outlay	600,000.00	600,000.00	355,680.00	0.00	0.00	244,310.00	355,680.00
8711	Personal Services	133,057,656.00	133,057,656.00	104,392,156.65	2,000.00	0.00	28,665,499.35	104,390,156.65
8720	VETERINARY SERVICES - 8720							
8721	GENERAL ADMINISTRATION - 8721	8,579,172.00	8,579,172.00	2,929,805.19	12,637.00	0.00	5,649,366.81	2,917,168.19
8721	Maintenance and Other Operating Expense	736,700.00	736,700.00	573,817.14	12,637.00	0.00	162,882.86	581,180.14
8721	Capital Outlay	200,000.00	200,000.00	62,870.00	0.00	0.00	137,130.00	62,870.00
8721	Personal Services	7,642,472.00	7,642,472.00	2,293,118.05	0.00	0.00	5,349,353.95	2,293,118.05
8730	NATURAL RESOURCES SERVICES - 8730							
8731	GENERAL ADMINISTRATION - 8731	9,089,001.00	9,089,001.00	5,008,943.57	9,254.15	0.00	4,080,057.43	4,989,589.42
8731	Maintenance and Other Operating Expense	823,983.00	823,983.00	670,521.42	9,254.15	0.00	153,461.58	661,267.27
8731	Capital Outlay	250,000.00	250,000.00	172,849.00	0.00	0.00	77,151.00	172,849.00
8731	Personal Services	8,015,018.00	8,015,018.00	4,165,573.15	0.00	0.00	3,849,444.85	4,165,573.15
8750	ENGINEERING SERVICES - 8750							
8751	GENERAL ADMINISTRATION - 8751	140,942,974.00	140,942,974.00	115,231,950.87	4,382,063.93	0.00	25,711,023.13	110,849,886.94
8751	Maintenance and Other Operating Expense	30,903,680.00	30,903,680.00	27,338,361.32	4,183,512.94	0.00	3,567,298.68	23,142,848.38

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CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATION	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
8751	Capital Outlay	350,000.00	350,000.00	137,500.00	0.00	0.00	212,500.00	137,500.00
8751	Personal Services	109,689,314.00	109,689,314.00	87,758,089.55	188,550.99	0.00	21,931,224.45	87,569,539.56
8910	LOCAL DEVELOPMENT FUND - 8910	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8910	Maintenance and Other Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8919	DEVELOPMENT FUND - 8919	1,028,000,000.00	1,028,789,333.75	487,540,157.82	1,359,000.00	51,210,866.25	541,249,175.93	486,181,157.82
8919	Maintenance and Other Operating Expense	78,000,000.00	78,000,000.00	75,946,561.00	0.00	0.00	2,053,439.00	75,946,561.00
8919	Capital Outlay	1,002,000,000.00	950,789,333.75	411,593,596.82	1,359,000.00	51,210,866.25	638,195,736.93	410,234,596.82
8970	LIVELIHOOD PROJECTS - 8970							
8971	GENERAL ADMINISTRATION - 8971	88,796,420.00	88,796,420.00	59,043,703.63	270,000.00	0.00	29,752,716.37	58,773,703.63
8971	Maintenance and Other Operating Expense	88,496,420.00	88,496,420.00	58,849,113.63	270,000.00	0.00	29,647,306.37	58,579,113.63
8971	Capital Outlay	300,000.00	300,000.00	194,590.00	0.00	0.00	105,410.00	194,590.00
	OTHER PURPOSES - 9000	270,797,509.00	270,797,560.00	169,916,910.49	11,845,055.41	0.00	100,880,649.51	158,071,855.08
9920	PUBLIC DEBT - 9920							
9921	LOAN AMORTIZATION - DOMESTIC - 9921	51,815,000.00	51,815,000.00	45,254,955.51	11,845,055.41	0.00	6,560,044.49	33,409,900.10
9921	Financial Expenses	51,815,000.00	51,815,000.00	45,254,955.51	11,845,055.41	0.00	6,560,044.49	33,409,900.10
9990	MISCELLANEOUS OTHER PURPOSES - 999							
9995	INTERLOCAL GOVERNMENT TRANSFERS	3,482,500.00	3,482,500.00	0.00	0.00	0.00	3,482,500.00	0.00
9995	Maintenance and Other Operating Expense	3,482,500.00	3,482,500.00	0.00	0.00	0.00	3,482,500.00	0.00
9998	BUDGETARY RESERVES - 9998	207,500,000.00	207,500,000.00	116,678,625.62	0.00	0.00	90,821,374.38	116,678,625.62
9998	Maintenance and Other Operating Expense	103,810,000.00	103,810,000.00	103,810,000.00	0.00	0.00	0.00	103,810,000.00
9998	Capital Outlay	103,690,000.00	103,690,000.00	12,868,625.62	0.00	0.00	90,821,374.38	12,868,625.62
9999	OTHERS - 8999	8,000,000.00	8,000,000.00	7,983,329.36	0.00	0.00	16,670.64	7,983,329.36
9999	Maintenance and Other Operating Expense	8,000,000.00	8,000,000.00	7,983,329.36	0.00	0.00	16,670.64	7,983,329.36

Fund Account : General Fund

CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATIONS	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
	GRAND TOTAL	2,650,721,602.87	2,650,721,602.87	1,106,050,599.33	28,210,175.68	0.00	1,544,671,003.54	1,077,840,423.65
00	CONTINUING APPROPRIATIONS	<u>2,650,721,602.87</u>	<u>2,650,721,602.87</u>	<u>1,106,050,599.33</u>	<u>28,210,175.68</u>	<u>0.00</u>	<u>1,544,671,003.54</u>	<u>1,077,840,423.65</u>
00	Maintenance and Other Operating Expenses	464,779,237.13	464,779,237.13	104,058,395.00	0.00	0.00	360,720,842.13	104,058,395.00
00	Capital Outlay	2,170,762,583.56	2,170,762,583.56	991,104,824.83	28,210,175.68	0.00	1,179,657,758.73	962,894,649.15
00	Financial Expenses	15,179,782.18	15,179,782.18	10,887,379.50	0.00	0.00	4,292,402.68	10,887,379.50
	GENERAL PUBLIC SERVICES - 1000	<u>790,566,577.93</u>	<u>790,566,577.93</u>	<u>262,786,412.67</u>	<u>0.00</u>	<u>0.00</u>	<u>527,780,165.28</u>	<u>262,786,412.67</u>
1010	EXECUTIVE SERVICES (GOVERNOR/MAYOR) - 1010							
1011	GENERAL ADMINISTRATION - 1011	784,377,822.68	784,377,822.68	259,723,384.67	0.00	0.00	524,654,438.01	269,723,384.67
1011	Maintenance and Other Operating Expenses	23,697,965.14	23,697,965.14	0.00	0.00	0.00	23,697,965.14	0.00
1011	Capital Outlay	760,679,857.54	760,679,857.54	259,723,384.67	0.00	0.00	500,956,472.87	259,723,384.67
1012	MAINTENANCE OF PRISONERS - 1012	2,000,640.00	2,000,640.00	1,555,099.00	0.00	0.00	445,541.00	1,555,099.00
1012	Capital Outlay	2,000,640.00	2,000,640.00	1,555,099.00	0.00	0.00	445,541.00	1,555,099.00
1020	LEGISLATIVE SERVICES - 1020							
1021	LEGISLATION - 1021	210,701.00	210,701.00	40,853.00	0.00	0.00	169,848.00	40,853.00
1021	Capital Outlay	210,701.00	210,701.00	40,853.00	0.00	0.00	169,848.00	40,853.00
1040	PLANNING AND DEVELOPMENT COORDINATION - 1040							
1041	GENERAL ADMINISTRATION - 1041	109,362.00	109,362.00	0.00	0.00	0.00	109,362.00	0.00
1041	Capital Outlay	109,362.00	109,362.00	0.00	0.00	0.00	109,362.00	0.00
1060	GENERAL SERVICES - 1060							
1061	GENERAL ADMINISTRATION - 1061	700,000.00	700,000.00	0.00	0.00	0.00	700,000.00	0.00
1061	Capital Outlay	700,000.00	700,000.00	0.00	0.00	0.00	700,000.00	0.00
1070	BUDGETING SERVICES - 1070							
1071	GENERAL ADMINISTRATION - 1071	994,064.00	994,064.00	444,550.00	0.00	0.00	549,514.00	444,550.00
1071	Capital Outlay	994,064.00	994,064.00	444,550.00	0.00	0.00	549,514.00	444,550.00

CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATION	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
1080	ACCOUNTING SERVICES - 1080							
1081	GENERAL ADMINISTRATION - 1081	960,074.00	960,074.00	951,566.00	0.00	0.00	8,508.00	951,566.00
1081	Capital Outlay	960,074.00	960,074.00	951,566.00	0.00	0.00	8,508.00	951,566.00
1090	TREASURY SERVICES - 1090							
1091	GENERAL ADMINISTRATION - 1091	179,824.25	179,824.25	70,980.00	0.00	0.00	108,864.25	70,980.00
1091	Capital Outlay	179,824.25	179,824.25	70,980.00	0.00	0.00	108,864.25	70,980.00
1100	ASSESSMENT OF REAL PROPERTY - 1100							
1101	GENERAL ADMINISTRATION - 1101	608,400.00	608,400.00	0.00	0.00	0.00	608,400.00	0.00
1101	Capital Outlay	608,400.00	608,400.00	0.00	0.00	0.00	608,400.00	0.00
1110	AUDITING SERVICES - 1110							
1111	GENERAL ADMINISTRATION - 1111	101,115.00	101,115.00	0.00	0.00	0.00	101,115.00	0.00
1111	Capital Outlay	101,115.00	101,115.00	0.00	0.00	0.00	101,115.00	0.00
1120	INFORMATION SERVICES - 1120							
1122	LIBRARY SERVICES - 1122	147,025.00	147,025.00	0.00	0.00	0.00	147,025.00	0.00
1122	Capital Outlay	147,025.00	147,025.00	0.00	0.00	0.00	147,025.00	0.00
1130	LEGAL SERVICES - 1130							
1131	GENERAL ADMINISTRATION - 1131	64,270.00	64,270.00	0.00	0.00	0.00	64,270.00	0.00
1131	Capital Outlay	64,270.00	64,270.00	0.00	0.00	0.00	64,270.00	0.00
1980	LOCAL DISASTER RISK REDUCTION AND MANAC	113,280.00	113,280.00	0.00	0.00	0.00	113,280.00	0.00
1980	Capital Outlay	113,280.00	113,280.00	0.00	0.00	0.00	113,280.00	0.00
	EDUCATION, CULTURE, SPORTS AND MANPOWER DEVELOPMENT - 3800	6,030,000.00	6,030,000.00	0.00	0.00	0.00	6,030,000.00	0.00
3390	OTHER EDUCATION, SPORTS AND MANPOWER I							
3391	CULTURAL PROJECTS - 3391	2,500,000.00	2,500,000.00	0.00	0.00	0.00	2,500,000.00	0.00
3391	Capital Outlay	2,500,000.00	2,500,000.00	0.00	0.00	0.00	2,500,000.00	0.00
3392	SPORTS DEVELOPMENT / PHYSICAL FITNESS	3,530,000.00	3,530,000.00	0.00	0.00	0.00	3,530,000.00	0.00

CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMEN	BALANCE OF APPROPRIATIO	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
3382	Capital Outlay	3,530,000.00	3,530,000.00	0.00	0.00	0.00	3,530,000.00	0.00
	HEALTH SERVICES - 4000	51,131,409.52	51,131,409.52	3,792,501.00	0.00	0.00	47,338,908.52	3,792,501.00
4410	HEALTH SERVICES - 4410							
4411	GENERAL ADMINISTRATION - 4411	28,196,407.14	28,196,407.14	634,885.00	0.00	0.00	27,560,522.14	634,885.00
4411	Maintenance and Other Operating Expenses	22,548,530.16	22,548,530.16	0.00	0.00	0.00	22,548,530.16	0.00
4411	Capital Outlay	5,648,878.98	5,648,878.98	634,885.00	0.00	0.00	5,011,991.98	634,885.00
4420	HOSPITAL - 4420							
4421	GENERAL ADMINISTRATION - 4421	22,936,002.38	22,936,002.38	3,157,616.00	0.00	0.00	19,778,386.38	3,157,616.00
4421	Capital Outlay	22,936,002.38	22,936,002.38	3,157,616.00	0.00	0.00	19,778,386.38	3,157,616.00
	SOCIAL WELFARE SERVICES - 7000	700,216.00	700,216.00	193,494.00	0.00	0.00	506,722.00	193,494.00
7610	SOCIAL WELFARE SERVICES - 7610							
7611	GENERAL ADMINISTRATION - 7611	390,240.00	390,240.00	0.00	0.00	0.00	390,240.00	0.00
7611	Capital Outlay	390,240.00	390,240.00	0.00	0.00	0.00	390,240.00	0.00
7620	FAMILY PLANNING SERVICES - 7620							
7621	GENERAL ADMINISTRATION - 7621	308,976.00	308,976.00	193,494.00	0.00	0.00	116,482.00	193,494.00
7621	Capital Outlay	308,976.00	308,976.00	193,494.00	0.00	0.00	116,482.00	193,494.00
	ECONOMIC SERVICES - 8000	1,871,656,403.98	871,656,403.98	804,062,493.57	28,210,175.68	0.00	867,593,910.31	775,852,317.99
8710	AGRICULTURAL SERVICES - 8710							
8711	GENERAL ADMINISTRATION - 8711	3,636,954.75	3,636,954.75	128,450.00	0.00	0.00	3,508,504.75	128,450.00
8711	Capital Outlay	3,636,954.75	3,636,954.75	128,450.00	0.00	0.00	3,508,504.75	128,450.00
8720	VETERINARY SERVICES - 8720							
8721	GENERAL ADMINISTRATION - 8721	191,820.00	191,820.00	0.00	0.00	0.00	191,820.00	0.00
8721	Capital Outlay	191,820.00	191,820.00	0.00	0.00	0.00	191,820.00	0.00
8730	NATURAL RESOURCES SERVICES - 8730							
8731	GENERAL ADMINISTRATION - 8731	282,570.00	282,570.00	0.00	0.00	0.00	282,570.00	0.00

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CODE	FUNCTION/PROGRAM/PROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATION	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
8731	Capital Outlay	282,570.00	282,570.00	0.00	0.00	0.00	282,570.00	0.00
8750	ENGINEERING SERVICES - 8750							
8751	GENERAL ADMINISTRATION - 8751	*****	*****	*****	0.00	0.00	93,347,388.87	239,250,272.32
8751	Capital Outlay	332,597,861.19	332,597,861.19	239,250,272.32	0.00	0.00	93,347,388.87	239,250,272.32
8910	LOCAL DEVELOPMENT FUND - 8910							
8919	DEVELOPMENT FUND - 8919	*****	*****	*****	28,210,175.88	0.00	754,833,214.84	515,232,776.67
8919	Maintenance and Other Operating Expenses	359,447,039.45	359,447,039.45	82,817,576.00	0.00	0.00	276,829,463.45	82,817,576.00
8919	Capital Outlay	938,829,127.74	938,829,127.74	460,626,376.35	28,210,175.88	0.00	478,203,751.39	432,415,200.67
8970	LIVELIHOOD PROJECTS - 8970							
8971	GENERAL ADMINISTRATION - 8971	36,671,230.85	36,671,230.85	21,240,819.00	0.00	0.00	15,430,411.85	21,240,819.00
8971	Maintenance and Other Operating Expenses	34,671,230.85	34,671,230.85	21,240,819.00	0.00	0.00	13,330,411.85	21,240,819.00
8971	Capital Outlay	2,100,000.00	2,100,000.00	0.00	0.00	0.00	2,100,000.00	0.00
	OTHER PURPOSES - 9000	130,636,995.44	130,636,995.44	35,215,697.99	0.00	0.00	95,421,297.45	35,215,697.99
9920	PUBLIC DEBT - 9920							
9921	LOAN AMORTIZATION - DOMESTIC - 9921	15,179,782.18	15,179,782.18	10,887,379.50	0.00	0.00	4,292,402.88	10,887,379.50
9921	Financial Expenses	15,179,782.18	15,179,782.18	10,887,379.50	0.00	0.00	4,292,402.88	10,887,379.50
9990	MISCELLANEOUS OTHER PURPOSES - 9990							
9995	INTERLOCAL GOVERNMENT TRANSFERS, NO	24,476,500.00	24,476,500.00	0.00	0.00	0.00	24,476,500.00	0.00
9995	Maintenance and Other Operating Expenses	24,476,500.00	24,476,500.00	0.00	0.00	0.00	24,476,500.00	0.00
9998	BUDGETARY RESERVES - 9998	90,942,741.73	90,942,741.73	24,328,318.49	0.00	0.00	66,614,423.24	24,328,318.49
9998	Capital Outlay	90,942,741.73	90,942,741.73	24,328,318.49	0.00	0.00	66,614,423.24	24,328,318.49
9999	OTHERS - 9999	37,971.53	37,971.53	0.00	0.00	0.00	37,971.53	0.00
9999	Maintenance and Other Operating Expenses	37,971.53	37,971.53	0.00	0.00	0.00	37,971.53	0.00

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Appendix F-2

STATUS OF APPROPRIATIONS, ALLOTMENTS AND OBLIGATIONS

For the year 2022

Fund Account : Special Education Fund

CODE	FUNCTIONPROGRAMPROJECT/ACTIVITY	APPROPRIATION	ALLOTMENT	OBLIGATION	DISBURSEMENT	BALANCE OF APPROPRIATION	BALANCE OF ALLOTMENTS	BALANCE OF OBLIGATIONS
	GRAND TOTAL	<u>154,177,502.09</u>	<u>154,177,502.09</u>	<u>49,402,841.73</u>	<u>0.00</u>	<u>0.00</u>	<u>104,774,660.36</u>	<u>49,402,841.73</u>
00	CURRENT YEAR APPROPRIATIONS	<u>82,000,000.00</u>	<u>82,000,000.00</u>	<u>22,440,365.00</u>	<u>0.00</u>	<u>0.00</u>	<u>59,559,635.00</u>	<u>22,440,365.00</u>
00	Maintenance and Other Operating Expenses	82,000,000.00	82,000,000.00	22,440,365.00	0.00	0.00	59,559,635.00	22,440,365.00
00	Capital Outlay	20,000,000.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00	0.00
	EDUCATION,CULTURE,SPORTS AND MANPOWER DEVELOPMENT - 3000	<u>82,000,000.00</u>	<u>82,000,000.00</u>	<u>22,440,365.00</u>	<u>0.00</u>	<u>0.00</u>	<u>59,559,635.00</u>	<u>22,440,365.00</u>
3000	Maintenance and Other Operating Expenses	82,000,000.00	82,000,000.00	22,440,365.00	0.00	0.00	59,559,635.00	22,440,365.00
3000	Capital Outlay	20,000,000.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00	0.00
00	CONTINUING APPROPRIATIONS	<u>72,177,502.09</u>	<u>72,177,502.09</u>	<u>26,962,476.73</u>	<u>0.00</u>	<u>0.00</u>	<u>45,215,025.36</u>	<u>26,962,476.73</u>
00	Capital Outlay	72,177,502.09	72,177,502.09	26,962,476.73	0.00	0.00	45,215,025.36	26,962,476.73
	EDUCATION,CULTURE,SPORTS AND MANPOWER DEVELOPMENT - 3000	<u>72,177,502.09</u>	<u>72,177,502.09</u>	<u>26,962,476.73</u>	<u>0.00</u>	<u>0.00</u>	<u>45,215,025.36</u>	<u>26,962,476.73</u>
3000	Capital Outlay	72,177,502.09	72,177,502.09	26,962,476.73	0.00	0.00	45,215,025.36	26,962,476.73



Appendix G

PROVINCE/CITY/MUNICIPALITY of LEYTE
Combined Schedule of Property, Plant and Equipment

Year 2022

(With Comparative Figures for CY-2021)

Account Title	2 0 2 2		2 0 2 1	
	Amount	Net Book Value	Amount	Net Book Value
Land		598,064,893.60	-	598,064,893.60
Land Improvements, Aquaculture Structures	4,278,306.53		4,278,306.53	-
Accumulated Depreciation - Land Improvements, Aquaculture Structures	(1,241,780.88)	3,036,525.65	(1,225,220.88)	3,053,085.65
Other Land Improvements	126,962,653.68		123,489,130.68	-
Accumulated Depreciation - Other Land Improvements	(62,233,070.07)	64,729,583.61	(58,540,425.67)	64,948,705.01
Road Networks	5,800,821,240.42		5,214,810,322.29	-
Accumulated Depreciation - Road Networks	-891,341,987.01	4,909,479,253.41	-633,554,492.17	4,581,255,830.12
Flood Control Systems	312,092,204.79		281,730,599.26	-
Accumulated Depreciation - Flood Control Systems	-43,786,558.71	268,305,646.08	-32,794,330.63	248,936,268.63
Water Supply Systems	209,035,827.04		195,794,778.45	-
Accumulated Depreciation - Water Supply Systems	-32,388,556.14	176,647,270.90	-24,276,583.21	171,518,195.24
Power Supply Systems	21,578,690.76		21,578,690.76	-
Accumulated Depreciation - Power Supply Systems	-6,128,541.33	15,450,149.43	-4,606,957.05	16,971,733.71
Parks, Plazas and Monuments	57,613,184.54		57,613,184.54	-
Accumulated Depreciation - Parks, Plazas and Monuments	-7,158,854.93	50,454,329.61	-3,461,793.17	54,151,391.37
Other Infrastructure Assets	2,008,574,750.82		1,302,158,269.86	-
Accumulated Depreciation - Other Infrastructure Assets	-139,075,225.75	1,869,499,525.07	-82,081,749.22	1,220,076,520.64
Buildings	1,166,215,388.36		300,838,714.62	-
Accumulated Depreciation - Buildings	-67,082,773.89	1,099,132,614.47	-48,738,101.27	252,100,613.35
School Buildings	332,365,576.21		332,365,576.21	-
Accumulated Depreciation - School Buildings	-151,697,024.58	180,668,551.63	-141,870,005.70	190,495,570.51
Hospitals and Health Centers	91,523,726.87		77,959,200.79	-
Accumulated Depreciation - Hospitals and Health Centers	-17,619,317.14	73,904,409.73	-15,254,308.67	62,704,892.12
Markets		171,796.38	0.00	171,796.38

Account Title	2 0 2 2		2 0 2 1	
	Amount	Net Book Value	Amount	Net Book Value
Other Structures	353,137,734.05		328,923,241.19	-
Accumulated Depreciation - Other Structures	-56,876,791.40	296,260,942.65	-49,808,566.83	279,114,674.36
Machinery		315,027.13	0.00	315,027.13
Office Equipment	221,828,390.76		206,922,293.75	-
Accumulated Depreciation - Office Equipment	-108,421,643.76	113,406,747.00	-98,227,489.56	108,694,804.19
Information and Communication Technology Equipment	98,041,796.31		117,008,684.79	-
Accumulated Depreciation - Information and Comm. Tech. Equipt.	-43,319,890.05	54,721,906.26	-68,694,174.34	48,314,510.45
Agricultural and Forestry Equipment	25,413,295.00		25,413,295.00	-
Accumulated Depreciation - Agricultural and Forestry Equipment	-9,010,014.87	16,403,280.13	-6,752,962.95	18,660,332.05
Communication Equipment	23,964,365.49		23,995,755.49	-
Accumulated Depreciation - Communication Equipment	-6,635,769.40	17,328,596.09	-5,837,642.47	18,158,113.02
Construction and Heavy Equipment	438,143,677.07		417,843,677.07	-
Accumulated Depreciation - Construction and Heavy Equipment	-237,258,383.91	200,885,293.16	-219,863,220.63	197,980,456.44
Disaster Response and Rescue Equipment	103,553,732.60		110,212,644.65	-
Accumulated Depreciation - Disaster Response and Rescue Equipt.	-17,882,561.82	85,671,170.78	-9,418,546.10	100,794,098.55
Military, Police and Security Equipment	1,543,016.59		1,543,016.59	-
Accumulated Depreciation - Military, Police and Security Equipment	-697,154.14	845,862.45	-697,154.14	845,862.45
Medical Equipment	494,432,419.14		466,538,856.14	-
Accumulated Depreciation - Medical Equipment	-170,498,904.59	323,933,514.55	-135,174,802.82	331,364,053.32
Sports Equipment	4,585,344.69		4,585,344.69	-
Accumulated Depreciation - Sports Equipment	-1,686,895.22	2,898,449.47	-1,647,780.50	2,937,564.19
Technical and Scientific Equipment	31,647,607.96		30,802,607.96	-
Accumulated Depreciation - Technical and Scientific Equipment	-1,424,074.93	30,223,533.03	-1,211,449.93	29,591,158.03
Other Machinery and Equipment	23,663,528.86		18,694,488.11	-
Accumulated Depreciation - Other Machinery and Equipment	-8,457,818.35	15,205,710.51	-6,834,224.54	11,860,263.57
Motor Vehicles	182,265,435.44		191,765,435.44	-
Accumulated Depreciation - Motor Vehicles	-126,403,319.25	55,862,116.19	-116,984,451.71	74,780,983.73
Watercrafts	6,747,371.15		6,747,371.15	-
Accumulated Depreciation - Watercrafts	-2,366,363.55	4,381,007.60	-2,366,363.55	4,381,007.60
Furniture and Fixtures	82,011,280.77		38,810,894.95	-
Accumulated Depreciation - Furniture and Fixtures	-17,572,718.38	64,438,562.39	-15,368,704.05	23,442,190.90
Books	21,824,821.60		21,824,821.60	-
Accumulated Depreciation - Books	-10,497,093.46	11,327,728.14	-10,572,054.46	11,252,767.14
Construction in Progress - Infrastructure Assets		758,880,875.88	0.00	1,486,294,134.58
Construction in Progress - Buildings and Other Structures		5,399,188.34	0.00	6,553,468.84
Other Property, Plant and Equipment	26,033,649.01		27,453,904.91	-
Accumulated Depreciation - Other Property, Plant and Equipment	-8,035,109.58	17,998,539.43	-6,430,784.11	21,023,120.80
Total		11,385,932,600.75		10,240,808,087.67

Appendix H

Reviewed Projects with Noted Period Gaps resulting in Under-depreciation

Province of Leyte

Calendar Year 2022

	Particulars	Contract Cost	Actual Completion Date	PPE Recognition Date	No. of Days Underdepreciated
1	Planning & Designing of the Proposed Leyte Provincial Government Complex	₱ 859,734,232.16	4/20/2022	10/27/2022	190
2	Rehabilitation and Improvement of Farm to Market Road from from Brgy. Caluctugan to Sitio Cabarasan, Brgy Hinabuyan to Brgy. Balilit in Dagami, Leyte	27,998,000.00	12/4/2021	7/1/2022	209
3	Rehabilitation and Improvement of Farm to Market Road, Brgy. Macagoco, Inopacan, Leyte	24,887,113.80	2/22/2022	5/31/2022	98
4	Construction of an Artistic Work of a Crucified Christ seen Through the Map of Leyte Monument With Additional Sculptural Designs in Leyte Provincial Government Complex Palo, Leyte	22,440,000.00	6/8/2022	9/29/2022	113
5	Improvement of Farm to Market Road from Brgy. Calubian to Brgy. Camote, Dulag, Leyte and to Brgy. Amandangay, Tabon-tabon, Leyte	20,371,037.47	6/24/2022	10/27/2022	125
6	Rehabilitation and Improvement Road along JNR Riverside Barangay Cansuso -San Dionesio Masaba Road Section Matag-ob, Leyte	19,977,919.29	6/12/2022	12/28/2022	199
7	Rehabilitation and Improvement of Road along Railes - Enage - Anislagan - Casiongan (Calubian, Leyte) Via Sitio Airport - Sitio Crossing - Sitio Limite - Daja Daku, San Isidro, Leyte	19,959,357.01	9/16/2021	5/31/2022	257
8	Rehabilitation and Improvement of Farm to Market Barangay Katipunan, Hindang Leyte	19,493,620.57	3/19/2022	9/16/2022	181
9	Concrete Paving of Brgy. Road in Barangay Tambis Hilongos, Leyte	19,376,058.07	9/10/2020	12/28/2022	839
10	Reblocking of Provincial Road along Brgy. Maghubas - Libas (Burauen, Leyte) - Cambucao (Tabon-tabon, Leyte), Road Section	19,152,816.72	9/21/2021	4/29/2022	220
11	Construction of 7 Multipurpose Building of Different Barangays of Dulag, Leyte (Phase II)	19,066,796.18	5/17/2022	10/27/2022	163
12	Rehabilitation and Improvement of Farm to Market Road along JPR (Ilevado) to Brgy. Hitoog Road Section in Matalom, Leyte	18,580,000.00	10/9/2021	2/28/2022	142
13	Rehabilitation & Improvement of Road in San Andres - San Esteban, San Andres - Bugho and San Andres - Caridad Road Section, Julita Leyte	17,380,507.58	6/4/2022	12/28/2022	207
14	Construction of 3 Multi-Purpose Buildings (15m x 30m - Brgy. Guinaohan; 15m x 25m - Brgy. Hilaba & 15m x 26m - Brgy. Hinugayan), all in Barugo, Leyte	15,646,415.75	7/22/2022	12/28/2022	159
15	Improvement of 1.24km Road along Barangay Sta. Cruz - Barangay Villa hermosa Anibong Section, Julita Leyte	14,866,014.50	1/23/2022	6/30/2022	158

16	Phase II Construction of 6 Multi-Purpose Bldg. in Different Brgys of Alang-alang, Leyte	13,417,552.65	1/4/2022	5/31/2022	147
17	Construction of 5 units Multi-Purpose Buildings in different barangays of Carigara, Leyte	11,584,188.73	3/18/2022	9/16/2022	182
18	Construction of 5 Multi-Purpose Buildings (Phase 2), San Miguel, Leyte	11,391,005.31	10/7/2021	4/1/2022	176
19	Construction of Five (5) Multi-Purpose Buildings in Different Barangays of Barugo, Leyte	10,959,234.91	12/3/2021	4/29/2022	147
20	Rehabilitation / Improvement of Farm to Market Road, Brgy. Binibihan, Carigara, Leyte	9,992,608.08	8/28/2022	12/28/2022	122
21	Construction of two storey multi-purpose building with Public Comfort Room, Government Center, Baras Palo, Leyte	9,159,547.17	2/27/2020	5/31/2022	824
22	Construction of Multi-Purpose Bldg. Phase II of various barangays of the municipalities of Jaro and Carigara, Leyte	8,538,192.93	4/3/2022	12/28/2022	269
23	Rehabilitaiton and Improvement of Road along Brgy. Quilao to Brgy. Cantariwis Road, Tolosa, Leyte	8,068,540.00	2/26/2022	6/30/2022	124
24	Rehabilitation & Improvement of Road along Brgy. Bulod - Brgy. Catoogan Road Section and Brgy. Gapas, Sta. Fe, Leyte	7,944,788.97	2/20/2022	5/31/2022	100
25	Construction of Slope Protection in Brgy. Sacme, Tanauan, Leyte	7,482,132.87	11/14/2021	5/31/2022	198
26	Rehabilitation & Improvement of 1000m x 3m Farm to Market Road along JPR (San Salvador) to Brgy. Bagong Lipunan Road Section, Matalom, Leyte	5,992,299.05	12/14/2021	12/28/2022	379
27	Construction of 30m x 17m Multi-Purpose Building at EVSU, Tanauan Campus, Tanauan, Leyte	5,916,000.00	5/30/2022	10/27/2022	150
28	Rehabilitation and Improvement of 1006m x 3m Farm to Market Road in Sitio Tuy-a, Brgy. Caridad, Baybay City, Leyte	5,851,312.88	2/6/2022	10/27/2022	263
29	Construction of 5x30m Multi-purpose Building at Brgy. Caningag and 15m x 29.8m Multi-Purpose Building at Brgy. Hitoog, all in Matalom, Leyte (Phase II)	5,593,081.10	2/22/2022	10/27/2022	247
30	Construction of Multi-Purpose Building, Barangay Banawang, Tunga Leyte	5,496,275.93	4/13/2022	9/26/2022	166
31	Construction of Multi-Purpose Building Brgy. Astorga, Tunga Leyte	5,496,206.06	3/14/2022	9/16/2022	186
32	Rehabilitation/Improvement of Three Storey Multi-Purpose Building, Phase II at SB Compound, LGU, Alang-alang, Leyte	5,451,838.79	10/29/2021	5/31/2022	214
33	Construction of Multi-Purpose Building in Brgy. Catmon, Tanauan Leyte	5,427,312.88	4/23/2022	9/19/2022	149
34	Construction of Multi-Purpsoe Building, Brgy. Dapdap, Alang-Alang, Leyte	5,389,039.36	2/2/2022	6/30/2022	148
35	Construction of Multi-Purpose Building in Barangay Calsadahay Tanauan Leyte	5,385,967.28	7/11/2022	8/30/2022	50
36	Construciton of 15m x 30m Multi-Purpose Building with RC Walling and Tie Beam at Brgy. Kawayan Bugtong, Calubian, Leyte	5,355,689.73	2/12/2022	10/27/2022	257
37	Construction of Multi-Purpose Building, Brgy. San Pedro, Tunga, Leyte	5,288,546.74	3/14/2022	6/30/2022	108

38	Construction of Multi-Purpose Building in Barangay Bangon Tanauan Leyte	5,288,519.17	2/12/2022	8/22/2022	191
39	Concreting of Road along Brgy. Calaasan - Sitio Camag-aso, Brgy. Bugho, Alang-alang, Leyte	5,238,371.00	7/16/2021	5/31/2022	319
40	Rehabilitation & Improvement of Brgy Palasyo to Brgy. Hitimnog Farm to Market Road in Dagami, Leyte	5,197,911.56	9/23/2021	6/30/2022	280
41	Construction of Multi-Purpose Building, Brgy. Hibucawan, Jaro, Leyte	5,191,965.25	2/12/2022	4/29/2022	76
42	Construction of Multi-Purpose Building, Barangay Barayong Palo, Leyte	5,004,133.89	1/21/2022	4/1/2022	70
43	Improvement of Multi-Purpose Building (Senior Citizen Building), Brgy. Buntay, Tanauan, Leyte	4,418,600.00	12/28/2021	10/27/2022	303
44	Concreting of 650m Farm to Market Road, National Road Pob. Zone II, Sitio Barracks Ob. Zone II, Capocan, Leyte	4,051,344.03	1/15/2021	5/31/2022	501
45	Construction of 15m x 30m Multi-Purpose Building, Phase II, Kiling National High School, Tanauan, Leyte	3,550,544.10	11/7/2021	9/20/2022	317
46	Concreting of 212.90LN.M. Gravel Road (Farm to Market Road), Brgy. Bitanhuan, Baybay, Leyte	3,513,419.45	2/15/2021	4/1/2022	410
47	Construction of Concrete Pathway, Brgy. Matagnao, Abuyog, Leyte	3,319,949.07	12/22/2021	10/27/2022	309
48	Construction of 15m x 30m Multi-Purpose Building, (Phase II), Brgy. Macalpi, Carigara, Leyte	3,305,375.36	6/24/2021	4/29/2022	309
49	Construction of 16m x 21.1m Multi-Purpose Building, Phase II, Brgy. Canmarating, Abuyog, Leyte	3,260,014.72	12/12/2021	5/31/2022	170
50	Rehabilitation and Improvement (resurfacing) of 1.73500km Sta. Rosa Road Section and Sitio Binongtoan - Brgy. Picas Road Section in Barugo, Leyte	2,995,994.79	1/13/2022	4/29/2022	106
51	Construction of 15m x 30m (Covered Court), Multi-Purpose Building, Phase II, Brgy. Pangna, Carigara, Leyte	2,883,477.00	7/14/2021	9/20/2022	433
52	Rehabilitation / Improvement of 235.70ln. m. Road in Brgy. Mercadohay, Tabon-tabon Leyte	2,232,705.06	7/29/2022	10/27/2022	90
53	Construction of Single Barrel Box Culvert, Brgy. Seguinon, Albuera, Leyte	2,218,900.00	12/4/2021	6/30/2022	208
54	Construction of 2 storey 5m x 7m Multi-Purpose Hall,, Brgy. Impo, San Miguel, Leyte	1,926,429.00	5/5/2021	4/29/2022	359
55	Construction of 16m x 31m x 0.1m (Concrete Flooring), Multi-Purpose Building, Phase II, Brgy. Kagbana, Burauen, Leyte	645,018.16	11/21/2021	9/19/2022	302

₱ 1,368,353,922.13

**average #
of days**

229

Appendix I

Schedule of Unrecorded Depreciation for Reviewed Projects

Province of Leyte

Calendar Year 2022

	Particulars	Contract Cost	Per Audit as of 12/31/22				Book Value per Books as of 12/31/22	Unrecorded Depreciation as of 12/31/22
			Monthly Depreciation	Deprcble No. of Months	Total Depreciation	Actual Carrying Value		
1	Planning & Designing of the Proposed Leyte Provincial Government Complex	859,734,232.16	3,224,003.37	9	29,016,030.34	830,718,201.82	850,062,222.05	-19,344,020.23
2	Rehabilitation and Improvement of Farm to Market Road from from Brgy. Caluctugan to Sitio Cabarasan, Brgy Hinabuyan to Brgy. Balilit in Dagami, Leyte	27,998,000.00	116,658.33	13	1,516,558.33	26,481,441.67	27,298,050.02	- 816,608.35
3	Rehabilitation and Improvement of Farm to Market Road, Brgy. Macagooo, Inopacan, Leyte	24,887,113.80	103,696.31	11	1,140,659.38	23,746,454.42	24,057,543.32	- 311,088.90
4	Construction of an Artistic Work of a Crucified Christ seen Through the Map of Leyte Monument With Additional Sculptural Designs in Leyte Provincial Government Complex Palo, Leyte	22,440,000.00	84,150.00	7	589,050.00	21,850,950.00	22,103,400.00	- 252,450.00
5	Improvement of Farm to Market Road from Brgy. Calubian to Brgy. Camote, Dulag, Leyte and to Brgy. Amandangay, Tabon-tabon, Leyte	20,371,037.47	84,879.32	7	594,155.26	19,776,882.21	20,116,399.51	- 339,517.30
6	Rehabilitation and Improvement Road along JNR Riverside Barangay Cansuso -San Dionesio Masaba Road Section Matag-ob, Leyte	19,977,919.29	83,241.33	7	582,689.31	19,395,229.98	19,894,677.96	- 499,447.98
7	Rehabilitation and Improvement of Road along Railes - Enage - Anislagan - Casiongan (Calubian, Leyte) Via Sitio Airport - Sitio Crossing - Sitio Limite - Daja Daku. San Isidro, Leyte	19,959,357.01	83,163.99	16	1,330,623.80	18,628,733.21	19,377,209.08	- 748,475.87
8	Rehabilitation and Improvement of Farm to Market Barangay Katipunan, Hindang Leyte	19,493,620.57	81,223.42	10	812,234.19	18,681,386.38	19,168,726.89	- 487,340.51
9	Concrete Paving of Brgy. Road in Barangay Tambis Hilongos, Leyte	19,376,058.07	80,733.58	28	2,260,540.11	17,115,517.96	19,295,324.49	- 2,179,806.53
10	Reblocking of Provincial Road along Brgy. Maghubas - Libas (Buraue, Leyte) - Cambucao (Tabon-tabon, Leyte), Road Section	19,152,816.72	79,803.40	18	1,436,461.25	17,716,355.47	18,434,586.12	- 718,230.65

11	Construction of 7 Multipurpose Building of Different Barangays of Dulag, Leyte (Phase II)	19,066,796.18	71,500.49	8	572,003.89	18,494,792.29	18,852,294.71	- 357,502.42
12	Rehabilitation and Improvement of Farm to Market Road along JPR (Ilevado) to Brgy. Hitoog Road Section in Matalom, Leyte	18,580,000.00	77,416.67	15	1,161,250.00	17,418,750.00	17,728,416.63	- 309,666.63
13	Rehabilitation & Improvement of Road in San Andres - San Esteban, San Andres - Bugho and San Andres - Caridad Road Section, Julita Leyte	17,380,507.58	72,418.78	7	506,931.47	16,873,576.11	17,308,088.80	- 434,512.69
14	Construction of 3 Multi-Purpose Buildings (15m x 30m - Brgy. Guinaohan; 15m x 25m - Brgy. Hilaba & 15m x 26m - Brgy. Hinugayan), all in Barugo, Leyte	15,646,415.75	58,674.06	6	352,044.35	15,294,371.40	15,587,741.69	- 293,370.29
15	Improvement of 1.24km Road along Barangay Sta. Cruz - Barangay Villa hermosa Anibong Section, Julita Leyte	14,866,014.50	61,941.73	12	743,300.73	14,122,713.78	14,432,422.39	- 309,708.62
16	Phase II Construction of 6 Multi-Purpose Bldg. in Different Brgys of Alang-alang, Leyte	13,417,552.65	50,315.82	12	603,789.87	12,813,762.78	13,015,026.09	- 201,263.31
17	Construction of 5 units Multi-Purpose Buildings in different barangays of Carigara, Leyte	11,584,188.73	43,440.71	10	434,407.08	11,149,781.65	11,410,425.89	- 260,644.24
18	Construction of 5 Multi-Purpose Buildings (Phase 2), San Miguel, Leyte	11,391,005.31	42,716.27	15	640,744.05	10,750,261.26	11,006,558.88	- 256,297.62
19	Construction of Five (5) Multi-Purpose Buildings in Different Barangays of Barugo, Leyte	10,959,234.91	41,097.13	13	534,262.70	10,424,972.21	10,589,360.74	- 164,388.53
20	Rehabilitation / Improvement of Farm to Market Road, Brgy. Binibihan, Carigara, Leyte	9,992,608.08	41,635.87	5	208,179.34	9,784,428.75	9,950,972.21	- 166,543.47
21	Construction of two storey multi-purpose building with Public Comfort Room, Government Center, Baras Palo, Leyte	9,159,547.17	34,348.30	35	1,202,190.57	7,957,356.60	8,884,760.77	- 927,404.17
22	Construction of Multi-Purpose Bldg. Phase II of various barangays of the municipalites of Jaro and Carigara, Leyte	8,538,192.93	32,018.22	9	288,164.01	8,250,028.92	8,506,174.71	- 256,145.79
23	Rehabilitaiton and Improvement of Road along Brgy. Quilao to Brgy. Cantariwis Road, Tolosa, Leyte	8,068,540.00	33,618.92	11	369,808.08	7,698,731.92	7,833,207.56	- 134,475.64
24	Rehabilitation & Improvement of Road along Brgy. Bulod - Brgy. Catoogan Road Section and Brgy. Gapas, Sta. Fe, Leyte	7,944,788.97	33,103.29	11	364,136.16	7,580,652.81	7,679,962.65	- 99,309.84
25	Construction of Slope Protection in Brgy. Sacme, Tanauan, Leyte	7,482,132.87	28,058.00	14	392,811.98	7,089,320.89	7,257,668.87	- 168,347.98
26	Rehabilitation & Improvement of 1000m x 3m Farm to Market Road along JPR (San Salvador) to Brgy. Bagong Lipunan Road Section, Matalom, Leyte	5,992,299.05	24,967.91	13	324,582.87	5,667,716.18	5,967,331.14	- 299,614.96

27	Construction of 30m x 17m Multi-Purpose Building at EVSU, Tanauan Campus, Tanauan, Leyte	5,916,000.00	22,185.00	8	177,480.00	5,738,520.00	5,849,445.00	- 110,925.00
28	Rehabilitation and Improvement of 1006m x 3m Farm to Market Road in Sitio Tuy-a, Brgy. Caridad, Baybay City, Leyte	5,851,312.88	24,380.47	11	268,185.17	5,583,127.71	5,778,171.47	- 195,043.76
29	Construction of 5x30m Multi-purpose Building at Brgy. Caningag and 15m x 29.8m Multi-Purpose Building at Brgy. Hitoog, all in Matalom, Leyte (Phase II)	5,593,081.10	20,974.05	11	230,714.60	5,362,366.50	5,530,158.95	- 167,792.45
30	Construction of Multi-Purpose Building, Barangay Banawang, Tunga Leyte	5,496,275.93	20,611.03	9	185,499.31	5,310,776.62	5,413,831.81	- 103,055.19
31	Construction of Multi-Purpose Building Brgy. Astorga, Tunga Leyte	5,496,206.06	20,610.77	10	206,107.73	5,290,098.33	5,413,762.98	- 123,664.65
32	Rehabilitation/Improvement of Three Storey Multi-Purpose Building, Phase II at SB Compound, LGU, Alang-alang, Leyte	5,451,838.79	20,444.40	15	306,665.93	5,145,172.86	5,288,283.59	- 143,110.73
33	Construction of Multi-Purpose Building in Brgy. Catmon, Tanauan Leyte	5,427,312.88	20,352.42	9	183,171.81	5,244,141.07	5,345,903.20	- 101,762.13
34	Construction of Multi-Purpose Building, Brgy. Dapdap, Alang-Alang, Leyte	5,389,039.36	20,208.90	11	222,297.87	5,166,741.49	5,247,577.06	- 80,835.57
35	Construction of Multi-Purpose Building in Barangay Calsadahay Tanauan Leyte	5,385,967.28	20,197.38	6	121,184.26	5,264,783.02	5,305,177.76	- 40,394.74
36	Construction of 15m x 30m Multi-Purpose Building with RC Walling and Tie Beam at Brgy. Kawayan Bugtong, Calubian, Leyte	5,355,689.73	20,083.84	11	220,922.20	5,134,767.53	5,295,438.21	- 160,670.68
37	Construction of Multi-Purpose Building, Brgy. San Pedro, Tunga, Leyte	5,288,546.74	19,832.05	10	198,320.50	5,090,226.24	5,149,722.39	- 59,496.15
38	Construction of Multi-Purpose Building in Barangay Bangon Tanauan Leyte	5,288,519.17	19,831.95	10	198,319.47	5,090,199.70	5,189,359.42	- 99,159.72
39	Concreting of Road along Brgy. Calaasan - Sitio Camag-aso, Brgy. Bugho, Alang-alang, Leyte	5,238,371.00	21,826.55	18	392,877.83	4,845,493.18	5,063,758.60	- 218,265.43
40	Rehabilitation & Improvement of Brgy Palasyo to Brgy. Hitimnog Farm to Market Road in Dagami, Leyte	5,197,911.56	21,657.96	16	346,527.44	4,851,384.12	5,046,305.84	- 194,921.72
41	Construction of Multi-Purpose Building, Brgy. Hibucawan, Jaro, Leyte	5,191,965.25	19,469.87	11	214,168.57	4,977,796.68	5,016,736.42	- 38,939.74
42	Construction of Multi-Purpose Building, Barangay Barayong Palo, Leyte	5,004,133.89	18,765.50	12	225,186.03	4,778,947.86	4,835,244.39	- 56,296.53
43	Improvement of Multi-Purpose Building (Senior Citizen Building), Brgy. Buntay, Tanauan, Leyte	4,418,600.00	16,569.75	13	215,406.75	4,203,193.25	4,368,890.75	- 165,697.50

44	Concreting of 650m Farm to Market Road, National Road Pob. Zone II, Sitio Barracks Ob. Zone II, Capococan, Leyte	4,051,344.03	16,880.60	24	405,134.40	3,646,209.63	3,916,299.23	- 270,089.60
45	Construction of 15m x 30m Multi-Purpose Building, Phase II, Kiling National High School, Tanauan, Leyte	3,550,544.10	13,314.54	14	186,403.57	3,364,140.53	3,497,285.94	- 133,145.41
46	Concreting of 212.90LN.M. Gravel Road (Farm to Market Road), Brgy. Bitanhuan, Baybay, Leyte	3,513,419.45	14,639.25	23	336,702.70	3,176,716.75	3,381,666.20	- 204,949.45
47	Construction of Concrete Pathway, Brgy. Matagnao, Abuyog, Leyte	3,319,949.07	12,449.81	13	161,847.52	3,158,101.55	3,282,599.64	- 124,498.09
48	Construction of 15m x 30m Multi-Purpose Building, (Phase II), Brgy. Macalpi, Carigara, Leyte	3,305,375.36	12,395.16	19	235,507.99	3,069,867.37	3,193,818.92	- 123,951.55
49	Construction of 16m x 21.1m Multi-Purpose Building, Phase II, Brgy. Canmarating, Abuyog, Leyte	3,260,014.72	12,225.06	13	158,925.72	3,101,089.00	3,162,214.24	- 61,125.24
50	Rehabilitation and Improvement (resurfacing) of 1.73500km Sta. Rosa Road Section and Sitio Binongtoan - Brgy. Picas Road Section in Barugo, Leyte	2,995,994.79	12,483.31	12	149,799.74	2,846,195.05	2,883,645.00	- 37,449.95
51	Construction of 15m x 30m (Covered Court), Multi-Purpose Building, Phase II, Brgy. Pangna, Carigara, Leyte	2,883,477.00	10,813.04	18	194,634.70	2,688,842.30	2,840,224.84	- 151,382.54
52	Rehabilitation / Improvement of 235.70ln. m. Road in Brgy. Mercadohay, Tabon-tabon Leyte	2,232,705.06	9,302.94	6	55,817.63	2,176,887.43	2,204,796.24	- 27,908.81
53	Construction of Single Barrel Box Culvert, Brgy. Seguinon, Albuera, Leyte	2,218,900.00	8,320.88	13	108,171.38	2,110,728.63	2,160,653.84	- 49,925.21
54	Construction of 2 storey 5m x 7m Multi-Purpose Hall,, Brgy. Impo, San Miguel, Leyte	1,926,429.00	7,224.11	20	144,482.18	1,781,946.83	1,861,412.01	- 79,465.19
55	Construction of 16m x 31m x 0.1m (Concrete Flooring), Multi-Purpose Building, Phase II, Brgy. Kagbana, Burauen, Leyte	645,018.16	2,418.82	14	33,863.45	611,154.71	635,342.88	- 24,188.17

1,368,353,922.13

1,314,291,986.60 1,347,976,279.99 - 33,684,293.39

Appendix J

Provincial Government of Leyte
 Comparison of Cash Balances for Bank Accounts Without/Incomplete BRS
 As of December 31, 2022

Bank	Account No.	Account Name	Cash Balance as of 12/31/2022 per Bank *	Cash Balance as of 12/31/2022 per GL or SL **	Unreconciled Difference	REMARKS	
						BRS Coverage	
						From	To
CIB-Local Currency, Current Account (General Fund)							
DBP	775-17525-530/ 5051167751/ 24197752	POL-General Fund	559,126,079.57	554,818,892.99	4,307,186.58	Jan	Sept
DBP	0775-017525-030/ 1138-775-0	POL-General Fund	739,680,293.82	739,420,352.20	259,941.62	No Bank Recon	
LBP-Real	1732-1064-28	POL-General Fund		289,625.06		Jan	Sept
LBP-Tac	0182-1233-74	Environmental Guarantee Fund	200,000.00	200,000.00	-	No Bank Recon	
LBP-Tac	0182-1242-73	PCSO	6,107,472.29	6,080,144.10	27,328.19	No Bank Recon	
LBP-Tac	0182-1195-39	HCI Charges PHIC (Auto Credit)	3,744,644.85	25,000.00	3,719,644.85	Jan	Apr
LBP-Tac	0182-1195-20	Professional Fees PHIC (Auto Credit)	2,027,689.00	25,000.00	2,002,689.00	Jan	Apr
LBP-Tac	0182-1125-34	Drug Ceiling	326,606,116.12	323,709,785.15	2,896,330.97	Jan	May
LBP-Tac	0182-1117-83	General Fund, New	72,867,541.67	51,686,712.47	21,180,829.20	Jan	Nov
CIB-Local Currency, Current Account (SEF)							
DBP	1279-775-2	POL-Special Education Fund (SEF)	174,917,332.68	174,917,332.68	-	Jan	May
LBP-Tac	0182-1078-67	POL-Special Education Fund	39,217,192.24	37,920,464.24	1,296,728.00	Jan	May

CIB-Local Currency, Current Account (TF)							
DBP	1437-775-7	POL-DOE RWMHEEF FSEC	25,032.10	25,032.10	-	Jan	Feb
DBP	1436-775-1	POL-DOE DLF FSEC	25,032.10	25,032.10	-	Jan	Feb
LBP-Real	1732-1074-59	TF-BFAR Aquafarm Rehab & Devt. Program		364,855.03		Jan	Sept.
LBP-Real	1732-1117-90	Leyte-GPBP-BUB		70,342,219.16		Jan	Sept.
LBP-Real	1732-1074-67	POL-DILG-RAY Fund		37,683.10		Jan	Sept.
LBP-Real	1732-1150-44	POL-IREAP-PRDP-Dept. of Agriculture		26,000.00		Jan	Sept.
LBP-Real	1732-1137-26	POL-IREAP-PRDP- PLGU-Leyte Equity		26,094.24		Jan	Sept.
LBP-Real	1732-1150-36	POL-IREAP-PRDP-World Bank-Loan Proceeds		78,031.65		Jan	Sept.
LBP-Real	1732-1002-84	POL-Mobilizing the Youth for Population Dev. Objectives		54,543.43		Jan	Sept.
LBP-Real	1732-1075-80	POL-SALT(Sloping Agriculture Land and Technology		57,757.07		Jan	Sept.
LBP-Tac	0182-1183-97	DILG Bottom Up Budgeting	42,469,529.49	42,425,555.75	43,973.74	Jan	Sept
LBP-Tac	0182-1120-38	DILG Leyte Performance Challenge Fund	727,978.09	727,903.68	74.41	Jan	Sept
LBP-Tac	0182-1103-45	GTZ Special Trust Fund Account	75,496.92	75,489.20	7.72	Jan	Sept
LBP-Tac	0182-1186-21	POL-KALSADA- LGSF	21,988,500.47	9,154,288.80	12,834,211.67	Jan	Sept
LBP-Tac	0182-1196-10	POL-National Entities	126,721,010.08	126,424,524.84	296,485.24	Jan	Sept
LBP-Tac	0182-1118-48	TF-Priority Development Assistance Fund	24,824,503.39	24,821,966.03	2,537.36	Jan	Sept
LBP-Tac	0182-1123-30	DOE ER 19	634,125.39	634,060.57	64.82	Jan	Sept

LBP-Tac	0182-1097-97	POL-Road Fund Disbursement	481,758.75	481,709.51	49.24	Jan	Sept
PNB	3140-70002159	POL-Trust Fund (National Entities)		1,021,763.77		No Bank Recon	
TOTAL Unreconciled Difference for CIB-LCCA					48,868,082.61		
CIB-Local Currency, Savings Account (GF)							
DBP	5-42175-775-4	Time Deposit Interest Fund Account	1,921,129.02	1,918,072.85	3,056.17	No Bank Recon	
DBP	1164-775-1	Treasury Bills Interest Fund Account	27,336.41	17,568.88	9,767.53	Jan	
TOTAL Unreconciled Difference for CIB-LCSA					12,823.70		
CIB-Local Currency, Time Deposit (GF)							
DBP	0775-017523-160	Special Savings Account	2,185,355,570.84	2,185,355,570.84	-	No BRS	
LBP-Tac	0181-3800-98	from LBP-0182-103560	13,025,231.66	13,025,231.66	-	No BRS	
TOTAL Unreconciled Difference for CIB-LCTD					-		
GRAND TOTAL					<u>P48,880,906.31</u>		

* balance confirmed by bank in reply (via email) to bank confirmation letter sent by Audit Team

** balances traced to GL/SL

Note: items highlighted have not submitted their replies yet

Project Name: Construction of Flood Control in Brgy. Poblacion 2, Hindang, Leyte
Contractor: Toy Construction and Enterprises
Date Started: 01/31/2022
Target Date: 04/15/2022
Status of Completion: Approximately 80% completion
Reasons for the delay: On-going dispute with the illegal settlers



Project Name: Construction of Multi-Purpose Buildings in Brgys. Malabca, Bobon and Villa Rosas, all in Burauen, Leyte
Contractor: 3A'S Builders
Date Started: 01/24/2022
Target Date: 07/22/2022
Status of Completion: Approximately 50% completion
Reasons of the delay: According to PEO, delay was due to bad weather condition and issues with the settlers in the area (Villa Rosas)
Remarks: Only two painters at Brgy. Malabca were found on site and no workers/equipments were found on other two sites.

Brgy. Malabca



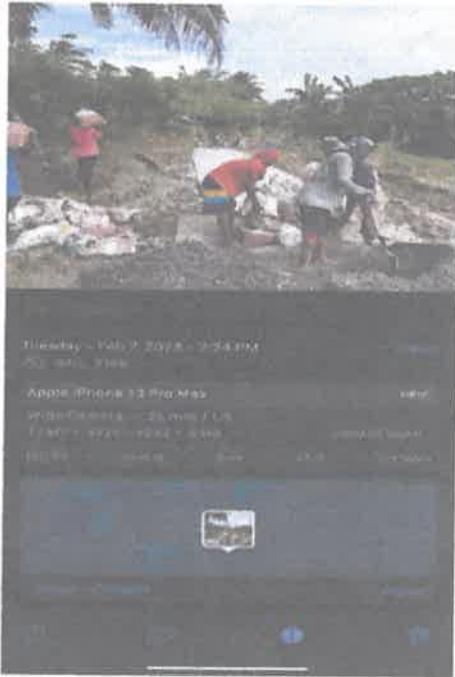
Brgy. Villa Rosas



Brgy. Bobon



Project Name: Concreting of Road along Cahigan-San Francisco Road Section in Villaba, Leyte (one lane)
Contractor: New Globaldev Corporation
Date Started: 03/14/2022
Target Date: 11/6/2022
Status of Completion: Approximately 95% completion
Reasons for the delay: On-going DPWH construction adjacent to the site; due to bad weather condition; inaccessible terrain



Project Name: Construction of Series of Box Culvert with Counter Wing wall In Brgy. Unao, Inopacan, Leyte
Contractor: RJIR Enterprises Corporation
Date Started: 11/23/2022
Target Date: 07/20/2023
Status of Completion: Currently at excavation and clearing stage due to heavy floods



Project Name: Construction of Multi-Purpose Buildings in Brgys. Cagangon, Dinayon and Tabunan, all in Bureau, Leyte
 Contractor: Zynidy's Builders and Construction Supply
 Date Started: 01/24/2022
 Target Date: 07/22/2022
 Status of Completion: 100% Completed

Brgy. Cagangon



Brgy. Dinayon



Brgy. Tabunan



Project Name: Construction of multi-purpose buildings in Baguio, Malabon, Balabacan and Malabon, and in Marikina, Leyte
Contractor: B.Y.A. Builders and Construction Supply
Date Started: 01/24/2022
Target Date: 07/22/2023
Status of Completion: 100% Completed

Bagu Bagu



Bagu Malabon



Bagu Malabon



Project Name: Construction of Multi-Purpose Buildings in Brgys. Gitabla, Tambuco and Balorinay, all in Suraven, Leyte
Contractor: KMI Builders and Construction Supply
Date Started: 01/24/2022
Target Date: 07/22/2022
Status of Completion: 100% Completed

Brgy. Gitabla



Brgy. Tambuco



Brgy. Balorinay



Project Name: Construction of Multi-Purpose Buildings in Brgy. Poblacion Dist. 9, Brgy. Arado & Brgy. Masbab in Burauen, Leyte
Contractor: Chamicos Builders
Date Started: 01/24/2022
Target Date: 07/22/2022
Status of Completion: 100% Completed

Brgy. Masbab



Brgy. Pob. Dist. 9



Brgy. Arado



Project Name: Construction of Multi-Purpose Buildings in Brgys. Camire, Guingauan and Limbuan Guti, all in Tanauan, Leyte
 Contractor: Four R Builders and Construction Supplies
 Date Started: 01/31/2022
 Target Date: 05/30/2022
 Status of Completion: 100% Completion

Brgy. Camire



Brgy. Guingauan



Brgy. Limbuan Guti



Project Name: Construction of Multi-Purpose Building Urban Poor in Brgy. Poblacion, Kananga, Leyte
Contractor: Basesofida Construction and Supplies
Date Started: 01/24/2022
Target Date: 04/23/2022
Status of Completion: 100% Completed



Project Name: Construction of Multi-Purpose Buildings in Brgy. Natubgan, Brgy. San Ignacio & Brgy. Hilutogan in Kananga, Leyte
 Contractor: Larioy Construction
 Date Started: 01/24/2022
 Target Date: 07/22/2022
 Status of Completion: Approximately 60% completion
 Reasons for the delay: Due to bad weather; site inaccessibility; sudden increase in price of the materials.
 All roofing materials were present in all site and waiting for installation (Can only be installed in a good weather)

Brgy. Natubgan



Brgy. San Ignacio



Brgy. Hilutogan



Project Name: Construction of Multi-Purpose Buildings in Brgys. Guindaohan, Hilaba and Hinugayan, all in Ikarugo, Leyte
Contractor: LSPM Builders and Construction Supply
Date Started: 01/24/2022
Target Date: 07/22/2022
Status of Completion: 100% Completed

Brgy. Guindaohan



Brgy. Hilaba



Brgy. Hinugayan



Project Name: Construction of Multi-Purpose Buildings in Brgys. Lower Sogod and Piloro in Carigara Leyte and 2-Storey Multi-Purpose Bldg. in Brgy. San Roque, Barugo, Leyte
 Contractor: JDR Construction
 Date Started: 01/31/2022
 Target Date: 05/30/2022
 Status of Completion: 100% Completed

Brgy. Lower Sogod



Brgy. Piloro



Brgy. San Roque

