



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. IV  
Audit Group I – Oriental Mindoro Province  
Provincial Capitol Complex, Camilmil, Calapan City

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May 21, 2010

**Hon. Maria Angeles C. Casubuan**

Municipal Mayor  
Naujan, Oriental Mindoro

Dear Mayor Casubuan:

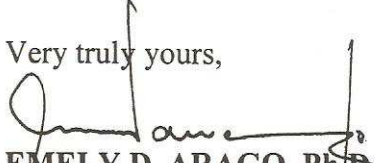
Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, we transmit herewith the report on the financial, compliance and value for money audits on the accounts and operations of the Municipality of Naujan, Oriental Mindoro for the year ended December 31, 2009. The report was prepared by Ms. Eden G. Salazar, Audit Team Leader, under the supervision of Ms. Emmie M. Mendoza, Supervising Auditor.

The audit was conducted to ascertain the propriety of financial transactions, compliance with prescribed rules and regulations and the economical, efficient and effective utilization of resources. It was also made to ascertain the accuracy of financial records and reports, as well as the fairness of presentation of the financial statements.

We request that the comments and observations contained in the said report be fully addressed and we would appreciate being informed of the actions taken in this regard within one month from receipt hereof.

We acknowledge the cooperation extended to the audit team by the officials and staff of that agency.

Very truly yours,

  
**EMELY D. ARAGO, Ph.D.**  
OIC – Supervising Auditor

Copy furnished:

- The Regional Director  
Department of Interior and Local Government, Region IV-B
- The Regional Director  
Department of Budget and Management, Region IV-B
- The Regional Director  
Bureau of Local Government Finance, Region IV-B
- The Secretary



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. IV  
Audit Group I – Oriental Mindoro Province  
**Audit Team 7, Office of the Auditor**  
Lumangbayan, Calapan City

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January 28, 2010

**The Regional Director**  
Commission on Audit  
Regional Office No. IV  
Commonwealth Ave., Quezon City

**Thru: The Supervising Auditor**  
Audit Group I

**Sir:**

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent sections of Presidential Decree No. 1445, we conducted a financial and compliance audit on the accounts and operations of the Municipality of Naujan, Oriental Mindoro for the year ended December 31, 2009.

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

Our attached report consists of four parts: Part I, the Audited Financial Statements; Part II, the Detailed Findings and Recommendations which were discussed on February 3, 2010 with concerned management officials and staff; Part III, the Status of Implementation of Prior Year's Audit Recommendations; and Part IV, the Annexes.

Except for the effect of any adjustment as might have been determined to be necessary had we obtained adequate evidential matter regarding the integrity of the *Property, Plant and Equipment* valued at ₱163.51 million and comprising 66.71% of the total assets, there is reasonable assurance that the financial statements are free of material misstatement/s and were prepared in accordance with applicable laws, rules and regulations and in conformity with generally accepted state accounting principles.

Our audit was conducted in accordance with generally accepted state auditing standards and we believe that it provides reasonable basis for the results of the audit.

Very truly yours,

**EDEN G. SALAZAR**

## **EXECUTIVE SUMMARY**

### **HIGHLIGHTS OF FINANCIAL OPERATION**

The main sources of funds of the Municipality are local taxes, permits and licenses, service and business income, and internal revenue allotment. For Calendar Year 2009, the Municipality generated a total income of ₱134.62 million. The total funds obligated for the year amounted to ₱109.25 million out of the total appropriation of ₱146.21 million.

### **SCOPE OF AUDIT**

Financial, compliance and value for money audits were conducted on the accounts and operations of the Municipality of Naujan, Oriental Mindoro for Calendar Year 2009. The audit was conducted to ascertain the fairness of the presentation of the financial statements and compliance of the agency to laws, rules and regulations as well as the economical, efficient and effective utilization of resources.

### **AUDIT OPINION ON THE FINANCIAL STATEMENTS**

The Supervising Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements of the Municipality due to the effects of the noted deficiencies on the balances of some accounts, as discussed in detail in Part II of the Report.

### **SIGNIFICANT FINDINGS AND RECOMMENDATIONS**

The following is the summary of significant audit findings and recommendations in the audit of the Municipal Government of Naujan, Oriental Mindoro for the year 2009:

1. The balance of ₱163.51 million of the *Property, Plant & Equipment* account is of doubtful validity because of the Municipality's failure to complete the physical inventory of its property, plant & equipment.

We recommended that the agency should facilitate the completion of the physical inventory taking and render a complete inventory report. On the other hand, the unserviceable properties should be identified and transferred to *Other Assets* account.

2. The Municipality lost the opportunity to pursue the foreign funded InfRES project worth ₱59.3 million of irrigation project of the ADB and DA due to its inability to comply with the documentary and technical requirements putting ₱708,542.60 into waste.

We recommended that the next time the Municipality avail of foreign funded projects, it should strictly comply with the technical and documentary requirements set by the funding agencies relative to the implementation of project to ensure their successful execution and facilitate delivery of better services to the constituents.

3. The Municipality could have delivered more value to its constituent had it programmed and implemented substantial and much-needed projects rather than providing several material assistance totaling ₱3,459,118.11 to selected beneficiaries.

We recommended that the Municipality should intensify its planning and execution procedures relative to its projects, specifically in the selection of priority one, to facilitate delivery of better service to the people and the constituency as a whole.

Other audit findings are discussed in detail in Part II of this report.

The audit findings and recommendations contained in the report were discussed with concerned municipal officials and staff. Management's views and reactions were considered in the report, where appropriate.

## **STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS**

Of the eight (8) prior year's audit recommendations embodied in the 2008 Annual Audit Report, only one (1) was fully implemented, the remaining seven (7) were not implemented by the municipality. These are discussed in detail in Part III of the report.

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**PART I – AUDITED FINANCIAL STATEMENT**



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. IV  
**Audit Group I – Oriental Mindoro Province**  
Quezon City

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## AUDIT CERTIFICATE

**Hon. Maria Angeles C. Casubuan**  
Municipal Mayor  
Naujan, Oriental Mindoro

Pursuant to Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, we have audited the accompanying Balance Sheet of the Municipality of Naujan as of December 31, 2009, and the related Statement of Income and Expenses and Statement of Cash Flows, for the year then ended. These financial statements are the responsibility of the Municipality of Naujan's management. Our responsibility is to express our opinion on these financial statements based on our audit.

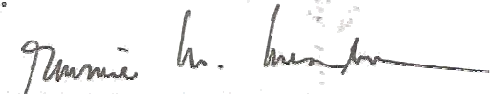
Except as discussed in the following paragraph, we conducted our audit in accordance with laws and generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement/s. Our audit involved examination, on a test basis, of the evidence supporting the amounts and disclosures in the financial statements. It also included assessment of accounting principles used and review of significant estimates made by the Municipality, as well as the evaluation of the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.

Validity and reliability of the balances of the account *Property, Plant and Equipment* valued at ₱163.51million could not be ascertained due to inability of management to complete the physical inventory thereof. Due to the inadequacy of the Municipality's records, we were unable to satisfy ourselves as to the carrying value of the property by means of other auditing procedures.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to examine evidence regarding the matters discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipality of Naujan as of December 31, 2009, and the results of its operations and its cash flows for the year then ended, in accordance with applicable laws, rules and regulations and in conformity with generally accepted state accounting principles.

COMMISSION ON AUDIT

By:

  
**EMMIE M. MENDOZA**  
Supervising Auditor

January 27, 2010



Republic of the Philippines  
Province of Oriental Mindoro  
MUNICIPALITY OF NAUJAN

OFFICE OF THE MUNICIPAL MAYOR

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STATEMENT OF MANAGEMENT RESPONSIBILITY FOR  
FINANCIAL STATEMENTS

The management of the MUNICIPALITY OF NAUJAN is responsible for all information and representation contained in the Balance Sheet as of December 31, 2009 and the related Statement of Income and Expenses and Statement of Cash Flows for the period then ended. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on best estimated 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.

  
CARINA A. CORRO  
Municipal Accountant

  
ROMAR G. MARCOS  
Municipal Mayor

Municipality of **Naujan**  
Province of Oriental Mindoro  
**Consolidated Balance Sheets**  
As of December 31, 2009  
(With Comparative Figures for 2008)

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 5)	₱ 76,435,872.56	₱ 70,901,854.63
Receivables (Note 6)	2,336,574.97	2,413,169.96
Inventories (Note 7)	1,790,307.11	1,790,307.11
Other Current Assets (Note 8)	902,156.95	902,156.95
Total Current Assets	<u>₱ 81,464,911.59</u>	<u>₱ 76,007,488.65</u>
<b>Property, Plant and Equipment (Net of Depreciation) (Note 9)</b>		
Land and Land Improvements	₱ 40,733,191.58	₱ 40,268,067.03
Buildings	61,847,397.46	60,080,275.38
Office Equipment, Furniture and Fixtures	13,343,935.62	12,934,064.42
Machineries and Equipment	14,063,414.97	13,101,406.60
Transportation Equipment	20,162,334.16	19,380,566.60
Other Property, Plant and Equipment	1,335,062.61	1,344,429.57
Public Infrastructures	8,803,548.16	100,453.25
Reforestation Projects	24,222.00	24,222.00
Construction in Progress	3,193,549.54	3,420,804.93
Total Property, Plant & Equipment	<u>₱ 163,506,656.10</u>	<u>₱ 150,654,289.78</u>
<b>Other Assets</b>	<u>₱ 132,869.56</u>	<u>₱ 132,869.56</u>
<b>TOTAL ASSETS</b>	<u><u>₱ 245,104,437.25</u></u>	<u><u>₱ 226,794,647.99</u></u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current Liabilities (Note 10)</b>	₱ 20,612,469.16	₱ 31,366,339.28
<b>Deferred Credits (Note 11)</b>	1,654,704.64	1,654,704.64
Total Liabilities	<u>₱ 22,267,173.80</u>	<u>₱ 33,021,043.92</u>
<b>EQUITY (Note 12)</b>		
Government Equity, Beginning	193,773,604.07	174,635,505.14
Add/Deduct:		
Retained Operating Surplus	29,232,295.29	24,748,889.82
Prior Year's Adjustments	21,500.00	(1,345,556.00)
Transfer to Registry	(190,135.91)	(4,265,234.89)
Government Equity, End	<u>₱ 222,837,263.45</u>	<u>₱ 193,773,604.07</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>₱ 245,104,437.25</u></u>	<u><u>₱ 226,794,647.99</u></u>

(See Accompanying Notes to Financial Statements and details at Annex 1)

Municipality of **Naujan**  
Province of Oriental Mindoro  
**Consolidated Statements of Income and Expenses**  
As of December 31, 2009  
(With Comparative Figures for 2008)

	<u>2009</u>	<u>2008</u>
<b>Income</b>		
Local Income	P 7,630,182.69	P 7,229,369.06
Permits and Licenses	1,463,223.58	1,401,748.81
Service Income	827,534.63	875,140.85
Business Income	2,910,835.00	3,929,577.00
Other Income	121,788,134.06	108,157,121.20
Total Income	P <u>134,619,909.96</u>	P <u>121,592,956.92</u>
Less: Expenses		
Personal Services	P 47,438,612.82	P 43,713,368.30
Maintenance and Other Operating Expenses	61,686,451.85	52,981,169.08
Total Expenses	P <u>109,125,064.67</u>	P <u>96,694,537.38</u>
Operating Income	P <u>25,494,845.29</u>	P <u>24,898,419.54</u>
Income before Subsidies and Extraordinary Items	P 25,494,845.29	P 24,898,419.54
Add: Subsidy Income	4,120,250.00	-
Total	P 29,615,095.29	P 24,898,419.54
Less: Subsidies to LGUs, NGOs and POs	P 382,800.00	P -
Net Income before Extraordinary Items	P <u>29,232,295.29</u>	P <u>24,898,419.54</u>
<b>NET INCOME</b>	<b>P <u>29,232,295.29</u></b>	<b>P <u>24,898,419.54</u></b>

(See accompanying Notes to Financial Statements and details at Annex 2)

Municipality of **Naujan**  
Province of Oriental Mindoro  
**Statement of Cash Flows**  
For the Year Ended December 31, 2009  
(With Comparative Figures for 2008)

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Cash Inflows		
Collection from Taxpayers	P 21,903,880.43	P 15,672,511.28
Share from Internal Revenue Collections	118,131,272.00	104,899,849.79
Interest Income	1,295,247.69	1,027,080.05
Other Receipts	21,723,553.66	34,471,019.65
Total Cash Inflow	<u>P 163,053,953.78</u>	<u>P 156,070,460.77</u>
Cash Outflows		
Payments -		
To Suppliers/Creditors	P 43,725,925.46	P 49,357,510.13
To Employees	47,116,549.97	28,651,194.59
Other Payments	47,878,976.94	38,212,541.41
Total Cash Outflow	<u>P 138,721,452.37</u>	<u>P 116,221,246.13</u>
Net Cash from Operating Activities	<u>P 24,332,501.41</u>	<u>P 39,849,214.64</u>
Cash Flows from Investing Activities:		
Cash Inflows		
Total Cash Inflow	-	-
Cash Outflows		
Cash Purchase of Property, Plant & Equipt.	18,798,483.48	13,992,402.77
Net Cash From Investing Activities	<u>P (18,798,483.48)</u>	<u>P (13,992,402.77)</u>
Cash Flows from Financing Activities:		
Total Cash From Operating, Investing and Financing Activities	<u>P 5,534,017.93</u>	<u>P 25,856,811.87</u>
Cash at the Beginning of the Period	<u>P 70,901,854.63</u>	<u>P 45,045,042.76</u>
<b>Cash at the End of the Period</b>	<b><u>P 76,435,872.56</u></b>	<b><u>P 70,901,854.63</u></b>

(See Annex 3)

## NOTES TO FINANCIAL STATEMENTS

### Note 1. AGENCY PROFILE

**Naujan**, previously called *Nauhang* by Europeans, was established as a town in 1639 by virtue of a Royal Decree promulgated by King Philip II of Spain. The Philippine Commission confirmed it on January 4, 1905 under Act No. 1280.

The development vision of Naujan states that: By 2010, Naujan shall be a progressive, self-sufficient and peaceful community of God-loving, healthy, educated and empowered citizenry, focused on agricultural and agro-industrial development and active commerce and tourism, moving towards the achievement of a sustainable and ecologically balanced development.

The Municipality's fund is composed of General Fund, Special Education Fund and Trust Fund. Under the General Fund, there are five special accounts, namely, the 20% Development Fund, Market, Slaughterhouse, Cemetery and Bahay Tuklasan.

There are four (4) economic enterprises operated by the municipality, to wit:

- (1) Market
- (2) Slaughterhouse
- (3) Cemetery
- (4) Bahay Tuklasan

### Note 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Financial Statements Preparation

These financial statements have been prepared based on the New Government Accounting System, and is in accordance with generally accepted state accounting principles and standards. In February 2007, the Municipality adopted the electronic NGAS. The denomination used is the Philippine Currency which is Peso.

#### 2.2 Accounting Policy Observed for each Account

##### 2.2.1 Cash

The Municipality uses the cash method of accounting. Cash are recorded as income when they are received and recorded as expense when they are disbursed either for payment of Personal Services, Maintenance and Other Operating Expenses and Capital Outlay.

### **2.2.2 Receivables**

The Municipality uses the accrual accounting on Real Property Taxes where at the start of the year, receivables are being set up.

### **2.2.3 Property, Plant and Equipment**

*Property, Plant, and Equipment* are carried at historical cost. Infrastructures under construction in-progress are valued following the construction period theory. The cost of public infrastructure such as roads, bridges and other infrastructure for general public are not carried in the books.

Properties of the government which are used by the general public are accounted for under the Public Infrastructures. These are dropped from the *Property, Plant & Equipment* account and recorded in the Registry of Public Infrastructure/Reforestation projects.

The straight line method of depreciation is followed. For equipment, vehicles and other assets subject to depreciation, a residual value computed at ten percent (10%) of the cost of asset is set and depreciation is computed on the month following the date of purchase.

### **2.2.4 Other Assets**

This account which has a balance of P132,869.56 cannot be ascertained. No subsidiary ledger was maintained and this was not used for a long period of time.

### **2.2.5 Current Liabilities**

Accounts Payable account is used to record payment to suppliers/creditors of the expenditures for the current year which payment were not effected in the current year.

Due to Officers and employees is used to record amounts due to employees for transactions which were not paid in the current year.

Due to GSIS, Pag-IBIG and other agencies is used to record mandatory employees' payroll deductions which will be paid in the succeeding year.

Due to GOCC's is used to record employees loans with DBP, LBP, UCPB and other financial institutions.

### **2.2.6. Deferred Credits**

Other deferred credits amounting to P1,417,325.83 are contra-account of the Office Supplies Inventory which arise as a result of reclassification to conform with the new chart of account used in NGAS. This account is not used for a long period.

### 2.2.7. Government Equity

Prior year's adjustments were result of prior year's transaction wherein adjustment is needed for the transaction to be recognized.

### Note 3. Cash

**₱ 76,435,872.56**

This account is broken down as follows:

Particulars	2009	2008
General Fund		
Cash in Vault	₱ 431,007.94	₱ 268,102.91
Cash-Collecting Officer	43,262.81	159,381.88
Cash in Bank		
DBP Current Account No. 0605-012989-030	4,885,897.52	225,833.22
Time Deposit Accounts(Renewable monthly)	64,840,174.58	49,840,174.58
Unadjusted reconciling item	1,645,992.99	1,705,910.84
Special Education Fund		
Cash in Bank		
DBP Current Account No. 0605-012996-030	926,718.23	326,494.55
Time Deposit Accounts(Renewable monthly)	1,500,000.00	1,500,000.00
Unadjusted reconciling item	17,649.24	9,600.00
Trust Fund		
Cash in Bank		
DBP Current Account No. 0605-012996-030(LGU)	2,830,503.42	11,650,335.50
DBP Current Account No. 0605-012997-030(Brgy)	843,643.28	205,005.66
DBP Current Account No. 0605-012990-030(CDF)	88,776.38	93,992.42
Time Deposit Accounts (renewable monthly)	760,771.81	760,771.81
Unadjusted reconciling item	719,837.51	22,047.25
<b>TOTAL</b>	<b>₱ 79,534,235.71</b>	<b>₱ 66,767,650.62</b>

Unadjusted reconciling items are not part of the book balance of Cash in Bank, however, they are presented in the Bank Reconciliation Statements of the three funds for the month of December 2009.

*Cash in Vault* and *Cash – Collecting Officer* represent cash collections in the last week of December 2008 which were remitted and deposited on January 4, 2010.

### Note 4. Receivables

**₱2,336,574.97**

This account includes the following:

	2009	2008
General Fund	2,221,246.68	2,297,841.67
Special Education Fund	107.00	107.00
Trust Fund	115,221.29	115,221.29
<b>TOTAL</b>	<b>₱ 2,336,574.97</b>	<b>₱ 2,413,169.96</b>

**Note 5. Property, Plant and Equipment****₱ 163,506,656.10**

This account consists of the following:

	<b>Balance Dec 31, 2008</b>	<b>Net Addition / (Reduction)</b>	<b>Balance, Dec 31, 2009</b>
<b>Land and Land Improvements</b>			
Land	₱ 6,655,365.46	₱ 0.00	₱ 6,655,365.46
Land Improvements	33,565,297.10	1,134,696.70	34,699,993.80
Electrification, Power & Energy	4,594,614.21	2,079,288.25	6,673,902.46
Structures			
<b>Buildings</b>			
Office Buildings	30,882,961.87	619,562.26	31,502,524.13
School Buildings	11,993,605.18	720,969.35	12,714,574.53
Hospitals and Helth Centers	2,548,726.57	0.00	2,548,726.57
Markets and Slaughterhouses	8,865,783.87	0.00	8,865,783.87
Other Structures	8,146,329.12	2,195,211.76	10,341,540.88
<b>Office Equipt.,Furn. &amp; Fixtures</b>			
Office Equipment	3,346,937.93	257,379.98	3,604,317.91
Furniture and Fixtures	7,772,340.53	379,198.00	8,151,538.53
IT Equipt. & Software	5,318,743.15	1,169,285.00	6,488,028.15
Library Books	1,785.00	0.00	1,785.00
<b>Machineries &amp; Equipment</b>			
Agr'l, Fishery & Forestry Equipt.	989,308.50	0.00	989,308.50
Communication Equipt.	1,452,448.99	623,170.00	2,075,618.99
Construction & Heavy Equipt.	9,357,250.00	1,390,500.00	10,747,750.00
Firefighting Equipt. & Accesories	170,680.00	0.00	170,680.00
Medical, Dental & Laboratory Equipt.	136,077.00	47,200.00	183,277.00
Military & Police Equipt.	44,185.00	0.00	44,185.00
Sports Equipment	33,500.00	0.00	33,500.00
Technical & Scientific Equipt.	4,014,468.01	0.00	4,014,468.01
Other Machineries & Equipment	1,892,118.52	528,960.00	2,421,078.52
<b>Transportation Equipment</b>			
Motor Vehicles	20,386,981.55	1,065,000.00	21,451,981.55
Watercrafts	473,000.57	48,038.00	521,038.57
<b>Other Property, Plant and Equipment</b>			
Other Property, Plant & Equipt.	1,484,446.18	79,550.00	1,563,996.18
Roads, Highways and Bridges	3,300.00	5,237,634.50	5,240,934.50
Artesian, Wells, Reservoir, etc.		1,376,178.00	1,376,178.00
Irrigation, Canals and Laterals	97,153.25	2,042,783.41	2,139,936.66
Flood Controls		46,499.00	46,499.00
Reforestation-Upland	24,222.00	0.00	24,222.00
<b>Construction in Progress</b>			
CIP - Roads, Highways & Bridges	1,487,849.00	(210,000.50)	1,277,848.50
CIP - Artesian Wells, Reservoirs, etc.	353,442.00	76,394.00	429,836.00
CIP - Irrigation, Canals & Laterals	452,116.21	(110,168.39)	341,947.82
CIP - Flood Controls	772,565.50	16,519.50	789,085.00
CIP - Waterways, Aqueducts,			



Seawalls, Riverwalls and Others	110,044.00	0.00	110,044.00
CIP - Other Public Infrastructures	244,788.22	0.00	244,788.22
<b>TOTAL</b>	<b>₱ 167,672,434.49</b>	<b>₱ 20,813,848.82</b>	<b>₱188,486,283.31</b>
<b>Accumulated Depreciation</b>	<b>17,018,144.71</b>	<b>7,961,482.50</b>	<b>24,979,627.21</b>
<b>Net Amount</b>	<b>₱ 150,654,289.78</b>	<b>₱ 12,852,366.32</b>	<b>₱163,506,656.10</b>

Increase in PPE was due to purchase of one (1) dump truck, procurement of several computers distributed in different departments, construction of farm to market roads and electrification in different barangays, while decreases were due to the provision for depreciation in some PPE.

**Note 6. Other Assets**

**₱ 132,869.56**

	<b><u>2009</u></b>	<b><u>2008</u></b>
General Fund	₱ 132,869.56	₱ 132,869.56

No subsidiary ledger was maintained to give additional information that may be relevant to users in understanding the financial position of the municipality.

**Note 7. Current Liabilities**

**₱20,612,469.16**

	<b><u>2009</u></b>	<b><u>2008</u></b>
General Fund	<u>16,346,237.41</u>	<u>12,430,265.29</u>
Accounts Payable	11,194,586.52	7,462,935.62
Due to Officers and Employees	641,191.81	398,902.52
Due to National Treasury	6,489.25	4,256.00
Due to BIR	835,900.33	891,677.58
Due to GSIS	778,697.39	706,473.73
Due to Pag-ibig	151,206.96	151,733.89
Due to Philhealth	17,257.03	19,082.03
Due to Other NGAs	3,186.40	3,186.40
Due to Other GOCCs	4,685.10	108,747.45
Due to LGUs	1,268,635.45	1,347,007.95
Due to Other Funds	355,507.92	289,056.77
Guaranty Deposits Payable	441,819.79	421,021.63
Other Payables	647,073.46	626,183.72
Special Education Fund	<u>289,861.48</u>	<u>186,647.71</u>
Accounts Payable	289,861.48	184,873.45
Due to BIR	0.00	1,774.26
Trust Fund	<u>3,976,370.27</u>	<u>18,749,426.28</u>

Due to BIR	27,660.69	0.00
Due to Other NGAs	86,043.68	86,043.68
Due to LGUs	1,379,011.25	1,379,011.25
Due to Other Funds	0.00	5,920,288.00
Performance/Bidders/Bail Bonds Payable	762,122.17	645,265.22
Other Payables	<u>1,721,532.48</u>	<u>10,718,818.13</u>
<b>TOTAL</b>	<b><u>₱20,612,469.16</u></b>	<b><u>₱31,366,339.28</u></b>

**Note 8. Government Equity**

**₱ 222,837,263.45**

	<b>2009</b>	<b>2008</b>
General Fund	209,639,060.34	181,287,636.82
Special Education Fund	5,591,743.37	4,879,507.51
Trust Fund	7,606,459.74	7,606,459.74
<b>TOTAL</b>	<b>₱222,837,263.45</b>	<b>₱193,773,604.07</b>
Transfer to Registry of Public Infrastructure *Amount was inadvertently overlooked during the closing of accounts. This, however, will be adjusted in the ensuing year.	8,803,548.16 *	4,265,234.89

## **PART II – DETAILED FINDINGS AND RECOMMENDATIONS**

## DETAILED FINDINGS AND RECOMMENDATIONS

### I. FINANCIAL AND COMPLIANCE AUDIT

#### Non-Completion of Property, Plant and Equipment Inventory

1. **The balance of ₱163.51 million of the *Property, Plant & Equipment* account is of doubtful validity because of the Municipality's failure to complete the physical inventory of its fixed assets in violation of Section 124 of the NGAS Manual, Volume 1.**

For the past several years, provision of Section 124 of the NGAS Manual, Volume 1 has been disregarded, thus the reiteration this year.

The unreconciled differences between the balance per books and the inventory reports of previous years could not yet be verified due to the absence of updated inventory report.

Interview with the General Services Officer disclosed that, in response to previous year's audit recommendation, they have conducted the physical count of properties of the Municipality in June 2008. However, it was unfortunate that due to malfunctioning of their computer unit, they were unable to prepare the corresponding Inventory Report.

Non- rendition of a complete inventory report as of year-end made us impossible to perform alternative measure to verify the validity of the *Property, Plant and Equipment* account balance of ₱163,506,656.10 which comprises 66.71% of the total assets as of CY 2009.

We reiterated our recommendation that the agency should facilitate the completion of the physical inventory taking and render a complete inventory report using the prescribed format.

#### **Inclusion of Unserviceable Properties in the Property, Plant and Equipment account**

2. **Unserviceable property such as heavy equipments and service vehicles with estimated undepreciated cost of ₱4.07 million were still included**

**in the *Property, Plant and Equipment (PPE)* account of the Municipality contrary to COA Circular 2004-008 dated September 20, 2004, resulting in overstatement of total PPE.**

COA Circular 2004-008 dated September 20, 2004 prescribes the use of accounts which includes a provision that all unserviceable properties awaiting disposal shall be classified as *Other Assets*.

Upon verification it was found out that some heavy equipments and service vehicles with estimated costs of ₱4,074,900.00 acquired since 1986 and had been unserviceable for several years were still included in the PPE account of the Municipality (See Annex 5). These unserviceable properties which the agency intends to dispose of should be classified as *Other Assets*.

Failure of the agency to reclassify them as *Other Assets* resulted in overstatement of *PPE* account of the Municipality, as well as the Government Equity account.

The Municipal Accountant reasoned out that delay in the disposal was due to the agency's failure to complete the documents necessary for disposal. She promised, however, to effect the transfer of the amounts to *Other Assets* account in the ensuing year.

We recommended that the Municipal Accountant should effect the transfer of ₱4.07 million from *PPE* account to *Other Assets* account and the Municipal General Services Officer to complete the documentary requirements for the disposal of said unserviceable vehicles and heavy equipments.

### **Absence of Supplies Inventory's subsidiary records**

- 3. Part of the balance of the account *Supplies Inventory* of ₱1.79 million is of doubtful validity due to the absence of subsidiary records in violation of Sections 70 and 72 of the NGAS Manual, Volume I resulting in overstatement of *Supplies Inventory* account.**

The account *Other Supplies Inventory* with a balance of ₱1,552,928.30 under the General Fund and ₱237,378.81 under the Special Education Fund was not supported with subsidiary records thus balance sheet figure is of doubtful validity. These pertain to the accumulated value of semi-expendable supplies as of the time of conversion from the old accounting system to the NGAS in the year 2002.

Despite our repeated recommendation to identify such semi-expendable items, this has not been acted upon by the management.

However, the committee conducting the inventory at the that time assured us that they will adjust the records once they have determined all those unserviceable items and shall maintain stock/ledger cards for the identified items which are still usable.

Failure of the agency to maintain subsidiary records and reconcile balance of Supplies Inventory continuously shows doubtful account presented in the financial statements of the Municipality.

Again, we recommended that the Municipal Accountant and General Services Officer should coordinate and initiate action to verify whether or not the semi-expendable supplies of P1.79 million still exist. Actual physical count of all the properties including the semi-expendable supplies of the municipality should be prioritized to determine the actual existence of the same. Also, the GSO should maintain stock/ledger cards for all supplies/property acquired.

#### **Non-setting up of RPT/SET Receivable**

**4. Real Property Taxes (RPT) and Special Education Taxes (SET) Receivables were not set up at the beginning of the year, contrary to Section 20 of the Manual on New Government Accounting System, Volume I.**

As in the previous years, the Municipality failed to comply with the provisions of Section 20 of the Manual on New Government Accounting System, Volume I, on the setting up of the Real Property Tax Receivable at the start of the year and crediting to Deferred Real Property Taxes.

During the year, the Municipal Accountant implemented the cash method of accounting for RPT/SET Collections. Though this procedure was disclosed in the notes to financial statements, still the provision of Section 19 (b) of Manual on the NGAS, a regulation prescribing the modified accrual method of accounting for real property taxes was disregarded.

The Treasurer admitted that she was unable to prepare the Real Property Tax Account Register showing the complete list of taxpayers and the taxes due from them, which would serve as basis for setting-up of the Real Property Tax and Special Education Tax Receivables. However, she reasoned out that her failure to prepare RPT Account Register was due to the failure of the Assessor to update the tax mapping and to continue its computerization of Real Property Taxes.

The continued non-setting up of receivables from RPT resulted in the understatement of the Receivables and the Deferred Real Property Tax Income accounts.

The municipality failed to appreciate the importance of the provision that it would be a guide for setting up targets for collections that would drive the Treasury department to exert efforts and strategize to increase collections and benefit the constituents at the end.

We reiterated previous year's recommendation that the Municipal Treasurer shall coordinate with the Municipal Assessor in preparing the certified list of taxpayers that could serve as basis of the Accountant to set up the correct RPT and SET receivables at the beginning of the year.

### **Implementation of Infrastructure Projects by Administration**

- 5. The implementation of the twelve (12) infrastructure projects “by administration” amounting to ₱3,158,692.53 had resulted in deficiencies totaling ₱786,735.27 and had not, therefore, been advantageous to the municipal government.**

Government Procurement Policy Board (GPPB) Resolution No. 013-2005 defines “By administration” as the procedure by which the implementation of an infrastructure project is carried out under the administration and supervision of the concerned agency through its own personnel. The conditions and requirements for the use of this scheme are as follows:

- The implementing agency should have a track record of having completed a project by administration or by contract, similar to or with a cost of at least 50% of the project at hand;
- The implementing agency should own tools and construction equipment to be used or have access to such tools and equipment owned by other government agencies;
- No contractor shall be used by the procuring entity, directly or indirectly;
- Prior approval by the agency head is required;
- Except as otherwise provided by law, ceiling of amount is ₱5 million, provided that, in case of LGUs, total amount for all projects undertaken shall not exceed 50% of the fund allotted for infrastructure;

- Labor component may be undertaken in-house, by job order, or through pakyaw contract where labor shall be drawn from the Barangay where the project is located. Ceiling for pakyaw labor is ₱500,000 per pakyaw group;
- Project cost shall be billed based on actual cost of labor, materials, equipment, insurance, taxes, etc., plus an agreed percentage for overhead and profit.

The Municipality of Naujan adopted the scheme “*by administration*” in implementing majority of its infrastructure projects during the year as well as in the previous year. Among those projects, totaling ₱3,158,692.53, are enumerated in Annex 6 hereof.

Inspection and evaluation conducted by COA Technical Audit Specialist to determine reasonableness of materials procured for the projects and to validate the reported accomplishment and determine compliance with the plans and specifications disclosed deficiencies amounting to ₱39,318.77. This deficiency had been disallowed in audit and the corresponding Notice of Disallowance No. 10-001-401-(07) dated January 20, 2010 was issued.

Moreover, the construction of concrete sheet piles with a project cost of P1 million which was started by the Municipal Engineer’s Office as early as March 2007 was found to be unfinished and abandoned as of this date. The accounting records showed that total materials procured and labor paid for the project totaled ₱747,416.50. The corresponding Notice of Disallowance for that amount was likewise issued and served to the Municipality.

The team discovered that cement materials were either hardened, a majority loaned to Gawad Kalinga (an NGO) and some materials such as plywood, bars, pipes, etc were deposited with the same NGO, while 8 pcs. sheet pile were left on project site.

It was also observed that the programming of several projects undertaken by administration had not been carefully prepared and that materials requirement had not been properly determined, controlled and/or utilized. This was shown by claims for additional materials.

Management justified that when executing projects by administration, the Municipality was able to save the cost of overhead/contingencies/miscellaneous (OCM) expenses and profit due a private contractor. We contend, however, that because of the incurrence of



such deficiencies and wastage, it is apparent that the Municipality had not attained its objective of saving resources.

Moreover, it may also be well to point out that under the “by administration” scheme, the “check and balance” which should be present within the agency is disregarded, contrary to the principles of internal control. All phases of technical activities involved in an infrastructure project, that is, from the preparation of the program of work down to certification of project completion, are lodged in the Municipal Engineering Office, thus no other office could check whether a project is sub-standard or with deficiencies.

This finding had been disclosed in the last year’s Annual Audit Report, however, the Municipality did not give much attention to correct the deficiencies noted despite issuance of Notices of Disallowance, hence the reiteration in this report.

We recommended that the municipality comply with the provisions of R.A. 9184 in the implementation of its infrastructure projects. It should also weigh the advantages and the disadvantages of a “*by administration*” scheme and straight contracting and thereafter favor what is most advantageous to the government.

As to projects with deficiencies, unfinished and/or abandoned, the Municipal Engineer’s Office was directed to immediately act on them to avoid wastage of government funds. The team followed up the immediate settlement of disallowances in audit amounting to ₱786,735.27.

## **20% Development Fund**

- 6. Utilization of the 20% Development Fund was not in accordance with the “development” objectives envisioned in Joint Memorandum Circular No. 1 s. 2005 of the DILG and DBM, thereby depriving the constituents of the Municipality of the immediate benefit that could be obtained from the mandated developmental programs and projects.**

Section 287 of Republic Act 7160, otherwise known as the Local Government Code of 1991, requires each local government unit (LGU) to appropriate in the annual budget at least 20% of the Internal Revenue Allotment (IRA) for development projects.

Likewise, Section 2.3 of Joint Memorandum Circular No. 1, s. 2005 of the DILG and DBM, provides that all projects to be funded shall contribute to the attainment of desirable socio-economic development and environmental management outcomes; partake the nature of investment

and capital expenditures; and take into consideration cost recovery and entrepreneurship. Section 3 of the same Joint Memorandum Circular enumerates the projects for social development, economic development and environmental management for which the 20% development fund should be utilized.

With reference to the mentioned guidelines, it maybe noted that projects under 20% Development Fund relate to those which are funded as “capital outlays”. Under Section 306(d) of the Local Government Code, capital outlays refer to appropriations for purchase of goods or services, the benefits of which extend beyond the fiscal year and which add to the assets of the LGU concerned, including investments in public utilities such as public market and slaughterhouses.

Review and evaluation of the Statement of Income and Expenses of the Local Development Fund for the year ended December 31, 2009 revealed that a substantial amount of the LDF was not actually utilized for development projects as mandated by the aforecited law, but were used for other expenses appropriately chargeable against Maintenance and Other Operating Expenses (MOOE). Disbursements for CY 2009 under 20% DF included, among others, the expenditures on the following:

Supplies and Material Expenses	P 757,009.28
Travelling Expenses	3,390.00
Subsidies and Donations	1,256,502.46
Other MOOE	<u>1,723,274.66</u>
 Total	 <b><u>P 3,740,176.40</u></b>

*Other Maintenance and Operating Expenses* pertains to the cost of other expenses not otherwise classified under any specific expense accounts, while *Supplies Expense* relates to the cost of consumable items and accounting forms purchased for use in the ordinary course of government operation. *Subsidies and donations* is one of the budget items under MOOE.

Almost all programs under the 20% Development Fund included these items and as at year-end a total expenditures of P6.3million was noted thereon. These were proper charges to the General Fund (GF). Such improper charging unduly understated the GF account, while overstating the 20% Development Fund, which is misrepresentation of projects.

Despite our reminder to refrain from utilizing the 20% development fund, the municipality still continued to charge such expenditures erroneously to the fund, hence this reiteration.

Had the Municipal government adhered strictly to the general policies and guidelines on the appropriation and utilization of the 20%DF, the constituents of the Municipality could have been benefited by such viable and sustainable developmental programs and projects, rather than other expenses appropriately chargeable against the MOOE of the LGU. Likewise, economic development was hampered due to failure of the Agency to utilize these funds for development projects.

While the Local Government Code empowers local authorities to manage their own internal affairs pursuant to the mandate of local autonomy, LGUs must be equally held responsible and accountable for their acts of deviating from the expressed provision of law. It cannot be over emphasized that one of the primary concerns of the national government is to ensure that public funds, like the 20% Development Fund, shall be spent judiciously and only for the very purposes for which such funds are intended (DILG Memo Circular No. 95-216 dated December 14, 1995).

Management (officials) admitted the lapses and assured us that appropriate action shall be taken to correct the deficiency in the ensuing year.

We reiterated our previous year's recommendation that for the ensuing year, the municipal government should adhere strictly with the provisions of Joint Memorandum Circular No. 1, s. 2005 of the DILG and DBM, guidelines on the appropriation and utilization of the 20% of the Annual Internal Allotment (IRA) for development projects. The Municipal Accountant should immediately effect reclassification of accounts for the proper presentation of the financial statements.

7. **The Municipality purchased medicine in the amount of ₱220,036.25 from a commercial drugstore, instead of buying them from Botika ng Lalawigan, a drugstore owned and operated by the Provincial Government of Oriental Mindoro, resulting in more expensive medicine procured by almost 141% of the government prices.**

The Municipality of Naujan purchased medicine amounting to ₱220, 036.25 from Pharmacia Lumore, a commercial drugstore, for use in the Municipal Health Office despite availability of the same stocks from the government operated drugstore, offering cheaper but good quality medicines.

Since 2007, the Provincial Government has been operating a drugstore named Botika ng Lalawigan in order that all government hospitals and municipal health offices could avail of less expensive

medicine. The Provincial Government had advertised its product/medicine to all government hospitals and municipal health offices in the province, but despite of this, the Municipality opted to procure medicine from Pharmacia Lumore which had been found out to be more expensive than the prices offered in Botika ng Lalawigan (See Annex 7).

Had the Municipality availed of less expensive medicine from Botika ng Lalawigan, they could have saved money of around P140,642.50 or buy more medicine to support the Municipality's indigent patients and the Municipality could have also contributed to the Provincial Government's coffees in form of additional income.

Management promised to carefully consider this matter and implement our recommendation in CY 2010.

We recommended that the Municipality avail of less expensive medicine from Botika ng Lalawigan rather than buying them from a commercial drugstore. It could also help the government to earn more income to finance more developmental projects.

**8. The Municipality failed to institutionalize Gender and Development (GAD) and formulate related plans, programs and budget contrary to Executive Order No. 373 and DBM-NEDA-NCRFW Joint Circular No. 2004-1.**

Government agencies are mandated to institutionalize Gender and Development (GAD) in government and to incorporate and reflect GAD concerns in their agency performance commitment, annual budget proposals, and work and financial plans pursuant to RA 7192 otherwise known as "Women in Development and Nation-Building Act" and Executive Order No. 273 dated September 8, 1995.

Section 2.4 of DBM-NEDA-NCRFW Joint Circular No. 2004-1 which prescribes guidelines in the implementation of GAD-related programs and activities, provides further that:

*Pursuant to the Annual General Appropriations Act, agencies are tasked to formulate a GAD plan and to implement the same by utilizing at least five percent (5%) of their total budget appropriations. (Emphasis supplied)*

The Municipality appropriated P100,000.00 for GAD in their 2009 annual budget under the MSWDO (Other MOOE), however this is far below the mandated amount of at least 5% of their total budget appropriations of P128,495,998.00 or a total of P6,424,799.90.

Though the Municipal Mayor created the GAD focal point, it is also far beyond the description cited in the regulation which says that GAD Focal Point is the group of people within the agency who will advocate for, coordinate and monitor the development and implementation of the agency's GAD plan and GAD-related programs, projects and activities in the Municipality. Most of the expenses incurred were intended for women and children activities and trainings.

Management explained that their budget was very limited to fully comply with the DBM-NEDA-NCRFW Joint Circular but claimed that they implemented programs/activities to address the needs and problems of women and children in the locality which could likewise be classified as GAD related programs. Nonetheless, municipal officials promised to re-evaluate their programs to be able to comply with the aforesaid regulations.

The audit team, therefore, recommended the institutionalization of GAD in the Municipality and the integration thereof to its overall annual plans, programs and budget.

Proper GAD implementation and the required funding of at least 5% of the total budget appropriation should also be observed in compliance with the provisions of DBM-NEDA-NCRFW Joint Circular No. 2004-1.

## **II. Value for Money Audit**

### **9. The Municipality could have delivered more value to its constituents had it programmed and implemented substantial and much-needed projects rather than providing several material assistance totaling ₱3,459,118.11 to selected beneficiaries.**

Section 16 of the Local Government Code requires every local government unit to exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental to its efficient and effective governance, and those which are essential to the promotion of the general welfare.

For the current year 2009, the Municipality disbursed a total of ₱3,459,118.11 as material assistance to selected beneficiaries. Materials, in the form of Jetmatic pump, toilet bowls and various construction materials were procured and donated to selected barangays and schools.

It was observed that these material assistances totaling ₱3,459,118.11 comprised 61.12% the majority of the reported accomplishments of the Municipality.

As can be gleaned from the nature of the projects passed as assistance to constituents, these partook of piecemeal aid that has no impact to the community as a whole but rather for the benefit of few individuals.

Had the municipality programmed and implemented substantial and much-needed projects instead of these assistance, it could have delivered more value to the life of individual constituents as a whole.

The Management contended that they opted to provide material assistance to different barangays, schools and some selected beneficiaries because they believe that they would contribute to the early relief of the affected areas of calamity since those are their immediate needs.

We recommended that the Municipality should intensify its planning and execution procedures relative to its projects, specifically in the selection of priority programs, to facilitate delivery of better service to the people and the constituency as a whole.

#### **Unimplemented Foreign Funded InfREs project**

**10. The Municipality lost the opportunity to pursue the foreign funded InfRES project of P59.3 million worth of irrigation due to its inability to comply with the documentary and technical requirements of ADB and Department of Agriculture (DA) putting P708, 542.60 into waste.**

In 2007, the Municipality of Naujan was made a recipient of a sub-project for communal irrigation, an InfRES-ADB and Department of Agriculture assisted project, that aims to help the marginal farmers of the municipality to avail of cheaper irrigation water.

The project named Sto. Niño – Nag-iba Communal Irrigation has to be prosecuted in a three-package deal with a total ABC of P59,288,443.01 in its first Invitation to Bid on March 27, 2007. The bidding was conducted on May 23, 2007, but on June 29, 2007 it was declared by the Bids and Awards Committee as failed bidding for the three packages on the ground that all contractors did not meet the minimum requirements set by the agency and ADB. A re-bidding was conducted on March 7, 2008 or eight months thereafter.

The BAC declared Orient Star/Sanlahi Group of Builders (a Joint Venture) as winning bidder for packages 1 and 2, and G.G. Uy Construction for package 3. Unfortunately, due to some deficiencies in documentary requirements set by ADB and InfRES Project Office, the award of the project was not accepted by the contractors on the ground that there were price escalations, wage hike, expiration of joint venture

license and the very late award of contract (96 days after the bidding), hence, the project was not implemented anymore wherein the winning bidders have not been penalized for non-acceptance of the project.

In the last quarter of 2008, for unknown reasons, the InfRES-trained Municipal Project Manager, Mr. Ernesto B. Gutierrez, was relieved of his duties and responsibilities. The Municipal Mayor appointed new Project Manager and tasked to prepare a new Land Acquisition and Resettlement Plan (LARP). (It was noted that this person did not undergo InfRES-related training.) Along with this task, he arranged another bidding, this time participated in by one contractor, NFH Construction. The contractor seemed to have met the requirements, however, the Project Manager and his team was not able to complete other requirements and the LARP documents as pre-requisite to the construction of the irrigation project despite adequate grace period given to them by DA-InfRES Project Office, thus, the proponent decided to cancel the irrigation project. The Provincial Government aid of ₱5million was withdrawn, as well as the counterpart funds of the eight recipient barangays were also returned to the respective barangays.

During the year, the Municipality incurred InfRES-related expenses of ₱708,542.60 (See Annex 8) that the audit team believed were just wasted due to the non-continuance of the project.

Had the municipality complied with the documentary and technical requirements of ADB and DA on this project, it could have delivered a remarkable irrigation project and have not wasted local funds in the total amount of ₱708,542.60. Moreover, the marginal farmers, particularly those in barangays Sto. Niño, Sampaguita, Gamao, Piñahan, Bacungan, Nag-iba 1, Buhangin and Nag-iba 2, could have been benefited had this project been successfully undertaken.

In a dialogue, the Municipal Mayor cited that overpricing in the acquisition of right-of-way during the initial phase of the project implementation is one of the main reasons in non-pursuance of the project. He believes that the project execution was tainted with irregularities and he sought assistance from the National Bureau of Investigation (NBI) for an in-depth investigation which, he informed us, is still on-going to date.

We recommended that the next time the Municipality avail of foreign funded projects, it should strictly comply with the technical and documentary requirements set by the funding agencies relative to the implementation of projects to ensure their successful execution and facilitate delivery of better services to the constituents. The Municipal Planning and Development Office should have been utilized to the fullest,

with the Local Chief Executive at the helm of the project so as not to lose such grand opportunity for its constituents.

Also, a closer coordination with the ADB-DA, and Contractors should have been done to check compliance to requirements and report on the status of project preparation, among others. The Municipality should have also taken note of the failure of the winning bidders to pursue these projects and consider such failure in evaluating their future participation in project bidding in the municipality.

The audit team is concerned about the failure of the municipality to pursue the irrigation project, especially during this period of the “El Niño” phenomenon.



**PART III – STATUS OF IMPLEMENTATION OF  
PRIOR YEAR’S AUDIT RECOMMENDATIONS**

Part III -  
Status of Implementation of Prior Year's Audit Recommendations

Audit Observation	Recommendation	Ref	Management Action	Status of Implementation	Reason for Partial/Non-Implementation
<p>1. The balance of ₱150.65 million of the <i>Property, Plant &amp; Equipment</i> account is of doubtful validity because of the Municipality's inability to complete the physical inventory of its fixed assets.</p>	<p>We recommend that the agency should facilitate the completion of the physical inventory taking and reconcile immediately the books of accounts with the actual existence of property. Likewise, the unserviceable ones should be identified and transferred to <i>Other Assets</i> account</p>	AAR	<p>The Municipal Mayor created a new team to conduct physical inventory this coming year.</p>	Not implemented.	<p>Reassignment of the former General Services Officer in other division.</p>
<p>2. Part of the balance of the account <i>Supplies Inventory</i> of ₱1.79 million is of doubtful validity due to the absence of subsidiary records.</p>	<p>We recommend that the Municipal Accountant and the General Services Officer should initiate an action to verify whether or not the semi-expendable supplies of P1.88 million still exist. Also, the General Services Officer should maintain stock/ property cards for all supplies/ property acquired. The Mun. Accountant should record all such acquisitions in the appropriate ledger cards.</p>		<p>No action was taken by the Management.</p>	Not implemented.	<p>Incompleteness of records and documents pertaining to Supplies Inventory.</p>
<p>3. The Receivables account totaling ₱2,413,169.96 was of doubtful validity due to non-setting of receivables from Real Property Taxes and Special Education Taxes at the beginning of the year, contrary to Section 20, NGAS Manual, Volume I.</p>	<p>We recommend that the Municipal Treasurer shall coordinate with the Assessor's Office in preparing the certified list of taxpayers that could serve basis of the Accountant to set up the correct RPT and SET receivables at the beginning of the year.</p>			Not implemented.	<p>Reassignment of Municipal Assessor to other division and non-completion of computerization program of RPT assessments.</p>

<p>4. The implementation of infrastructure projects “by administration” had resulted in deficiencies and had not, therefore, been advantageous to the municipal government.</p>	<p>We recommend that Management should comply with the provisions of R.A. 9184 in the implementation of its infrastructure projects. It should also weigh the advantages and the disadvantages of a “<i>by administration</i>” scheme and straight contracting and thereafter favor what is most advantageous to the government.</p> <p>As to projects with deficiencies and/or unfinished and abandoned, the Municipal Engineering Office should be required to immediately act on them to avoid wastage of government funds.</p>			<p>Not implemented.</p>	<p>No justification was given by management; hence, Notice of Disallowance was issued.</p>
<p>5. There is a risk that the procurement of 21,000 bags of cement costing <u>₱3.7million</u> for the year 2007 and 7,000 bags of cement costing <u>₱1.6million</u> in the year 2008, for distribution to various barangays in the form of assistance to their development programs/projects might result in wastage of government funds because of lack of judicious planning and coordination with targeted recipient barangays.</p>	<p>We recommend immediate monitoring and validation whether the other cement had been utilized by the barangays for their intended purpose, that is, developmental projects.</p> <p>Henceforth, a thorough study on the viability of certain program/projects should first be conducted before actually undertaking the same.</p>		<p>The 21,000 and 7000 bags of cement were distributed to diff. brgys and the brgys utilized these cements in the implementation of different projects.</p>	<p>Fully implemented.</p>	<p>Proper monitoring of the projects was done by the management.</p>
<p>6. Utilization of the 20% Development Fund was not in accordance with the “development” objectives envisioned in Joint Circular No. 1 s. 2005 of the DILG and DBM, thereby depriving the constituents of the Municipality of the</p>	<p>We recommend that for the ensuing year, the municipal government should adhere strictly to the provisions of Joint Memorandum Circular No. 1 s. 2005 of the DILG and DBM, guidelines on the appropriations and</p>			<p>Not implemented.</p>	<p>In the point of view of the audit team, the planning function was not effectively discharged due to high turnover rate of MPDC appointments.</p>

<p>benefit that could be obtained from the mandated development programs and projects.</p>	<p>utilization of the 20% of the Annual Internal Allotment (IRA) for development projects.</p>				
<p>7. The Municipality failed to institutionalize Gender and Development (GAD) and formulate related plans, programs and budget contrary to Executive Order No. 373 and DBM-NEDA Joint Circular No. 2004-1.</p>	<p>The audit team, therefore, recommends the institutionalization of GAD in the Municipality and the integration thereof to its overall annual plans, programs and budget.</p> <p>Proper GAD implementation and the required funding of at least 5% of the total budget appropriation should also be observed in compliance with the provisions of DBM-NEDA Joint Circular No. 2004-1.</p>			<p>Not implemented.</p>	<p>The management failed to motivate women to formulate plans and programs that would enhance their role and participation in nation building.</p>
<p>8. The Municipality could have delivered more value to its constituents had it programmed and implemented substantial and much-needed projects rather than providing several material assistance totaling ₱2,144,947.44 to selected beneficiaries.</p>	<p>We recommend that the Municipality should intensify its planning and execution of procedures relative to its projects, specifically in the selection of priority one, to facilitate delivery of better service to the people.</p>			<p>Not implemented.</p>	<p>The management is not aware of the importance of planning and selection of priority projects.</p>

## **PART IV - ANNEXES**

**Municipality of Naujan**  
**Balance Sheets**  
As of December 31, 2008  
All Funds

	General Fund	Special Education Fund	Trust Fund	Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	₱ 50,493,492.59	₱ 1,826,494.55	₱ 18,581,867.49	₱ 70,901,854.63
Receivables	2,297,841.67	107.00	115,221.29	2,413,169.96
Inventories	1,552,928.30	237,378.81	-	1,790,307.11
Other Current Assets	902,156.95	-	-	902,156.95
Total Current Assets	<u>₱ 55,246,419.51</u>	<u>₱ 2,063,980.36</u>	<u>₱ 18,697,088.78</u>	<u>₱ 76,007,488.65</u>
<b>Property, Plant and Equipment (net of Depreciation)</b>				
Land and Land Improvements	₱ 40,240,867.03	-	₱ 27,200.00	₱ 40,268,067.03
Buildings	51,299,730.80	1,148,947.34	7,631,597.24	60,080,275.38
Office Equipment, Furniture and Fixtures	10,909,279.59	2,024,784.83	-	12,934,064.42
Machineries and Equipment	13,085,689.10	15,717.50	-	13,101,406.60
Transportation Equipment	19,380,566.60	-	-	19,380,566.60
Other Property, Plant and Equipment	1,294,325.57	50,104.00	-	1,344,429.57
Public Infrastructures	100,453.25	-	-	100,453.25
Reforestation Projects	24,222.00	-	-	24,222.00
Construction in Progress	3,420,804.93	-	-	3,420,804.93
Total Property, Plant & Equipment	<u>₱ 139,755,938.87</u>	<u>₱ 3,239,553.67</u>	<u>₱ 7,658,797.24</u>	<u>₱ 150,654,289.78</u>
Other Assets	<u>₱ 132,869.56</u>	<u>₱ -</u>	<u>₱ -</u>	<u>₱ 132,869.56</u>
<b>TOTAL ASSETS</b>	<u><u>₱ 195,135,227.94</u></u>	<u><u>₱ 5,303,534.03</u></u>	<u><u>₱ 26,355,886.02</u></u>	<u><u>₱ 226,794,647.99</u></u>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>	₱ 12,430,265.29	₱ 186,647.71	₱ 18,749,426.28	₱ 31,366,339.28
<b>Deferred Credits</b>	1,417,325.83	237,378.81	-	1,654,704.64
Total Liabilities	<u>₱ 13,847,591.12</u>	<u>₱ 424,026.52</u>	<u>₱ 18,749,426.28</u>	<u>₱ 33,021,043.92</u>
<b>EQUITY</b>				
Government Equity, Beginning	₱ 163,058,050.84	₱ 3,970,994.56	₱ 7,606,459.74	₱ 174,635,505.14
Add/Deduct:				
Retained Operating Surplus	23,840,376.87	908,512.95	-	24,748,889.82
Prior Year's Adjustments	(1,345,556.00)	-	-	(1,345,556.00)
Transfer to Registry	(4,265,234.89)	-	-	(4,265,234.89)
Government Equity, End	<u>₱ 181,287,636.82</u>	<u>₱ 4,879,507.51</u>	<u>₱ 7,606,459.74</u>	<u>₱ 193,773,604.07</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>₱ 195,135,227.94</u></u>	<u><u>₱ 5,303,534.03</u></u>	<u><u>₱ 26,355,886.02</u></u>	<u><u>₱ 226,794,647.99</u></u>

Business Income	3,929,577.00	-	3,929,577.00
Other Income	108,157,121.20	-	108,157,121.20
Total Income	<u>₱ 118,946,501.45</u>	<u>₱ 2,646,455.47</u>	<u>₱ 121,592,956.92</u>
Less: Expenses			
Personal Services	₱ 42,878,448.29	₱ 834,920.01	₱ 43,713,368.30
Maintenance and Other Operating Expenses	<u>52,227,676.29</u>	<u>753,492.79</u>	<u>52,981,169.08</u>
Total Expenses	<u>₱ 95,106,124.58</u>	<u>₱ 1,588,412.80</u>	<u>₱ 96,694,537.38</u>
<b>NET INCOME</b>	<b><u>₱ 23,840,376.87</u></b>	<b><u>₱ 1,058,042.67</u></b>	<b><u>₱ 24,898,419.54</u></b>

To Suppliers/Creditors	₱ 48,599,876.93	₱ 757,633.20	₱ -	₱ 49,357,510.13
To Employees	28,229,785.21	421,409.38	-	28,651,194.59
Other Payments	26,686,148.80	575,644.70	10,950,747.91	38,212,541.41
Total Cash Outflow	<u>₱ 103,515,810.94</u>	<u>₱ 1,754,687.28</u>	<u>₱ 10,950,747.91</u>	<u>₱ 116,221,246.13</u>
Cash Provided by Operating Activities	<u>₱ 28,391,217.39</u>	<u>₱ 1,060,001.90</u>	<u>₱ 10,397,995.35</u>	<u>₱ 39,849,214.64</u>
Cash Flow from Investing Activities				
Cash Inflows:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Inflow	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Outflows:				
Purchase of Property, Plant & Equipt.	<u>₱ 13,933,274.47</u>	<u>₱ 59,128.30</u>	<u>-</u>	<u>₱ 13,992,402.77</u>
Total Cash Outflow	<u>13,933,274.47</u>	<u>59,128.30</u>	<u>-</u>	<u>13,992,402.77</u>
Cash Provided by Investing Activities	<u>₱ (13,933,274.47)</u>	<u>₱ (59,128.30)</u>	<u>-</u>	<u>₱ (13,992,402.77)</u>
Cash Provided by Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Provided by Operating, Investing, Financing Activities	<u>₱ 14,457,942.92</u>	<u>₱ 1,000,873.60</u>	<u>₱ 10,397,995.35</u>	<u>₱ 25,856,811.87</u>
Add: Cash at the Beginning of the Period*	<u>36,035,549.67</u>	<u>825,620.95</u>	<u>8,183,872.14</u>	<u>45,045,042.76</u>
Cash at the End of the Period	<u><u>₱ 50,493,492.59</u></u>	<u><u>₱ 1,826,494.55</u></u>	<u><u>₱ 18,581,867.49</u></u>	<u><u>₱ 70,901,854.63</u></u>



Republic of the Philippines  
Province of Oriental Mindoro  
**MUNICIPALITY OF NAUJAN**  
**STATUS OF APPROPRIATIONS, ALLOTMENTS AND OBLIGATIONS**  
(Current Legislative Appropriations)  
As of December 31, 2008

**General Fund**

Function/Program/Project/Activity	Appropriations	Allotment		Obligation	Unobligated Balance
<b>GENERAL PUBLIC SERVICES</b>					
<b>Executive Services (Mayor)</b>					
General Administration					
Personal Services	₱ 6,928,460.52	₱ 6,928,460.52	₱ -	₱ 6,712,140.80	₱ 216,319.72
Maintenance and Other Operating Expenses	16,484,018.00	16,484,018.00	-	15,330,371.29	1,153,646.71
Capital Outlay	252,884.00	252,884.00	-	160,118.70	92,765.30
<b>Vice-Mayor</b>					
Personal Services	6,519,967.01	6,519,967.01	-	6,432,028.80	87,938.21
Maintenance and Other Operating Expenses	1,781,000.00	1,781,000.00	-	1,465,191.63	315,808.37
Capital Outlay	1,200,000.00	1,200,000.00	-	978,167.86	221,832.14
<b>Administrative Services</b>					
General Administration					
Personal Services	727,181.47	727,181.47	-	686,807.89	40,373.58
Maintenance and Other Operating Expenses	192,000.00	192,000.00	-	136,874.55	55,125.45
<b>Mun. Planning and Dev't Coordination</b>					
General Administration					
Personal Services	1,752,578.88	1,752,578.88	-	1,504,888.18	247,690.70
Maintenance and Other Operating Expenses	225,000.00	225,000.00	-	133,045.87	91,954.13
Capital Outlay	38,000.00	38,000.00	-	30,965.00	7,035.00
<b>Civil Registry (Civil Registrar)</b>					
General Administration					
Personal Services	1,123,324.00	1,123,324.00	-	1,120,280.78	3,043.22
Maintenance and Other Operating Expenses	136,429.00	136,429.00	-	109,205.21	27,223.79
Capital Outlay	30,000.00	30,000.00	-	29,915.00	85.00
<b>General Services Administration</b>					
General Administration					
Personal Services	1,210,178.13	1,210,178.13	-	1,174,562.13	35,616.00
Maintenance and Other Operating Expenses	136,500.00	136,500.00	-	108,584.65	27,915.35
<b>Budgeting Service (Budget Officer)</b>					
General Administration					
Personal Services	1,343,202.00	1,343,202.00	-	1,334,941.15	8,260.85
Maintenance and Other Operating Expenses	198,000.00	198,000.00	-	135,499.47	62,500.53
Capital Outlay	63,200.00	63,200.00	-	26,599.99	36,600.01
<b>Accounting Services (Accountant)</b>					
General Administration					
Personal Services	1,490,722.00	1,490,722.00	-	1,355,277.40	135,444.60
Maintenance and Other Operating Expenses	203,900.00	203,900.00	-	154,123.51	49,776.49
Capital Outlay	62,000.00	62,000.00	-	47,300.00	14,700.00
<b>Treasury Services (Treasurer)</b>					
General Administration					
Personal Services	3,447,135.95	3,447,135.95	-	3,353,253.64	93,882.31
Maintenance and Other Operating Expenses	590,000.00	590,000.00	-	493,426.79	96,573.21
Capital Outlay	421,500.00	421,500.00	-	362,000.00	59,500.00
<b>Assessment of Real Property Tax (Assessor)</b>					
General Administration					
Personal Services	1,783,074.00	1,783,074.00	-	1,757,616.12	25,457.88
Maintenance and Other Operating Expenses	170,000.00	170,000.00	-	112,705.06	57,294.94
Capital Outlay	50,000.00	50,000.00	-	34,620.00	15,380.00

Function/Program/Project/Activity	Appropriations	Allotment		Obligation	Unobligated Balance
<b>Administration of Justice</b>					
Maintenance and Other Operating Expenses	₱ 117,000.00	₱ 117,000.00	₱ -	₱ -	₱ 117,000.00
<b>Police Services Administration</b>					
Maintenance and Other Operating Expenses	142,680.00	142,680.00	-	142,680.00	-
<b>Fire Protection Services Administration</b>					
Maintenance and Other Operating Expenses	39,000.00	39,000.00	-	39,000.00	-
<b>HEALTH SERVICES</b>					
<b>Health Services (Health Officer)</b>					
General Administration					
Personal Services	7,501,363.61	7,501,363.61	-	7,068,287.66	433,075.95
Maintenance and Other Operating Expenses	1,327,000.00	1,327,000.00	-	1,171,533.05	155,466.95
Capital Outlay	11,600.00	11,600.00	-	-	11,600.00
<b>SOCIAL WELFARE SERVICES</b>					
<b>Social Welfare Services (Social Welfare and Development Officer)</b>					
General Administration					
Personal Services	1,329,729.51	1,329,729.51	-	1,294,889.76	34,839.75
Maintenance and Other Operating Expenses	3,780,000.00	3,762,000.00	18,000.00	3,622,984.91	139,015.09
Capital Outlay	50,000.00	50,000.00	-	48,040.00	1,960.00
<b>ECONOMIC SERVICES</b>					
<b>Agricultural Services (Agriculturist)</b>					
General Administration					
Personal Services	4,696,840.38	4,696,840.38	-	4,592,321.12	104,519.26
Maintenance and Other Operating Expenses	865,169.00	865,169.00	-	611,926.74	253,242.26
Capital Outlay	16,180.00	16,180.00	-	16,180.00	-
<b>Engineering Services (Engineer)</b>					
General Administration					
Personal Services	2,478,150.43	2,478,150.43	-	2,393,287.71	84,862.72
Maintenance and Other Operating Expenses	11,267,670.33	11,267,670.33	-	8,402,177.29	2,865,493.04
Financial Expenses	185,000.00	185,000.00	-	-	185,000.00
Capital Outlay	7,028,769.00	7,028,769.00	-	4,791,841.02	2,236,927.98
<b>Maintenance of Roads and Bridges</b>					
Personal Services	700,791.10	700,791.10	-	460,732.14	240,058.96
Maintenance and Other Operating Expenses	1,820,000.00	1,820,000.00	-	1,798,324.97	21,675.03
<b>Calamity Fund</b>					
Maintenance and Other Operating Expenses	4,385,794.00	2,200,000.00	2,185,794.00	999,407.25	1,200,592.75
Capital Outlay	1,800,000.00	1,800,000.00	-	955,810.00	844,190.00
<b>Loan Amortization - Domestic</b>					
Financial Expenses	2,087,890.00	2,087,890.00	-	-	2,087,890.00
<b>Aids to National Government Agencies</b>					
Maintenance and Other Operating Expenses	103,680.00	103,680.00	-	103,680.00	-
<b>Special Accounts</b>					
<b>Slaughterhouse</b>					
Personal Services	248,284.36	248,284.36	-	212,127.52	36,156.84
Maintenance and Other Operating Expenses	98,052.00	98,052.00	-	60,289.26	37,762.74
Capital Outlay	21,127.00	21,127.00	-	19,352.78	1,774.22
<b>Market</b>					
Personal Services	999,275.00	999,275.00	-	982,601.91	16,673.09
Maintenance and Other Operating Expenses	420,563.00	420,563.00	-	289,066.70	131,496.30
<b>Cemetery</b>					
Personal Services	201,574.00	201,574.00	-	160,341.87	41,232.13

Function/Program/Project/Activity	Appropriations	Allotment		Obligation	Unobligated Balance
<b>Bahay Tuklasan</b>					
Personal Services	₱ 348,628.00	₱ 348,628.00	₱ -	₱ 347,777.20	₱ 850.80
Maintenance and Other Operating Expenses	3,468,300.00	3,468,300.00	-	3,101,711.79	366,588.21
Bahay Tuklasan	13,000.00	13,000.00		12,686.00	314.00
<b>20% Development Fund</b>					
Maintenance and Other Operating Expenses	10,316,656.00	10,316,656.00	-	5,454,332.99	4,862,323.01
Capital Outlay	11,051,420.00	11,051,420.00	-	5,656,699.72	5,394,720.28
Special Education Fund					
<b>Education, Culture, Sports and Manpower Development - Public Education</b>					
Personal Services	997,972.00	997,972.00		944,904.40	53,067.60
Maintenance and Other Operating Expenses	992,547.00	892,547.00	100,000.00	644,223.21	248,323.79
Capital Outlay	311,464.00	311,464.00		57,395.00	254,069.00
<b>GRAND TOTAL</b>	<b>₱ 129,783,424.68</b>	<b>₱ 127,479,630.68</b>	<b>2,303,794.00</b>	<b>₱ 101,737,125.44</b>	<b>₱ 25,742,505.24</b>

Republic of the Philippines  
Province of Oriental Mindoro  
**MUNICIPALITY OF NAUJAN**  
**STATUS OF APPROPRIATIONS, ALLOTMENTS AND OBLIGATIONS**  
Continuing Allotment  
As of December 31, 2008

**General Fund**

Function/Program/Project/Activity	Appropriations	Allotment		Obligation	Unobligated Balance
<b>GENERAL PUBLIC SERVICES</b>					
<b>Executive Services (Mayor)</b>					
General Administration					
Capital Outlay	₱ 647,746.80	₱ 647,746.80	₱ -	₱ 263,810.80	₱ 383,936.00
<b>Vice-Mayor</b>					
Capital Outlay	64,069.00	64,069.00	-	11,609.00	52,460.00
<b>Administrative Services</b>					
General Administration					
Capital Outlay	54,239.00	54,239.00	-	52,610.00	1,629.00
<b>Mun. Planning and Dev't Coordination</b>					
General Administration					
Capital Outlay	20,000.00	20,000.00	-	-	20,000.00
<b>Civil Registry (Civil Registrar)</b>					
General Administration					
Capital Outlay	3,180.00	3,180.00	-	-	3,180.00
<b>Budgeting Service (Budget Officer)</b>					
General Administration					
Capital Outlay	15,000.00	15,000.00	-	-	15,000.00
<b>Accounting Services (Accountant)</b>					
General Administration					
Capital Outlay	46,280.00	46,280.00	-	37,650.00	8,630.00
<b>Treasury Services (Treasurer)</b>					
General Administration					
Capital Outlay	25,000.00	25,000.00	-	24,800.00	200.00
<b>Assessment of Real Property Tax (Assessor)</b>					
General Administration					
Capital Outlay	26,936.00	26,936.00	-	-	26,936.00
<b>HEALTH SERVICES</b>					
<b>Health Services (Health Officer)</b>					
General Administration					
Capital Outlay	101,070.00	101,070.00	-	77,797.00	23,273.00
<b>Engineering Services (Engineer)</b>					
General Administration					
Capital Outlay	4,555,908.39	4,555,908.39	-	317,455.70	4,238,452.69
<b>OPERATION OF BAHAY TUKLASAN</b>					
Capital Outlay	20,488.00	-	20,488.00	-	-
<b>20% Development Fund</b>					
Maintenance and Other Operating Expenses	3,747,091.79	3,747,091.79	-	1,171,539.09	2,575,552.70
Capital Outlay	3,464,590.33	3,464,590.33	-	1,780,731.11	1,683,859.22
<b>Total</b>	<b>₱ 12,791,599.31</b>	<b>₱ 12,771,111.31</b>	<b>₱ 20,488.00</b>	<b>₱ 3,738,002.70</b>	<b>₱ 9,033,108.61</b>

List of Projects undertaken by Administration  
For Calendar years 2008-2009

<b>Project Name</b>	<b>Project Cost</b>
1. Concreting of Road at General Esco (materials cost only)	₱ 673,100.84
2. Construction of Concrete Sheet Piles at Barangay Estrella	1,000,000.00
3. Improvement of Water Supply System at Brgy. Montelago	85,871.00
4. Repair of Fire Station	66,376.00
5. Ripraping of Brgy. Road at Sitio Corehousing, Bancuro	127,253.00
6. Construction of Perimeter Fence at Dumping Site	116,725.00
7. Construction of Solar Dryer at Brgy. Motoderazo	107,542.50
8. Improvement of Municipal Agriculture Office	194,351.00
9. Repair and repainting of Municipal Building	111,680.19
10.Rehabilitation of Road at Dumping Site in Brgy. Buhangin	154,713.00
11.Construction of Sangguniang Bayan comfort room	320,000.00
12.Repair and Repainting of Public Market at Poblacion 3	201,080.00
<b>TOTAL</b>	<b>₱ 3,158,692.53</b>

Province of Oriental Mindoro  
MUNICIPALITY OF NAUJAN  
**List of Unserviceable Service Vehicles and Heavy Equipments**

No.	Date Acquired	Vehicle	Plate Number	Make/Model	Type of Body	Unit Cost	Remarks	Condition When Acquired
1.	1986	Motorcycle, RS-100	MCSA-4793	Yamaha/1986	Motorcycle	₱ 25,000.00	Donated	Brand New
2.	-	Mitsubishi Lancer	None	-	Car	-	Donated	Reconditioned
3.	-	Nissan Automatic	None	-	Car	-	Donated	Reconditioned
4.	-	Nissan Conventional	None	-	Car	-	Donated	Reconditioned
5.	1995	Motorcycle, Yamaha	MCSC-9689	Yamaha/1995	DT - 125 Wonderbike	70,900.00	Donated	Brand New
6.	-	PNP Patrol Car	SDH-472	-	Car	-	Donated	Brand New
7.	09/19/97	Besta KIA Ambulance	None	Besta KIA/1997	Ambulance	-	Donated	Brand New
8.	1994	Hino Dump Truck	SBX-793	Hino/1994	Dump Truck	1,629,000.00	Donated	Brand New
9.	03/14/95	Isuzu DH - 100	ACP-358	Isuzu/1994	Dump Truck	600,000.00	Donated	Reconditioned
10.	-	Road Grader	None	Mitsubishi LG 2H	-	1,350,000.00	Donated	Reconditioned
11.	-	Backhoe	None	Komatsu	Crawler Type	-	Donated	Reconditioned
12.	-	Bulldozer (old)	None	Komatsu D50	-	-	Donated	Reconditioned
13.	-	Isuzu Dump Truck	None	-	Dump Truck	400,000.00	Donated	Reconditioned
						<b>4,074,900.00</b>		