



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Ave., Quezon City

ANNUAL AUDIT REPORT

on the

MUNICIPALITY OF STA. TERESITA, CAGAYAN

For the Year Ended December 31, 2019

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Auditors rendered a qualified opinion on the fairness of the presentation of the financial statements of the Municipality of Sta. Teresita, Cagayan as at December 31, 2019.

FINANCIAL HIGHLIGHTS

The highlights of the financial condition, financial performance, appropriations, allotments and obligations of the Municipality of Sta. Teresita, Cagayan for the year ended December 31, 2019, with comparative figures for calendar year 2018 are as follows:

Particulars	2019	2018	Increase/(Decrease)	
			Amount	Percentage
Financial Position				
Assets	192,393,296.24	158,014,671.00	34,378,625.24	21.76%
Liabilities	51,005,241.83	47,884,433.06	3,120,808.77	6.52%
Govt. Equity	141,388,054.41	110,130,237.94	31,257,816.47	28.38%
Financial Performance				
Income	113,302,362.56	97,283,857.71	6,726,072.84	16.47%
Expense	81,739,813.18	79,932,426.03	12,489,331.70	2.26%
Appropriations, Allotments and Obligation				
Appropriations	139,790,933.87	135,645,713.03	4,145,220.84	3.06%
Allotments	139,790,933.87	135,645,713.03	4,145,220.84	3.06%
Obligations	112,969,955.75	91,600,016.57	21,369,939.18	23.33%

Republic of the Philippines
Province of Cagayan
Municipality of Sta. Teresita
Consolidated Statement of Financial Position
(With Comparative Figures for CY 2018)
As at December 31, 2019

	Note	2019	2018
ASSETS			
<i>Current Assets</i>			
Cash	4	78,926,257.44	80,308,764.11
Receivables	5	7,954,535.02	2,767,335.68
Prepayments and Deferred Charges	6	4,373,305.02	4,682,842.21
Total Current Assets		91,254,097.48	87,758,942.00
<i>Non-Current Assets</i>			
Investment Property	7	21,606,832.17	23,066,736.65
Property, Plant and Equipment	8	77,966,201.92	47,188,992.35
Total Non-Current Assets		99,573,034.09	70,255,729.00
Total Assets		190,827,131.57	158,014,671.00
LIABILITIES			
<i>Current Liabilities</i>			
Financial Liabilities	9	5,626,455.39	4,657,669.35
Inter-Agency Payables	10	28,873,751.70	30,087,213.00
Intra-Agency Payables	11	4,745,965.49	1,281,227.34
Trust Liabilities	12	9,058,875.98	1,989,442.86
Other Payables	13	4,995.93	8,249.38
Total Current Liabilities		48,310,044.49	38,023,801.93
<i>Non-Current Liabilities</i>			
Financial Liabilities	14	6,332,076.87	8,583,312.99
Deferred Credits/Unearned Income	15	1,759,959.59	1,277,318.14
Total Non-Current Liabilities		8,092,036.46	9,860,631.13
Total Liabilities		56,402,080.95	47,884,433.06
NET ASSETS/EQUITY			
Government Equity		134,425,050.62	110,112,800.25
Total Liabilities and Net Assets/Equity		190,827,131.57	157,997,233.31

Republic of the Philippines
Province of Cagayan
Municipality of Sta. Teresita
Consolidated Statement of Financial Performance
(With Comparative Figures for CY 2018)
For the Year Ended December 31, 2019

		2019	2018
	Note		
Revenue			
Tax Revenue	16	5,980,439.67	5,485,693.81
Share from Internal Revenue Collections	17	91,595,265.00	83,460,654.00
Service and Business Income	18	7,728,253.56	7,592,467.21
Other Income	19	89,118.33	26,640.00
Total Revenue		<u>105,393,076.56</u>	<u>96,565,455.02</u>
Less: Current Operating Expenses			
Personnel Services	20	51,545,091.59	39,321,712.72
Maintenance and Other Operating Expenses	21	29,527,602.14	30,752,806.46
Financial Expenses	22	753,368.05	1,346,095.23
Non-cash Expenses	23	4,224,028.20	4,118,128.95
Current Operating Expenses		<u>86,050,089.98</u>	<u>75,538,743.36</u>
Surplus (Deficit) from Current Operation		19,342,986.58	21,026,711.66
Add (Deduct):			
Transfers, Assistance and Subsidy From	24	7,946,524.50	700,965.00
Transfers, Assistance and Subsidy To	25	2,689,965.49	4,393,682.67
Surplus(Deficit) for the period		<u>24,599,545.59</u>	<u>17,333,993.99</u>

Republic of the Philippines
Province of Cagayan
Municipality of Sta. Teresita
Consolidated Cash Flow Statement
(With Comparative Figures for CY 2018)
For the Year Ended December 31, 2019

	2019	2018
Cash Flows from Operating Activities		
<i>Cash Inflows</i>		
Collection from taxpayers	5,980,439.67	5,485,693.81
Share from Internal Revenue Allotment	91,595,265.00	83,460,654.00
Receipts from business/service income	7,787,080.91	7,533,181.48
Interest Income	37,238.50	67,538.42
Other Receipts	32,140,703.37	47,595,960.55
Total Cash Inflows	<u>137,540,727.45</u>	<u>144,143,028.26</u>
<i>Cash Outflows</i>		
Payment of expenses	32,217,567.63	15,421,017.14
Payments to employees	51,545,091.59	39,321,712.72
Interest Expense	680,233.06	1,346,095.23
Other Expenses	31,400,188.28	49,743,975.86
Total Cash Outflows	<u>115,843,080.56</u>	<u>105,832,800.95</u>
Net Cash Flows from Operating Activities	<u>21,697,646.89</u>	<u>38,310,227.31</u>
Cash Flows from Investing Activities		
<i>Cash Inflows</i>	-	-
Total Cash Inflows	-	-
<i>Cash Outflows</i>		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant and Equipment	20,828,917.44	8,118,456.21
Total Cash Outflows	<u>20,828,917.44</u>	<u>8,118,456.21</u>
Net Cash Flows from Investing Activities	<u>(20,828,917.44)</u>	<u>(8,118,456.21)</u>
Cash Flows from Financing Activities		
<i>Cash Inflows</i>	-	-
Total Cash Inflows	-	-
<i>Cash Outflows</i>		
Transfer of Fund to Other Fund	-	20,000.00
Payment of loan amortization	2,251,236.12	2,251,236.12
Total Cash Outflows	<u>2,251,236.12</u>	<u>2,271,236.12</u>
Net Cash Flows from Financing Activities	<u>(2,251,236.12)</u>	<u>(2,271,236.12)</u>
Total Cash Provided by Operating, Investing and Financing Activities	<u>(1,382,506.67)</u>	<u>27,920,534.98</u>
Add: Cash at the Beginning of the year	<u>80,308,764.11</u>	<u>52,388,229.13</u>
Cash Balance at the End of the Year	<u><u>78,926,257.44</u></u>	<u><u>80,308,764.11</u></u>

Republic of the Philippines

Province of Cagayan

Municipality of Sta. Teresita

Consolidated Statement of Changes in Net Assets/Equity

(With Comparative Figures for CY 2018)

For the Year Ended December 31, 2019

	2019	2018	Difference
Balance at January 1	110,112,800.25	92,793,184.30	(17,319.95)
Add (Deduct)			
Prior Period Errors	(287,295.22)	(14,378.04)	
Restated Balance	109,825,505.03	92,778,806.26	(17,053.23)
Add (Deduct) Changes in net assets/equity during the year			
Adjustment of net revenue recognized directly in net assets/equity	-	-	
Surplus (Deficit) for the period	24,599,545.59	17,333,993.99	
Total recognized revenue and expenses for the period	24,599,545.59	17,333,993.99	(7,265,551.60)
Balance at December 31	134,425,050.62	110,112,800.25	(24,312,749.37)

Republic of the Philippines
Province of Cagayan
Municipality of Sta. Teresita
Statement of Comparison of Budget and Actual Amounts
For the Year Ended December 31, 2019

Particulars	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	1,510,000.00	1,510,000.00	-	1,734,153.83	(224,153.83)
b. Tax Revenue – Goods and Services	2,290,000.00	2,290,000.00	-	3,775,095.01	(1,485,095.01)
c. Other Local Taxes	284,000.00	284,000.00	-	471,190.83	(187,190.83)
Total Tax Revenue	4,084,000.00	4,084,000.00	-	5,980,439.67	(1,896,439.67)
2. Non-Tax Revenue					
a. Service Income	460,000.00	460,000.00	-	2,012,262.51	(1,552,262.51)
b. Business Income	6,231,000.00	6,231,000.00	-	5,568,994.38	662,005.62
c. Other Income and Receipts	90,000.00	12,957,223.28	(12,867,223.28)	13,103,338.28	(146,115.00)
Total Non-Tax Revenue	6,781,000.00	19,648,223.28	(12,867,223.28)	20,684,595.17	(1,036,371.89)
B. External Sources					
1. Share from the National Internal Revenue Taxes (IRA)	91,859,491.00	91,595,265.00	264,226.00	91,595,265.00	-
2. Share from GOCCs	-	-	-	-	-
3. Other Shares from National Tax Collections	-	-	-	-	-
a. Share from Ecozone	-	-	-	-	-
b. Share from EVAT	-	-	-	-	-
c. Share from National Wealth	-	-	-	-	-
d. Share from Tobacco Excise Tax	-	-	-	-	-
4. Other Receipts	-	-	-	-	-
a. Grants and Donations	-	-	-	-	-
b. Other Subsidy Income	-	-	-	-	-
5. Inter-local Transfer	-	-	-	-	-
6. Capital /Investment Receipts	-	-	-	-	-
a. Sale of Capital Assets	-	-	-	-	-
b. Sale of Investments	-	-	-	-	-
c. Proceeds from Collections of Loans Receivable	-	-	-	-	-
C. Receipts from Borrowings	-	-	-	-	-
Total Revenues and Receipts	91,859,491.00	91,595,265.00	264,226.00	91,595,265.00	-
Total Income	102,724,491.00	115,327,488.28	(12,602,997.28)	118,260,299.84	(2,932,811.56)
Expenditures					
General Public Services					
Personnel Services	48,767,358.46	55,901,415.49	(7,134,057.03)	53,631,044.12	2,270,371.37
Maintenance and Other Operating Expenses	25,534,009.79	29,373,080.03	(3,839,070.24)	24,581,146.12	4,791,933.91
Capital Outlay	-	70,000.00	(70,000.00)	70,000.00	-
Education					
Personnel Services	800,000.00	800,000.00	-	646,569.82	153,430.18
Maintenance and Other Operating Expenses	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Health, Nutrition and Population Control					

Personnel Services	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Labor and Employment					
Personnel Services	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Housing and Community Development					
Personnel Services	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Social Services and Social Welfare					
Personnel Services	-	-	-	-	-
Maintenance and Other Operating Expenses	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Economic Services					
Personnel Services	2,993,970.44	3,162,488.52	(168,518.08)	2,915,372.93	247,115.59
Maintenance and Other Operating Expenses	1,366,029.56	3,021,607.49	(1,655,577.93)	2,569,227.44	452,380.05
Capital Outlay	-	-	-	-	-
Other Purposes:					
Debt Service	-	-	-	-	-
Financial Expense	-	-	-	-	-
Amortization	-	-	-	-	-
LDRRMF					
Maintenance and Other Operating Expenses	4,878,224.55	4,878,224.55	-	2,188,258.97	2,689,965.58
Capital Outlay	-	-	-	-	-
20% Development Fund					
Maintenance and Other Operating Expenses	-	-	-	-	-
Capital Outlay	18,371,898.20	18,107,672.20	(264,226.00)	12,491,217.59	5,616,454.61
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					
Aid to Barangays	13,000.00	13,000.00	-	13,000.00	-
Maintenance and Other Operating Expenses	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Continuing Appropriations (Capital Outlay)					
General Public Services	-	-	-	-	-
Total	102,724,491.00	115,327,488.28	12,602,997.28	99,105,836.99	16,221,651.29
Surplus (Deficit) for the period	-	-	-	19,154,462.85	(19,154,462.85)

Records show that through its fast and ever changing economic and political development, the municipality was awarded by institutions, both private and public, as follows:

1. Top 4 LGU Assessed Value
2. Exemplary Performance on Revenue Generation and Resource Mobilization on Receipts from Economic Enterprises
3. Rank 4 on Revenue Generation and Resource Mobilization on Receipts from Business Tax
4. Certificate of Appreciation for consistently implementing the Social Pension Program with 100% compliance on liquidation requirements