

**DEVELOPMENT ACADEMY OF THE PHILIPPINES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*(All amounts in Philippine Peso unless otherwise stated)*

**1. GENERAL INFORMATION/ENTITY PROFILE**

The financial statements of the Development Academy of the Philippines (DAP) were authorized for issuance on April 23, 2025 as shown in the Statement of Management's Responsibility for Financial Statements signed by the Officer in Charge Magdalena L. Mendoza, Acting Senior Vice President for Services Anatalia SD. Barawidan, and the incumbent Board Chairperson, Dr. Arsenio M. Balisacan, PhD.

DAP is a government-owned and/or controlled corporation, created by virtue of Presidential Decree (PD) No. 205 dated June 7, 1973, amended by PD No. 1061 on December 9, 1976, and Executive Order No. 288 signed on July 25, 1987.

The calendar year (CY) 2024 marks the DAP's 51st founding anniversary from its inception on June 23, 1973.

DAP is mandated to discharge multi-faceted roles as think-tank/conceptualizer, designer, initiator and catalyst relative to the development initiatives that are being undertaken by other government agencies and instrumentalities.

In pursuit of these multi-faceted roles, the DAP's strategy is to create development champions government-wide, hence, the thrust toward people development through learning and development interventions that foster and promote the culture of transformational leadership among government executives.

To complement these people-development efforts, DAP also: (1) promotes the conduct of scientific, interdisciplinary, and policy-oriented researches; and (2) provides technical assistance and consultancy services in support of the development efforts of client-agencies.

DAP also discharges the role as the country's National Productivity Organization. As such, DAP interfaces with and implements, in the country, the programs of the Asian Productivity Organization.

**2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

DAP's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs), formerly Philippine Public Sector Accounting Standards (PPSASs), prescribed for adoption by the Commission on Audit (COA) through COA Resolution No. 2014-003 dated January 24, 2014. The PPSASs were renamed to IPSASs per COA Resolution No. 2020-01 dated January 9, 2020.

The accounting policies have been consistently applied throughout the year presented.

The financial statements have been prepared under the historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in Philippine Peso, the DAP's functional and presentation currency and amounts are rounded off to the nearest peso, unless otherwise stated.

The preparation of financial statements in compliance with the adopted IPSASs requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1. Basis of Accounting**

The DAP's financial statements are prepared on accrual basis in accordance with IPSASs.

#### **3.2. Financial Instruments**

##### **a. Financial assets**

##### **i. Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. DAP 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 DAP commits to purchase or sell the asset.

The DAP's financial assets include: Cash and cash equivalents, Investments in treasury bills and bonds, and Receivables.

##### **ii. Subsequent measurement**

The subsequent measurement of financial assets depends on their classification.

##### **1. 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 or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

## 2. Receivables

Receivables are stated at face value less trade discount granted, if any. DAP periodically evaluates collectability of receivables and provides allowance for probable losses. Probable losses on Trade receivables are debited as losses and charged against the results of operations and credited to Allowance for doubtful accounts. The basis of computing allowance for doubtful accounts is as follows:

<u>Age</u>	<u>Rate (in percent)</u>
1-60 days	1
61-180 days	2
181 days -1 year	3
More than 1 year but not more than 2 years	5
More than 2 years but not more than 3 years	10
More than 3 years but not more than 4 years	80
More than 4 years but not more than 5 years	90
5 years and above	100

The above-stated rates are applied in the current year, 2024. In the determination of the reasonable and appropriate allowance for impairment, the Accounting personnel conducted a study of the movement of the Accounts receivable balances over the years, starting from CY 2014 to CY 2024. The collections in a particular year were derived based on the aging of Accounts receivable prepared. The said aging was based on the transaction year.

Based on the analysis, there was no significant movement in the accounts of government clients after the third year and in the accounts of the private clients after the second year.

For government accounts, the data for CYs 2014 to 2024 showed an average collection of 3% in the second year and 2.6% in the third year, while the average collection trend for private accounts is 0.08% in the second year and 0.3% in the third year.

Accounts finally concluded as uncollectible/worthless shall be submitted to COA in compliance with the implementation of One-time Cleansing of Dormant receivables per COA Circular No. 2023-008.

## 3. Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when DAP has the positive intention and ability to hold it to maturity.

Held-to-maturity investments, which consist of government Treasury bills, are initially measured at their selling price upon placement and as indicated on the Confirmation of Sale without Recourse. Upon termination of the Treasury bills, any discount or premium on acquisition and fees/costs and taxes due are recognized in the surplus or deficit.

### **iii. Derecognition**

DAP derecognizes a financial asset or where applicable, a part of a financial asset or part of similar financial assets when:

1. The contractual rights to the cash flows from the financial asset expired or waived; and
2. DAP has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in IPSAS 29 *Financial Instruments: Recognition and Measurement*; and either the entity has:
  - Transferred substantially all the risks and rewards of ownership of the financial asset; or
  - Neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred the control of the asset.

### **iv. Impairment of financial assets**

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

Evidence of impairment may include the following indicators:

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

### **v. Financial assets carried at amortized cost**

For financial assets carried at amortized cost, DAP first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually

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

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

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to DAP. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. The request for the write-off of accounts is based on the guidelines prescribed in COA Circular No. 2016-005 dated December 19, 2016. If a future write-off is later recovered, the recovery is credited in surplus or deficit.

## **b. Financial liabilities**

### **i. 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 entity 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, plus directly attributable transaction costs.

The DAP's financial liabilities include Payables to suppliers, employees, and other contractors, Inter-agency payables, and Trust liabilities such as Guarantee deposits and Retention fees.

### **ii. 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 at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29.

### **iii. Derecognition**

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

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, and the difference in the respective carrying amounts is recognized in surplus or deficit.

### **c. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only 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.

### **d. 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.

## **3.3. Cash and Cash Equivalents**

Cash and cash equivalents comprise Cash on hand and Cash in bank, Deposits on call and Highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, Cash and cash equivalents consist of Cash and Short-term deposits as defined above.

## **3.4. Inventories**

Inventory is measured at cost upon initial recognition. The extent that inventory is 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.

Cost incurred in bringing each product to its present location and condition is accounted for purchase cost using the weighted average cost method.

Inventories are recognized as expenses when deployed for utilization or consumption in the ordinary course of operations of DAP.

The cost of ending inventory of Supplies and materials was computed using the Moving Average Method.

Semi-expendable properties are tangible items which meet the definition and recognition criteria of Property, plant, and equipment but below the capitalization threshold of P50,000.00 which were initially recorded at cost. The same shall be recognized as expense upon issuance to the end-user.

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

#### **a. Recognition**

An item is recognized as a PPE if it meets the characteristics and recognition criteria as a PPE.

The characteristics of the PPE are as follows:

- i. Tangible items;
- ii. Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- iii. Are expected to be used for more than one reporting period.

An item of the PPE is recognized as an asset if:

- i. It is probable that future economic benefits or service potential associated with the item will flow to the entity;
- ii. The cost or fair value of the item can be measured reliably; and
- iii. The cost is at least P50,000.00 per COA Circular No. 2022-004 dated May 31, 2022, on increasing the capitalization threshold from P15,000.00 to P50,000.00.

#### **b. Measurement at recognition**

An item recognized as a PPE is measured at cost.

A PPE acquired through a non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for the PPE acquired through non-exchange transactions, its cost is its fair value as at recognition date.

Cost includes the following:

- i. Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. Expenditures directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- iii. Initial estimate of the costs of dismantling and removing the item and restoring the site in which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

**c. Measurement after recognition**

After recognition, all PPEs are stated at cost less accumulated depreciation and impairment losses.

When significant parts of the PPE are required to be replaced at intervals, DAP recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expenses in Surplus/deficit account as incurred.

**d. Depreciation**

Each part of an item of the PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as an expense unless it is included in the cost of another asset.

- i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15<sup>th</sup> of the month. However, if the PPE is available for use after the 15<sup>th</sup> of the month, depreciation is for the succeeding month.

- ii. Depreciation method

The straight-line method of depreciation is adopted.



iii. Estimated useful life

DAP uses the life span of the PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience, as follows:

Buildings	30 years
Machineries and equipment	10 years
Furniture and fixtures	10 years
Motor vehicles	7 years
Office equipment	5 years

iv. Residual value

DAP uses a residual value equivalent to at least five percent of the cost of the PPE starting in CY 2019.

**e. Impairment**

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

**f. Derecognition**

DAP derecognizes items of the PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

**Works of Art and Archeological Specimen**

IPSAS 17-PPE does not require an entity to recognize heritage assets that would otherwise meet the definition of, and recognition criteria for the PPE. If an entity recognizes heritage assets, it must apply the disclosure requirements of this Standard and may, but is not required to, apply the measurement requirements of this Standard.

In accordance with the above, we provide the necessary disclosure regarding the DAP's Works of Art, which are part of its PPE. The Philippine Registry of Cultural Property (PRECUP) has not yet established official recognition criteria for the Academy's works. Currently, all items are recorded at their historical cost. Depreciation and impairment will be recognized once there is an acceptable basis for doing so, based on PRECUP's evaluation of each item's recognition or non-recognition.

**Heritage Assets**

Heritage assets refer to all products of human creativity which include buildings, paintings, antiques, and sculptures by which people and a nation reveal their identity whether public or privately owned, movable or immovable, and tangible or intangible, and is intended to be held indefinitely and preserved for the benefit of future generations because of their historical significance.

Heritage assets acquired by DAP through purchase will be valued at their cost. This cost includes the purchase price, any applicable charges, and the expenses directly related to transporting the heritage assets to the appropriate location and preparing them for their intended use. Discounts should be deducted from this total.

On the other hand, heritage assets acquired by DAP through donation shall be valued as follows:

1. The fair value or cost stated in the deed of donation or any other relevant documents submitted by the donor, including any directly attributable costs; and
2. Where it is not practicable to obtain a valuation of the donated item, the same shall be measured at a nominal value of P1.00.

Rehabilitation costs or expenses incurred in restoring heritage assets to their proper conditions and states shall be treated as outright expenses.

The heritage assets shall be considered as non-depreciable assets due to the following factors: (i) their unique characteristics; (ii) the items are irreplaceable; (iii) their values may increase over time even if their physical condition deteriorates; and (iv) that it may be difficult to estimate their useful lives, which could be several hundreds of years.

Heritage assets shall be derecognized on disposal or when their intended purpose will no longer be served.

### **3.6. Changes in Accounting Policies and Estimates**

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

DAP recognizes the effects of changes in accounting estimates prospectively through surplus or deficit account.

DAP corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after discovery by:

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented.

### **3.7. Foreign Currency Transactions**

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

- a. Foreign currency monetary items are translated using the closing rate;
- b. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- c. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except those arising on a monetary item that forms part of a reporting entity's net investments in a foreign operation.

### **3.8. Provision**

Provisions are recognized when DAP has a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

Provisions are reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

### **3.9. Revenue from Exchange Transactions**

#### **a. Measurement of revenue**

Revenue is measured at the fair value of the consideration received or receivable.

#### **b. Rendering of services**

DAP recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred were recoverable.

**c. 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 DAP.

**d. 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 the asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**3.10. Revenue from Non-Exchange Transactions**

**Recognition and measurement of assets from Non-Exchange Transactions**

An inflow of resources from a non-exchange transaction, other than services in-kind that meets the definition of an asset was recognized as an asset if the following criteria were met:

- a. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- b. The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value at the date of acquisition.

**Recognition of Revenue from Non-Exchange Transactions**

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue except to the extent that a liability is also recognized in respect of the same inflow.

As DAP satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

**3.11. Budget Information**

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in Note 33.

### **3.12. Related Parties**

DAP regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over DAP, or vice versa.

Members of key management are regarded as related parties and comprise the Chairperson and Members of the Governing Board, and the Principal Officers.

### **3.13. Employee Benefits**

The employees of DAP are members of the Government Service Insurance System (GSIS) which provides life and retirement insurance coverage.

DAP recognizes the undiscounted amount of short-term employee benefits, like salaries, wages bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

DAP recognizes expenses for accumulating compensated absences when these were paid (commuted or paid as terminal benefits). Unused entitlements that have accumulated at the reporting date were recognized as expenses. Non-accumulating absences, like special leave privileges, were not recognized.

## **4. PRIOR PERIOD ADJUSTMENTS**

### **4.1 Due to Prior Period Errors**

Prior period errors include over-setup of receivables, restoration of cash due to stale checks, recognition of miscellaneous income from unutilized fund of certain projects, derecognition of other payables (dormant), over/under setup of payables due to variance in actual payment of expenses and other correction of errors in the financial statements that were reported for a prior year in Note 23.

## **5. RISK MANAGEMENT OBJECTIVES AND POLICIES**

DAP is exposed to the following risks from its use of financial instruments:

- Liquidity risks;
- Interest/market risks; and
- Operational risks.

This note presents information about the DAP's exposure to each of the above risks, its objectives, policies, and processes for measuring and managing risks, and its management of capital.

### **5.1. Risk Management Framework**

The DAP's Board is responsible for establishing and overseeing the DAP's risk management framework. Each of the DAP's Centers and Offices is tasked with developing and monitoring risk management policies specific to their areas. The heads of these

offices meet regularly to collaborate on the development and oversight of the DAP's risk management policies.

The DAP's risk management policies are established to identify and analyze the risks it may face, to set appropriate risk limits and control, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes to market conditions, products, and services offered. DAP, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The DAP's Internal Audit Services is responsible for monitoring compliance with the DAP's risk management policies and procedures and reviewing the adequacy of the risk management framework concerning the risk it faced.

Generally, the maximum risk exposure of financial assets and financial liabilities is the carrying amount of the financial assets and financial liabilities as shown in the Statements of Financial Position, summarized as follows:

	Note	2024	2023 (As Restated)
<b>Financial Assets</b>			
Cash and cash equivalents	6	715,779,965	472,697,036
Investments	7	752,702,568	868,681,309
Receivables	8	125,387,707	119,550,189
		<b>1,593,870,240</b>	<b>1,460,928,534</b>
<b>Financial Liabilities</b>			
Financial liabilities	14	137,870,945	140,980,822
Inter-agency payables	15	136,234,506	145,234,003
Trust liabilities	16	16,492,003	17,086,174
		<b>290,597,454</b>	<b>303,300,999</b>

## 5.2. Liquidity Risk

Liquidity risk is the risk that DAP might encounter in meeting its obligations from its financial liabilities.

### a. Management of liquidity risk

The DAP's approach to managing liquidity is sufficient to ensure, as much as possible, that it will always maintain sufficient liquidity to meet its liabilities when due, under both normal and abnormal conditions, without incurring unacceptable losses or damage to the DAP's reputation.

DAP maintains a portfolio of short-term liquid assets, largely made up of cash in banks to ensure that sufficient liquidity is maintained within DAP.

The daily liquidity positions are monitored and regular liquidity testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All

liquidity policies and procedures are subject to review and approval by the DAP's Board of Trustees. Daily reports cover the liquidity position of the Academy.

b. Exposure to liquidity risk

The liquidity risk is the adverse situation when DAP encounters difficulty in meeting unconditionally the settlement of its obligations at maturity. Prudent liquidity management requires that liquidity risks are identified, measured, monitored, and controlled in a comprehensive and timely manner. Liquidity management is a major component of the corporate-wide risk management system. Liquidity planning takes into consideration various possible changes in economic, market, political, regulatory, and other external factors that may affect the liquidity position of DAP.

The liquidity management policy of DAP is conservative in maintaining optimal liquid cash funds to ensure the capability to adequately finance its mandated activities and other operational requirements at all times. The DAP's funding requirement is generally met through any or a combination of financial modes allowed by law that would give the most advantageous results.

The table below summarizes the maturity profile of the DAP's financial liabilities as at December 31, 2024:

<b>As at December 31, 2024</b>	<b>Within 1 year</b>	<b>1-5 Years</b>	<b>Over 5 years</b>	<b>Total</b>
Financial liabilities	112,292,109	25,578,836	-	<b>137,870,945</b>
Inter-agency payables	18,102,691	36,489,528	81,642,287	<b>136,234,506</b>
Trust liabilities	1,412,402	6,330,679	8,748,922	<b>16,492,003</b>
	<b>131,807,202</b>	<b>68,399,043</b>	<b>90,391,209</b>	<b>290,597,454</b>

In addition to the above, there are obligations to various Contractors for various upgrade/rehabilitation works of existing DAP facilities both in Tagaytay and Pasig, based on signed and ongoing contracts, or court orders in the case of Dumduma Construction & Trading Corporation (DCTC), but not recorded/accrued in the books due to non-receipt of Contractor's progress billings at the close of CY 2024.

<b>Contractor /Address</b>	<b>Project/Program/ Activity Name</b>	<b>Location</b>	<b>Date Started</b>	<b>Contract Price</b>	<b>Balance</b>
DCTC	One Lot Construction of a Fourteen-Storey Reinforced Concrete Building	DAP Conference Center Tagaytay	August 27, 2020	Obligation per Construction Industry Arbitrary Commission (CIAC) and Court of Appeals (CA) Award to DCTC P211,581,541.49 + Arbitration Fees P1,481,556.77 ** 32,400,000	213,063,098**
ARCE.BAILON.ARCE ARCHITECTS	Consulting Services for Architectural/ Engineering, Landscape and Interior Design of DAP Conference Center (DAPCC) New Training Building	DAP Tagaytay	August 7, 2016		4,617,000

Contractor /Address	Project/Program/ Activity Name	Location	Date Started	Contract Price	Balance
A.C. ONG CONSULTING INC. (ACOCI)	Consulting Services for Construction Management Services for DAPCC New Training Building	DAP Tagaytay	March 21, 2017	24,999,996	18,706,406
SBD Builders, 108 NHA Housing Busay, Cebu City, Philippine	Construction of Idea Generation Hub Phase 2: Exterior Café and the Covered Walkway from Interior 1 to Interior 2	DAP Pasig	February 2, 2024	8,395,866	4,617,727
<b>Total of Obligation to Contractors based on signed/ongoing contracts/court decision</b>					<b>241,004,231</b>

\*\* DCTC filed a Money Claim before COA claiming a total of P213.063 million on the basis of a final and executory Final Award rendered by CIAC on September 19, 2022 and confirmed on February 27, 2023 in the case entitled DCTC versus DAP, docketed as CIAC Case No. 49-2021. On September 26, 2024, the Office of the Government Corporate Counsel (OGCC) (for DAP) filed a Petition for Review on Certiorari with Application for Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction in the Supreme Court (SC) following the CA's dismissal of the pleadings filed by the DAP. The Petition filed by the OGCC (for DAP) in the SC prays for the reversal of CA's March 13, 2024 Decision and its July 23, 2024 Resolution, and set aside the CIAC's September 19, 2022 Final Award and its October 14, 2022 Order. The OGCC filed Motion (for DAP) and DCTC Petition for Money Claim is still pending before COA, and OGCC Lawyer in-charge was also advised to wait for the resolution. The Petition for Review on Certiorari and Application for TRO and/or Writ of Preliminary Injunction are also pending for resolution of the SC.

On December 20, 2019, DAP and the DCTC entered into a Contract for One Lot Construction of a 14-storey Reinforced Concrete Building comprising 4-storey Multi-Use Podium, 10-storey Accommodation Tower with a Roof Deck and Basement Parking and Utilities including Site Development and Various Site Improvements at DAPCC, Tagaytay City, with a Contract Cost of P821.073 million.

Construction works then ensued. However, the DCTC incurred delays contributing to the denial of the Variation Orders (VO) of ACOCI, the DAP's Construction Management Consultants.

On December 9, 2021, DAP received CIAC letter dated December 6, 2021 requiring DAP to submit its Answer to the Complaint filed by the DCTC.

The trial then proceeded. On May 27, 2022, DAP issued a Notice to Terminate to the DCTC; and on June 10, 2022, DAP issued an Order of Termination wholly for the default of the DCTC.

On September 19, 2022, CIAC issued its Final Award, to wit: a. Tribunal ruled that the construction contract is a lump sum contract and not a unit price contract; b. Tribunal denied the claims for VO3, VO4, VO5, VO8, VO16 and VO17; c. However, the Tribunal declared DAP liable for the total monetary award of P211.582 million representing the DCTC's claim for Progress Billings (PB) 1 and 2, as well as unbilled works and the 15% advance payment in the amount of P123.161 million released by DAP; and d. Parties shall equally share in the arbitration costs despite the parties' agreement as contained in the March 30, 2022 Amended Terms of Reference.



In the CIAC's December 12, 2022 Order, DAP was directed to surrender or allow the DCTC to pull out all the equipment, machinery, and materials it owned and those owned by third persons.

On December 19, 2022, DAP filed a Petition for Certiorari before the CA for the reversal and setting aside of the September 19, 2022 Final Award and the October 14, 2022 Order.

On February 27, 2023, CIAC granted the DCTC's February 21, 2023 Motion for Execution and Enforcement, and directed DAP to: a. Pay the whole award in the sum of P211.581 million and to assist the DCTC to expedite the approval of its claim for payment by COA; and b. To fully cooperate in the expeditious and efficient pull out by the DCTC of all remaining materials, equipment, and items belonging to the DCTC and those owned by third persons.

Aggrieved, on March 10, 2023, DAP filed with the CA a Very Urgent Application for the Issuance of a Status Quo Ante Order and/or Preliminary Injunction.

On June 26, 2023, DAP received an Order from COA informing DAP that the DCTC has filed a Claim of the September 19, 2022 Final Award and October 14, 2022 Order of the CIAC, and directing DAP to file its corresponding answer.

On March 13, 2024, the Petition for Certiorari filed under Rules 65 of the Rules of Court filed by DAP was denied by the CA which directed DAP to pay the DCTC progress billing in the amount of P211.582 million. The DAP's Motion for Correction of Final Award was also denied by the CA.

On July 23, 2024, the Motion for Reconsideration with Motion for Leave of Court to Admit Additional Documentary Exhibits was also denied by the CA.

Currently, DAP is filing an appeal to the SC that the amount of P123.161 million, representing the 15% mobilization fee (15% of the contract price of P821.073 million) that was paid to the DCTC on September 17, 2021, under Official Receipt No. 6500, be deducted from the total monetary award of P211.582 million awarded in favor of the DCTC by CIAC. On the contrary, based on February 24, 2022 to May 6, 2022 final assessment of PB No. 1 and PB No. 2 of ACOCI, the DCTC had only accomplished 17.63% or P144.755 million which is lower than the total monetary award of P211.581 million.

### **5.3. Market Risk**

Market risk is the risk from changes in the market prices, such as interest rate, equity prices, foreign exchange rates, and credit spreads (not relating to changes in the obligor's/issuer's credit standing) that may affect the DAP's income or the value of its holdings or financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

#### **Management of Market Risk**

The management of interest rate risk against gap limits is supplemented by monitoring the sensitivity of the DAP's financial assets and liabilities to various standard and non-standard interest rate scenarios.

## 5.4. Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the DAP's processes, personnel, technology, and infrastructure, and from external factors other than credit, market, and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the DAP's operations and are faced by all business entities.

The DAP's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the DAP's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of control to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirement for appropriate segregation of duties, including the independent authorization of transaction;
- Requirement for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risk faced, and the adequacy of control and procedures to address the risk identified;
- Requirements for the reporting of operational losses and proposed remedial action; and
- Development of contingency plans.

Compliance with corporate standards/processes is supported by a program of periodic reviews undertaken by the Internal Audit. The results of reviews are discussed with the Top Management of DAP.

## 6. CASH AND CASH EQUIVALENTS

This account consists the following:

	<b>2024</b>	<b>2023</b>
Cash on hand	1,010,436	924,623
Cash in bank - local currency	705,500,871	436,874,741
Cash in bank - foreign currency	9,268,658	34,897,672
<b>Total Cash and cash equivalents</b>	<b>715,779,965</b>	<b>472,697,036</b>

### 6.1. Cash on Hand

Cash collecting officer account balance represents collections during the last working day of the year after banking hours and Petty cash fund balance of the DAP's Disbursing Officer. This was immediately deposited to the peso account of DAP Land Bank of the Philippines (LBP)-Pasig Branch on the first working day of January 2025.

## 6.2. Cash in Bank

	2024	2023
Savings account	675,831,766	413,425,748
Current account	29,669,105	23,448,993
Dollar account	9,268,658	34,897,672
	<b>714,769,529</b>	<b>471,772,413</b>

The cash in bank accounts includes savings and checking accounts. It also consists of all deposits in high yield special savings accounts with terms of less than three (3) months.

All deposits in the high yield special savings account with terms of more than three (3) months were reclassified in previous years from the Cash and cash equivalents account to the investment in the Time deposits account.

## 7. INVESTMENTS

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Investment in time deposits	423,948,977	98,819,246	522,768,223	98,819,246	-	98,819,246
Financial assets-held to maturity	-	229,934,345	229,934,345	639,997,296	129,864,767	769,862,063
	<b>423,948,977</b>	<b>328,753,591</b>	<b>752,702,568</b>	<b>738,816,542</b>	<b>129,864,767</b>	<b>868,681,309</b>

The bulk of above cash and investments is allocated to the following: (a) General Appropriations Act (GAA) fund of P246.470 million for mandated projects, for the new training building, and for upgrade of existing infrastructure in Other unearned revenue and Accumulated surplus accounts, (b) Accounts payable and Due to officers and employees of P137.870 million, (c) Deferred credits and Other liabilities P97.650 million, (d) Employees' leave credit of P116.920 million, (e) Customer's/guaranty deposits, Trust liabilities and Other payables of P16.490 million, and (f) fund allocated for building contractor with signed and on-going contracts or with court order P241 million, but progress billings were not received as of year-end. The investment also includes the unimpaired Endowment fund P135 million. The balance pertains to fund supporting the DAP's operations.

The current financial assets held to maturity represent Investments in treasury bills that mature from 91 to 364 days while the total non-current financial assets consist of Investments in bonds - investible funds comprising mainly of government treasury bonds with coupon rates between 3.50 percent and 3.63 percent and are scheduled to mature from CYs 2025 to 2026.

The long-term investment accounts are broken down as follows:

	2024	2023
<b>Investment in Government Securities, e.g. Treasury Bills/Bonds/Notes:</b>		
LBP BTr GS – RTB 10-5	115,000,000	115,000,000
LBP BTr GS - RTB 10-5	5,000,000	5,000,000
LBP BTr GS – FXTN 10-60	10,000,000	10,000,000

	<b>2024</b>	<b>2023</b>
LBP BTr GS – RTB 05-18	100,000,000	-
	230,000,000	130,000,000
Less: Discount on Investments in bonds-local	(72,655)	(142,233)
	<b>229,927,345</b>	<b>129,857,767</b>
<b>Investment in Private Institutions (e.g. Corporate Securities, Unit Investment Trust Funds):</b>		
Issue value of stock subscriptions with the Philippine Long Distance Telephone Company	7,000	7,000
	<b>229,934,345</b>	<b>129,864,767</b>

DAP has received endowment funds in tranches over the years. The endowment funds were placed in government securities to maximize the fund's returns. The placement of endowment funds was discussed below:

On September 20, 2016, DAP approved the placement of the funds to government securities, a ten (10) year Retail Treasury Bond (RTB) 10-5 issued by the LBP with a face value of P115 million and a coupon rate of 3.5 percent which matures on September 20, 2026. On the same date, DAP also approved the placement of a ten (10) year RTB 10-5 issued by the LBP with a face value of P5 million and a coupon rate of 3.5 percent with the same maturity date of September 20, 2026. On September 26, 2019, DAP approved the placement of the funds to government securities, a five (5) year Fixed Term Treasury Note 10-60 issued by the LBP with a face value of P10 million and a coupon rate of 3.625 percent which matures on September 9, 2025. The P10 million and P5 million long-term investments in government securities are earmarked for the accumulated leave credits of the regular employees of the DAP.

The increase of long-term investment by P100 million from 2023 to 2024 is due to the additional placement of an endowment fund (Gloria M. Arroyo & Corazon C. Aquino) to government securities, a five-year RTB 05-18 issued by the LBP with a face value of P20 million and a coupon rate of 6.25 percent on February 28, 2024. On the same date, DAP also approved the placement of a five-year RTB 05-18 issued by the LBP with a face value of P80 million and a coupon rate of 6.25 percent with the same maturity date of February 28, 2029. The P80 million long-term investments in government securities are earmarked for the accumulated leave credits of the regular employees of DAP.

## **8. RECEIVABLES**

This account is broken down as follows:

	<b>2024</b>	<b>2023 (As Restated)</b>
Accounts receivable - net	116,191,178	110,709,154
Inter-agency receivables	8,190,000	8,190,000
Interest receivable	638,139	192,083
Other receivables	368,390	458,952
	<b>125,387,707</b>	<b>119,550,189</b>

	2024			2023 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Accounts receivable	93,048,864	23,142,314	116,191,178	101,742,251	8,966,903	110,709,154
Inter-agency receivables	8,190,000	-	8,190,000	8,190,000	-	8,190,000
Interest receivable	638,139	-	638,139	192,083	-	192,083
Other receivables	201,309	167,081	368,390	458,952	-	458,952
	<b>102,078,312</b>	<b>23,309,395</b>	<b>125,387,707</b>	<b>110,583,286</b>	<b>8,966,903</b>	<b>119,550,189</b>

### 8.1. Accounts Receivables

	2024			2023 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Accounts receivable	94,317,983	113,482,649	207,800,632	186,784,755	16,461,998	203,246,753
Allowance for impairment- Accounts receivable	(1,269,119)	(90,340,335)	(91,609,454)	(85,042,504)	(7,495,095)	(92,537,599)
	<b>93,048,864</b>	<b>23,142,314</b>	<b>116,191,178</b>	<b>101,742,251</b>	<b>8,966,903</b>	<b>110,709,154</b>

The Accounts receivables both from Government Institutions and Private Entities are billings for the following services of DAP:

- Consultancy fees, research, training, and seminars rendered by DAP which comprises the bulk of the Accounts receivable as the core purpose of DAP per PD No. 205;
- Fines and penalties on unpaid/late rental fees to its tenants;
- Rent/lease income from conference facilities in DAP – Pasig;
- Income from conference centers, hostels, dormitories, cafeterias, and others from facilities of DAPCC-Tagaytay; and
- Other business income are revenues that cannot be classified into the above categories like rental of conference equipment, sale of disposed PPEs, billed utilities, and maintenance of building common area to tenants.

### 8.2. Inter-Agency Receivables

	2024	2023
Due from national government agencies (NGAs)	8,190,000	8,190,000
	<b>8,190,000</b>	<b>8,190,000</b>

### 8.3. Interest Receivable

	2024	2023
Interest receivable	638,139	192,083
	<b>638,139</b>	<b>192,083</b>

### 8.4. Other Receivables - net

	2024			2023 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Due from officers and employees	164,449	144,517	308,966	391,103	-	391,103
Other receivable – resigned employees	36,860	22,564	59,424	67,849	-	67,849
	<b>201,309</b>	<b>167,081</b>	<b>368,390</b>	<b>458,952</b>	<b>-</b>	<b>458,952</b>

## 9. INVENTORIES

	2024	2023 (As Restated)
Inventory held for consumption:		
Carrying amount, January 1	4,386,232	2,778,649
Additional/acquisitions during the year	58,605,165	48,783,590
Expensed during the year except write-down	(59,458,408)	(47,176,007)
<b>Carrying amount, December 31</b>	<b>3,532,989</b>	<b>4,386,232</b>

Regular purchases of office supplies for stock are recorded under the Inventory account and issuances thereof are recorded based on the Report of Supplies Issuance.

## 10. PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2024

	Machinery and equipment	Transportation equipment	Furniture and fixtures and books	Land and building/ construction in-progress	Works of art and archeological specimens	Infrastructure assets	Total
Carrying amount, January 1, 2024 (as restated)	47,966,548	6,613,485	988,219	224,547,462	2,080,243	3,532,995	285,728,952
Additions/acquisitions	18,446,529	-	212,750	10,591,865	30,677	-	29,281,821
<b>Total</b>	<b>66,413,077</b>	<b>6,613,485</b>	<b>1,200,969</b>	<b>235,139,327</b>	<b>2,110,920</b>	<b>3,532,995</b>	<b>315,010,773</b>
Depreciation (as per Statement of Financial Performance)	(12,241,963)	(845,015)	(110,718)	(8,604,647)	-	-	(21,802,343)
Impairment (as per Statement of Financial Performance)	(565,537)	-	-	-	-	-	(565,537)
Adjustment-cost	(183,615)	-	-	-	(30,677)	-	(214,292)
Adjustment-accumulated depreciation	23,746	(169,001)	(23,746)	(458,098)	-	-	(627,099)
<b>Carrying Amount, December 31, 2024 (as per Statement of Financial Position)</b>	<b>53,445,708</b>	<b>5,599,469</b>	<b>1,066,505</b>	<b>226,076,582</b>	<b>2,080,243</b>	<b>3,532,995</b>	<b>291,801,502</b>
Gross value at cost (as per Statement of Financial Position)	101,231,325	33,121,283	1,838,429	418,453,694	2,080,243	3,532,995	560,257,969
Less: Accumulated depreciation and impairment	(47,785,617)	(27,521,814)	(771,924)	(192,377,112)	-	-	(268,456,467)
<b>Carrying Amount, December 31, 2024 (as per Statement of Financial Position)</b>	<b>53,445,708</b>	<b>5,599,469</b>	<b>1,066,505</b>	<b>226,076,582</b>	<b>2,080,243</b>	<b>3,532,995</b>	<b>291,801,502</b>

As at December 31, 2023 (As Restated)

	Machinery and equipment	Transportation equipment	Furniture and fixtures and books	Land and building/ construction in-progress	Works of art and archeological specimens	Infrastructure assets	Total
Carrying amount, January 1, 2023 (as restated)	45,321,805	7,672,928	231,655	102,550,834	2,039,277	974,995	158,791,494
Additions/acquisitions	11,721,362	-	-	127,289,752	10,289	2,463,357	141,484,760
<b>Total</b>	<b>57,043,167</b>	<b>7,672,928</b>	<b>231,655</b>	<b>229,840,586</b>	<b>2,049,566</b>	<b>3,438,352</b>	<b>300,276,254</b>
Disposals	(258,784)	-	-	-	-	-	(258,784)
Depreciation (as per Statement of Financial Performance)	(10,437,709)	(1,093,604)	(86,164)	(5,751,222)	-	-	(17,368,699)
Impairment (as per Statement of Financial Performance)	(99,697)	-	-	-	-	-	(99,697)
Adjustment-cost	1,407,512	-	781,473	-	30,677	94,643	2,314,305
Adjustment-accumulated depreciation	312,059	34,161	61,255	458,098	-	-	865,573

	Machinery and equipment	Transportation equipment	Furniture and fixtures and books	Land and building/ construction in-progress	Works of art and archeological specimens	Infrastructure assets	Total
<b>Carrying Amount, December 31, 2023 (as per Statement of Financial Position)</b>	<b>47,966,548</b>	<b>6,613,485</b>	<b>988,219</b>	<b>224,547,462</b>	<b>2,080,243</b>	<b>3,532,995</b>	<b>285,728,952</b>
Gross value at cost (as per Statement of Financial Position)	82,975,230	34,150,553	1,625,679	407,861,829	2,080,243	3,532,995	532,226,529
Less: Accumulated depreciation and impairment	(35,008,682)	(27,537,068)	(637,460)	(183,314,367)	-	-	(246,497,577)
<b>Carrying Amount, December 31, 2023 (as per Statement of Financial Position)</b>	<b>47,966,548</b>	<b>6,613,485</b>	<b>988,219</b>	<b>224,547,462</b>	<b>2,080,243</b>	<b>3,532,995</b>	<b>285,728,952</b>

## 10.1 Works of Arts and Archeological Specimens

Artpiece Title	Artist	Material Type	Size	Book Value
			(L W H)	
Aplaya	N/A	Oil	24" x 18"	400
Kalesa	N/A	Oil	18" x 24"	400
Takipsilim	Tony	Oil	18" x 22"	400
Graffiti and Oil Drips	Ernesto	Oil	24" x 36"	450
Deep Blue	Kikoy Diaz	Acrylic	37" x 23.5"	5,000
Green Sag	Kikoy Diaz	Acrylic	37" x 23.5"	5,000
Abstract	Kikoy Diaz	Acrylic	37" x 23.5"	5,000
Abstract, Likas, #450	Kikoy Diaz	Acrylic	37" x 23.5"	1,600
Abstract, Likas, #450	Kikoy Diaz	Acrylic	37" x 23.5"	1,600
Abstract, Likas, #450	Kikoy Diaz	Acrylic	37" x 23.5"	1,600
Sketch, Black & White	N/A	Pastel	22" x 28"	500
Pagsasangguni	S. Rocha	Oil Pastel	18" x 24"	2,500
Brother & Sister Fishing	S. Rocha	Oil Pastel	24" x 18"	2,500
Batis	N/A	Oil	21" x 23.5"	2,000
Landscape Roblon	N/A	Oil	12.75" x 24"	2,000
Going Home	N/A	Oil	17" x 23"	2,000
Fishing at Laguna de Bay	Carlos V. Francisco	Sculpture	144" x 60"	10,000
DAP on My Mind	W.M.Vergara	Oil	24" x 30"	1
Mama Mary and Jesus Christ	Various Artists	Oil	48" x 96"	1,450
Mother and Child with Dove	Various Artists	Oil	48" x 96"	1,450
Panday at Magsasaka	Various Artists	Oil	48" x 96"	1,450
Various National Artist	Emmanuel Nim	Oil	48" x 192"	120,533
Dare to Dream	Jose Datuin	Sculpture	18" x 7.5"	1
Rape of Urduja	Sherwin Paul Gonzales	N/A	36" x 48"	1
Abot Langit	Dale Bagtas	N/A	36" x 36"	1
Juan Pagaspas	Dale Bagtas	N/A	36" x 36"	1
Mahal na Mahal	Dale Bagtas	N/A	18" x 24"	1
Till Death Do Us Part	Dale Bagtas	N/A	18" x 24"	1
Tagpi Tagpi	Aris Bagtas	Multi-media	48" x 31"	1
Bayan Ko	Aris Bagtas	N/A	48" x 48"	1
Paraisong Parisukat	Aris Bagtas	Multi-media	48" x 96"	1
Pagsibol ng Pagbabago	Kublai Milan	N/A	72" x 32"	1
Ina ng Bayan	Rene Robles	N/A	39" x 88"	1
Art in Assertionism	Rene Robles	N/A	48" x 48"	1
Torqueflite	Jerry Elizalde Navarro	Handycraft	48" x 57"	10,000

Artpiece Title	Artist	Material Type	Size	Book Value
			(L W H)	
Composition in Mahogany	Renato Rocha	Sculpture	84" x 26" x 26"	10,000
Wheel of Progress	Napoleon Abueva y Veloso	Sculpture	56" x 67"	24,000
Interlocking Forms	Arturo Luz y Dimayuga,	Sculpture	28"x 36" x 52 1/4"	10,000
Cross Road to Progress	Napoleon Abueva y Veloso	Sculpture	75"	14,000
One Flight	Kublai Milan	Handycraft	NA	225,000
Good Seed	Kublai Milan	Handycraft	NA	225,000
Tatlong Larawan Alay Kay Rizal, Pangalawang Larawan Diaphanous II	Hernando R. Ocampo	Oil	52" x 52"	27,122
Magkakandila	Romulo Olazo	Oil	60" x 36"	6,000
Tres Marias	Angelito Antonio	Oil	52" x 52"	400
Window	Emilio Aguilar Cruz	Oil	23" x 35"	3,000
Abstract Cityscape	Ibarra Dela Rosa	Oil	30 1/4"x27"	400
City Scene	A. Gamutan	Oil	30" x 23.5"	400
Birds	Hugo Yonzon Jr.	Oil	40" x 60"	6,000
Kapistahan	R. Valencia	Oil	48" x 48"	6,500
Cross	Cesar T. Legaspi	Oil	52 3/4" x 132 1/2"	791,342
Abstraction with a Bottle-like Motif	Heraclio Basilio	N/A	26" x 24"	450
Eternal Opening	Jess M.	Oil	24" x 30"	500
Children Planting Seedlings	Edgar Taluzan Fernandez	Acrylic	24" x 24"	500
Red Ashes	J. M. A.	Oil	27 1/2" x 30"	500
DAP Logo	J.W. Bautista	Oil	24" x 24"	500
Grid of Streets	J.W. Bautista	Oil	29" x 28"	500
Twig with Leaves	Jose Maria Cabangis	Oil	24" x 24"	300
View of Taal Volcano	N/A	Acrylic	24" x 24"	300
Reincarnation	R. P. Alincaestre	Oil	20" x 26 1/4"	300
Still Life with Fish on a Table	San Diego	Oil	23 1/2" x 30 3/4"	350
Banawe Mist	Ang Kiukok	Oil	48" x 48"	141,733
Diaphanous I	Jose T. Joya	Oil	35" x 145"	18,000
Still Life with Banana on a Table	Romulo Olazo	Oil	60" x 36"	6,000
Doves, Leaves , Sky	Ang Kiukok	Oil	48" x 47 5/8"	136,064
Stiches/Patches	R. Canlas	Oil	24" x 30"	500
Trees & Moon	R. Canlas	Oil	24" x 28"	350
Cylindrical Separation	N/A	Oil	30" x 30"	500
2 Balls-red/white	Raul Isidro	Oil	67" x 56"	5,000
Cuadro IV	Gabriel	Oil	30" x 26"	2,500
Harvest Time	Prudencio Lamarroza	Multi-media (Paint, metal, wood)	48" x 47 5/8"	3,000
Chinatown	N/A	Oil	24" x 18"	400
Flower Pot with Basket	J. Azura	Oil	23.5" x 17.75"	400
Mother & Child	N/A (signed Ybanez)	Pastel	24" x 18"	3,000
Cow in a Field	Zapanta	Oil	24" x 18"	3,000
Fruit Vendor	Batalliones	Oil	29" x 28"	3,000
City Hall	Albrayant	Oil	8" x 12"	1,400
Silungan	Corpuz	Oil	9" x 11.5"	1,400
	D. Batalion	Oil	20" x 26"	3,000



Artpiece Title	Artist	Material Type	Size	Book Value
			(L W H)	
Guitar Making	Albrayant Subang	Oil	18" x 24"	3,000
Old Woman Praying	Jeho Bitancor	Oil	23.75" x 17.5" x 24"	2,000
Sarimanok	Leo Mindanao	Oil	19.5" x 16.5"	2,000
Ignition 1	Raul Isidro	Oil	67" x 56"	4,500
Parish Church of Santo Tomas de Villanueva, Miag-Ao, Ilo-ilo	Manuel Baldemor	Water Color	20" x 26"	3,000
Market Scene in India	N/A	Oil	17" x 14"	350
Bahay Kubo	D. Mendoza	Oil	18" x 24"	2,000
Paper with Glass	Vic Valdez	Water Color	14" x 17"	2,500
Orange Sag	Kikoy Diaz	Acrylic	37" x 23.5"	5,000
Gift of Flowers	N/A (Reproduction of Pablo Picasso)	Pastel	30" x 22 1/2"	2,000
Taal Volcano	Kikoy Diaz	Acrylic	24" x 28"	1
White Haired Man (Indonesia)	N/A	Oil	32" x 24"	1
Abstraction in Black	Federico Aguilar Alcuaz	Water Color	20" x 14.5"	1
Natural Leaves Horse Racing	N/A	Acrylic	36" x 24"	1
Happy Days	W.M.Vergara	Oil	16" x 20"	1
Portrait of President Ferdinand Marcos	Hugo Yonzon Jr.	Oil	24" x 36"	8,000
City Hall or Cathedral	N/A	Oil	9" x 11.5"	3,000
Santacruzán	Pytz Santos	Pastel	11" x 17"	1,251
Abstract (fishes)	Antonio	Painting	N/A	1,200
Taal Volcano Eruption		Painting		5,045
Tagaytay Mist		Painting		5,245
Pamana Para sa Kinabukasan		Painting; Oil	18" x 24"	1,023
Unknown		Painting		1,023
Tanglaw na Syang Gabay sa Buhay na Matagumpay		Painting		1,023
Inang Bayan: Kaligtasan sa Kadiliman		Painting; Oil		1,023
Extended Hand to Help Everyone		Painting		1,023
Pundasyon Para Sa Edukasyon		Painting		1,023
Reconvene with History		Painting		1,023
Binhi ng Patanaw		Painting		1,023
Ugka		Painting		1,023
Pusong Pinoy		Painting		1,023
Malasakit sa Kapwa		Painting		1,023
Puso ng ating Gabay		Painting; Oil		1,023
Preserving Connections		Painting; Oil		1,023
Silong		Painting; Oil		1,023
She Who Shares Her Bloom		Painting		1,023
Pagbangon		Painting		1,023
Reflection of My Passion		Painting		1,023
Batang Makabayan		Painting		1,023
Tayo ang Gusali Diba?		Painting		1,023
Kayod Kalabaw		Painting; Oil		1,023
Tanaw ng Dapit Hapon		Painting		1,023
Kapit Kamay sa Kinabukasan		Painting		1,023
Jeepney Journey		Painting; Oil		1,023
Mindfulness		Painting		1,023

Artpiece Title	Artist	Material Type	Size (L W H)	Book Value
Ang Kwento ni Lola		Painting; Oil		1,023
Ang Huling Piraso		Painting; Oil		1,023
Lesson ni Titser		Painting		1,023
Isa-Buhay		Painting		1,023
Kindred		Painting		1,023
Mensahe ni Tala		Painting; Oil		1,023
<b>TOTAL ARTWORKS LOCATED AT DAPCC, TAGAYTAY</b>		<b>129</b>		<b>1,941,243</b>
Model #2101	Buenaventura	Painting	35 1/2" x 2" x 23 1/2"	1,200
Metropolis (Gesso and Acrylic)	Bertoldo Manta 81	Painting (Gesso and Acrylic)	48" x 1 1/2" x 24"	3,000
Heavenly Steps (Gesso and Acrylic) 81'	Bertoldo Manta	Painting	24" x 1 1/4" x 24"	2,000
Leonides Virata W/Frame	N/A	Painting	34" x 1 1/2" x 22"	5,000
Selling Mango (Acrylic and Canvass)	Ferrer	Painting	24" x 1/2" x 30"	2,600
Humahabi Painting	Fred Dimalanta	Painting	22" x 1 3/4" x 30"	7,500
Pahinga (Water color)	Dimalanta (oil)WC 85"	Painting Water Color	22" x 1 1/2" x 28"	7,500
Rooster	Espinosa 86"	Painting	17 3/4" x 1/2" x 15 3/4"	3,000
Boy Fishing Oil 86"	Ceriola	Painting Oil	20" x 1 1/4" x 28"	5,000
Grace Before Meal	Go	Painting	34" x 1 1/3" x 23 1/2"	4,500
Harvesting Rice	Diego 86"	Painting	35 1/2" x 1/2" x 23 1/4"	15,000
Tagboat	Larosa 85"	Painting	24" x 1 1/8" x 18"	3,500
Trees Oil 80'	Dizon	Painting	24" x 1 1/2" x 24"	10,000
Camiling Series (oil and Canvass)	Jose Mari Atambro	Painting Oil	19" x 1 1/2" x 24"	5,500
Horses: OIL 86"	Ceriola	Painting	25 1/2" x 1 1/4" x 19 1/2"	5,500
Orchids	Cempron	Painting Oil	16 1/2" x 1 1/2" x 12 1/2"	3,000
Landscape	Cempron	Painting	12 1/2" x 1 1/2" x 16 1/2"	3,000
Landscape	Cempron	Painting	12 1/2" x 1/2" x 16 1/2"	3,000
Forest Scene	Pascua	Painting	23" x 1 1/2" x 17"	4,500
Garden Scene	Cempron	Painting Oil	13" x 1/2" x 17"	3,500
Boomerang	N/A	Handicraft	16" x 1 1/8" x 7 1/2"	3,000
Sugarcane	Rossete	Painting	44" x 1 3/4" x 36"	5,000
Lady with Jar	Abellana Tubia	Painting Oil	40" x 2 1/4" x 16 1/2"	8,200
Seeds	Lamarosa	Painting Oil	32 1/2" x 2" x 56 1/2"	4,000
Fishing	Yonnson	Painting	32 1/2" x 1 1/2" x 24"	6,000
Model 648-80	N/A	Painting	16" x 1/2" x 18"	2,600
Model # 3163-Old House	Larosa / imomoje 80"	Painting Oil	16" x 1 1/2" x 12"	1,600
Old House	N/A / imomije 80"	Painting Oil	15 3/4" x 1 3/4" x 11 3/4"	1,600
Maglalatik (oil)	Diego 86"	Painting Oil	40" x 1/2" x 30"	4,400
Rural Comm.Houses	Larosa 86"	Painting Oil	18" x 1 1/4" x 24"	4,800
<b>TOTAL ARTWORKS LOCATED AT DAP, PASIG</b>		<b>30</b>		<b>139,000</b>
<b>TOTAL BOOK VALUE</b>				<b>2,080,243</b>

## 11. INTANGIBLE ASSETS

	2024	2023
Computer software	1,129,062	1,129,062
Accumulated amortization	(967,454)	(787,031)
Net value—computer software	161,608	342,031
Other intangible assets-research and development	1,200	1,200
	<b>162,808</b>	<b>343,231</b>

## 12. DEFERRED TAX ASSETS

	2024	2023 (As Restated)
Deferred tax assets	12,948,643	9,302,849
	<b>12,948,643</b>	<b>9,302,849</b>

This account consists of the Deferred tax assets – expanded tax withheld by clients in the amount of P0.822 million and output tax withheld amounting to P1.182 million both covered by Bureau of Internal Revenue (BIR) 2307 issued by clients; and Deferred tax assets – prepaid income tax (prior years' credit) in the amount of P10.944 million.

## 13. OTHER ASSETS

### 13.1 Other Current Assets

This account includes the following:

	2024	2023 (As Restated)
Advances	179,383	216,658
Prepayments	30,793,159	23,441,590
Deposits	628,559	628,559
	<b>31,601,101</b>	<b>24,286,807</b>

Advances represent advances to officers and employees, Prepayment represents value added tax (VAT) input tax, software subscriptions, and other prepaid accounts; while the Deposits account consists of performance security issued by DAP to guarantee the completion of certain projects.

### 13.2 Prepayments

	2024	2023
Advances to contractors	3,560,556	2,740,397
Prepaid insurance	1,349,623	1,363,501
Creditable input tax	11,758,842	6,228,086
Input tax	9,592,554	8,596,781
Other prepayments	4,531,584	4,512,825
	<b>30,793,159</b>	<b>23,441,590</b>

## 14. FINANCIAL LIABILITIES

	<b>2023</b>	
	<b>2024</b>	<b>(As Restated)</b>
Accounts payable	90,535,844	109,825,642
Due to officers and employees	47,335,101	31,155,180
	<b>137,870,945</b>	<b>140,980,822</b>

  

	<b>2024</b>			<b>2023 (As Restated)</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Accounts payable	82,656,612	7,879,232	90,535,844	97,540,109	12,285,533	109,825,642
Due to officers and employees	29,635,497	17,699,604	47,335,101	15,546,609	15,608,571	31,155,180
	<b>112,292,109</b>	<b>25,578,836</b>	<b>137,870,945</b>	<b>113,086,718</b>	<b>27,894,104</b>	<b>140,980,822</b>

As at December 31, 2024, DAP has reported a total Accounts payable amounting to P90.536 million which consists of obligations payable to suppliers of goods and services, external resource persons, and progress billings from contractors based on actual accomplishment reports as certified by the contractors and project engineers. It is important to note that more than 90 percent or P80.550 million of the total Accounts payable of P89.360 million represents purchases of goods and services for the last quarter of CY 2024 that were obligated at the end of the reporting period.

## 15. INTER-AGENCY PAYABLES

	<b>2023</b>	
	<b>2024</b>	<b>(As Restated)</b>
Due to NGAs	119,393,001	126,803,684
Due to BIR	8,611,180	8,548,645
Due to GSIS	5,060,593	7,581,404
Due to Pag-IBIG	766,807	133,390
Due to PhilHealth	2,383,740	2,152,845
Due to SSS	19,185	14,035
	<b>136,234,506</b>	<b>145,234,003</b>

  

	<b>2024</b>			<b>2023 (As Restated)</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Due to NGAs	1,261,186	118,131,815	119,393,001	1,188,525	125,615,159	126,803,684
Due to BIR	8,611,180	-	8,611,180	8,548,645	-	8,548,645
Due to Pag-IBIG	5,060,593	-	5,060,593	7,581,404	-	7,581,404
Due to GSIS	766,807	-	766,807	133,390	-	133,390
Due to PhilHealth	2,383,740	-	2,383,740	2,152,845	-	2,152,845
Due to SSS	19,185	-	19,185	14,035	-	14,035
	<b>18,102,691</b>	<b>118,131,815</b>	<b>136,234,506</b>	<b>19,618,844</b>	<b>125,615,159</b>	<b>145,234,003</b>

Inter-agency payables consist of Due to NGAs, the bulk of which is the unimpaired endowment fund; Due to BIR are taxes withheld from employees' compensation, contractors, and suppliers, while others are the mandatory contributions regularly remitted by DAP on or before due dates to the GSIS, Home Development Mutual Fund (Pag-IBIG), Social Security System (SSS), and Philippine Health Insurance Corporation (PhilHealth).

## 16. TRUST LIABILITIES

	2024	2023 (As Restated)
Trust liabilities	6,475,872	6,437,189
Guaranty/security deposits payable	5,766,919	4,967,481
Customers' deposits payable	4,249,212	5,681,504
	<b>16,492,003</b>	<b>17,086,174</b>

	2024			2023 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Trust liabilities	359,500	6,116,372	6,475,872	160,969	6,276,220	6,437,189
Guaranty/security deposits payable	707,398	5,059,521	5,766,919	922,609	4,044,872	4,967,481
Customers' deposits payable	345,504	3,903,708	4,249,212	228,772	5,452,732	5,681,504
	<b>1,412,402</b>	<b>15,079,601</b>	<b>16,492,003</b>	<b>1,312,350</b>	<b>15,773,824</b>	<b>17,086,174</b>

Trust liabilities consist of guaranty/security deposits payable which pertain to retention fees to guarantee the performance of the building contractors as per terms of the contract, and Customers' deposits payable which pertain to cash received from customers for goods/services to be delivered by DAP.

## 17. DEFERRED CREDITS

	2024	2023
Output tax	19,202,519	18,460,434
Deferred revenue from grants and donations	9,647,524	9,679,362
Other deferred credits	5,728,485	5,728,485
	<b>34,578,528</b>	<b>33,868,281</b>

### 17.1 Deferred Credits

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Output tax	4,381,137	14,821,382	19,202,519	4,872,834	13,587,600	18,460,434
Deferred revenue from grants and donations	338,888	9,308,636	9,647,524	668,068	9,011,294	9,679,362
Other deferred credits	-	5,728,485	5,728,485	-	5,728,485	5,728,485
	<b>4,720,025</b>	<b>29,858,503</b>	<b>34,578,528</b>	<b>5,540,902</b>	<b>28,327,379</b>	<b>33,868,281</b>

Deferred credits mainly consist of the 12 percent output VAT provided on trade receivables for consultancy services rendered by DAP; use of its conference facilities; from cafeteria and lease operations; and other receivables subject to output VAT, in which remittance to the BIR upon collection; and others such as grants and donations to DAP for specific purpose.

## 18. UNEARNED REVENUE/INCOME

### 18.1 Unearned Revenue/Income

	<b>2024</b>		<b>2023</b>	
			<b>(As Restated)</b>	
Other unearned revenue/income	30,255,104		24,367,803	
	<b>30,255,104</b>		<b>24,367,803</b>	

  

	<b>2024</b>			<b>2023 (As Restated)</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Other unearned revenue						
/income - contracted projects	25,664,358	4,590,746	30,255,104	24,367,803	-	24,367,803
	<b>25,664,358</b>	<b>4,590,746</b>	<b>30,255,104</b>	<b>24,367,803</b>	<b>-</b>	<b>24,367,803</b>

Other unearned revenue/income represents revenue that is not yet earned as of the end of the current year, specifically from client-funded projects in which the required deliverables are neither accomplished nor completed at the end of the current year.

## 19. PROVISION FOR LEAVE CREDITS

	<b>2024</b>	<b>2023</b>
Provision for leave credits	116,923,832	117,803,429
	<b>116,923,832</b>	<b>117,803,429</b>

The account balance represents the peso equivalent of accumulated leave credits of regular employees of DAP. This account is adjusted annually to present the current value.

## 20. OTHER PAYABLES

	<b>2024</b>		<b>2023</b>	
DAP multi-purpose cooperative	422,070		248,288	
Service charge	17,030,718		9,250,968	
LBP salary loan	116,695		3,300	
Undistributed Collections	38,407,193		37,542,120	
Other payables	7,090,482		6,991,722	
	<b>63,067,158</b>		<b>54,036,398</b>	

  

	<b>2024</b>			<b>2023</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
DAP multi-purpose cooperative	422,070	-	422,070	248,288	-	248,288
Service charge	7,804,647	9,226,071	17,030,718	9,250,968	-	9,250,968
LBP salary loan	113,395	3,300	116,695	-	3,300	3,300
Undistributed collections	865,073	37,542,120	38,407,193	11,730,149	25,811,971	37,542,120
Other payables	57,452	7,033,030	7,090,482	5,755,383	1,236,339	6,991,722
	<b>9,262,637</b>	<b>53,804,521</b>	<b>63,067,158</b>	<b>26,984,788</b>	<b>27,051,610</b>	<b>54,036,398</b>

## 21. GOVERNMENT EQUITY

This account consists of contributions by the five founding institutions of DAP to the Endowment Fund in its initial operations, as well as the recent additions espoused by then-late Department of Budget and Management (DBM) Secretary Emilia Boncodin. The initial contributions were used to procure pieces of land where the main headquarters of DAP was built, while the latter endowment fund was released to DAP in tranches over the years and was recorded under the Donated capital account.

<b>Institution</b>	<b>Contribution</b>	<b>Basis</b>
Bangko Sentral ng Pilipinas	9,500,000	PD No. 205 (June 6, 1973)
LBP	9,500,000	PD No. 205 (June 6, 1973)
GSIS	9,500,000	PD No. 205 (June 6, 1973)
Philippine National Bank	9,500,000	PD No. 205 (June 6, 1973)
SSS	9,500,000	PD No. 205 (June 6, 1973)
	<b>47,500,000</b>	

## 22. DONATED CAPITAL

This account includes donations from the National Government through the Office of the President (OP), as well as the recent additions espoused by then-late DBM Secretary Emilia Boncodin. The said Endowment Fund was released to DAP in tranches over the years according to the GAA for Fiscal Years (FYs) 2005 to 2009.

The said amount is to remain unimpaired and shall be returned to the contributors/donors in the event of the dissolution of DAP. The P20 million from the OP and an additional amount totaling P115 million were granted to DAP by the National Government.

Likewise, it consists of donations from the Development Bank of the Philippines (DBP) in 1974 of land, buildings, and equipment that make DAPCC in Tagaytay City, the transfer of the assets and liabilities of the Center for Conference Model Development (CCMD), an instrumentality of the Fund for Assistance to Private Education (FAPE), to DAP under Letter of Instruction No. 1457, dated April 25, 1985, summarized as follows:

	<b>Amount</b>
Donations from the national government:	
OP	20,000,000
GAA FY 2005	50,000,000
GAA FY 2006	35,000,000
GAA FY 2007	10,000,000
GAA FY 2008	10,000,000
GAA FY 2009	10,000,000
DBP	16,788,578
CCMD/FAPE	8,700,000
	<b>160,488,578</b>

## 23. ACCUMULATED SURPLUS/(DEFICIT)

	<b>Amount</b>
<b>Accumulated surplus, January 1, 2023</b>	<b>687,746,777</b>
Adjustments due to prior period errors: (CY 2023 & prior):	
Closing of non-moving accounts	(4,951,680)
Reclassification/adjusting entries	98,966,895
<b>Accumulated surplus, January 1, 2023, as restated</b>	<b>781,761,992</b>
Surplus for CY 2023	140,409,384
Surplus adjustments for CY 2023	121,439,741
<b>Accumulated surplus, December 31, 2023, as restated</b>	<b>1,043,611,117</b>
Surplus for CY 2024	146,895,512
<b>Accumulated surplus, December 31, 2024</b>	<b>1,190,506,629</b>

The bulk of the Surplus/(deficit) adjustments for CY 2024 is due to the reclassification of subsidy from Other unearned revenue accounts to Surplus/(deficit) for mandated projects, and subsidy for the new training building and existing buildings' rehabilitation, upgrade, and renovation.

## 24. SERVICE AND BUSINESS INCOME

The details of this account are presented below:

	<b>2024</b>	<b>2023 (As Restated)</b>
Consultancy fees	154,124,758	140,596,538
Rent/lease income	9,591,955	7,659,107
Income from hostels/dormitories	75,829,892	56,406,933
Interest income	42,641,270	31,928,973
Other business income	1,919,313	969,199
	<b>284,107,188</b>	<b>237,560,750</b>

Consultancy fees are sourced from providing technical assistance, research, professional education, and training from externally funded projects, most of which were completed and closed during the year.

Rental income is recognized when earned based on the terms of the lease/rent contracts.

Income from hostels/dormitories account represents income from accommodation, use of cottages, and other facilities.

Interest income account pertains to earnings from investments and bank deposits/financial assets of DAP.



## 25. PERSONNEL SERVICES

This account consists the following:

	2024	2023 (As Restated)
Salaries and wages	197,072,901	197,084,000
Other compensation	77,889,578	80,937,964
Personnel benefit contribution	29,819,172	28,029,276
Other personnel benefits	34,272,947	37,579,573
	<b>339,054,598</b>	<b>343,630,813</b>

### 25.1 Salaries and Wages

	2024	2023 (As Restated)
Salaries and wages - regular	197,072,901	197,084,000
	<b>197,072,901</b>	<b>197,084,000</b>

### 25.2 Other Compensation

	2024	2023 (As Restated)
Personnel economic relief allowance	9,375,182	9,313,387
Representation allowance	5,259,875	4,542,625
Transportation allowance	4,328,563	3,824,625
Clothing/uniform allowance	2,751,000	2,232,000
Longevity pay	315,000	290,000
Overtime and night pay	2,277,325	1,494,449
Year-end bonus	16,704,949	17,091,146
Mid-year bonus	16,219,593	15,708,471
Cash gift	1,966,000	2,011,000
Other bonuses and allowances	18,692,091	24,430,261
	<b>77,889,578</b>	<b>80,937,964</b>

### 25.3 Personnel Benefit Contributions

	2024	2023
Retirement and life insurance premiums	23,631,133	23,413,827
Pag-ibig contributions	895,400	465,218
PhilHealth contributions	4,823,639	3,684,314
Employees compensation insurance premiums	469,000	465,917
	<b>29,819,172</b>	<b>28,029,276</b>

### 25.4 Other Personnel Benefits

	2024	2023 (As Restated)
Terminal leave benefits	20,272,350	23,808,594
Other personnel benefits	14,000,597	13,770,979
	<b>34,272,947</b>	<b>37,579,573</b>

## 26. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists the following:

	2024	2023 (As Restated)
Traveling expenses	35,791,061	27,704,791
Training and scholarship expenses	3,049,746	3,022,531
Supplies and materials expenses	72,059,033	60,059,765
Utility expenses	19,383,251	16,459,537
Communication expenses	10,039,324	10,625,965
Confidential, intelligence, and extraordinary expenses	239,639	207,466
Professional services	172,336,850	153,836,250
General services	29,514,482	28,207,669
Repairs and maintenance	11,180,423	11,752,746
Taxes, insurance premiums, and other fees	6,975,208	6,356,069
Labor and wages	31,250	500
Other maintenance and operating expenses	120,264,179	107,251,173
	<b>480,864,446</b>	<b>425,484,462</b>

The significant increase in the Maintenance and other operating expenses is due to continuously being at its height of operational activities, in particular the utilization of resources on project implementation in the post-pandemic period.

### 26.1 Travelling Expenses

	2024	2023 (As Restated)
Travelling expenses – local	9,407,908	10,443,146
Travelling expenses – foreign	26,383,153	17,261,645
	<b>35,791,061</b>	<b>27,704,791</b>

### 26.2 Training and Scholarship Expenses

	2024	2023
Training expenses	3,032,746	2,576,661
Scholarship grants/expenses	17,000	445,870
	<b>3,049,746</b>	<b>3,022,531</b>

### 26.3 Supplies and Materials Expenses

	2024	2023 (As Restated)
Office supplies expenses	17,488,350	13,058,264
Food supplies expenses	35,047,418	28,762,933
Drugs and medicines expenses	677,219	106,588
Medical, dental and laboratory supplies expenses	63,573	144,307
Fuel, oil and lubricants expenses	4,178,632	4,486,381
Textbooks and instructional materials expenses	36,682	71,898
Semi-expendable machinery and equipment expenses	-	105,974
Semi-expendable furniture, fixtures and books expenses	28,743	7,321

	<b>2024</b>	<b>2023 (As Restated)</b>
Semi-expendable - office equipment	2,502,536	3,267,292
Semi-expendable - information and communication technology equipment	3,236,892	2,774,114
Semi-expendable - medical equipment	7,821	26,786
Semi-expendable - other machinery and equipment	152,232	515,686
Semi-expendable - furniture and fixtures	840,793	1,190,127
Semi-expendable – books	419,848	92,889
Semi-expendable - electrical equipment	15,268	57,844
Semi-expendable - kitchen equipment	325,745	135,697
Semi-expendable - sports equipment	178,214	45,161
Other supplies and materials expenses	6,859,067	5,210,503
	<b>72,059,033</b>	<b>60,059,765</b>

#### **26.4 Utility Expenses**

	<b>2024</b>	<b>2023</b>
Water expenses	957,858	820,585
Electricity expenses	17,190,649	14,671,321
Other utility expenses	1,234,744	967,631
	<b>19,383,251</b>	<b>16,459,537</b>

#### **26.5 Communication Expenses**

	<b>2024</b>	<b>2023 (As Restated)</b>
Postage and courier services	386,839	353,594
Telephone expenses	5,576,758	5,368,505
Internet subscription expenses	4,075,727	4,721,509
Cable, satellite, telegraph and radio expenses	-	182,357
	<b>10,039,324</b>	<b>10,625,965</b>

#### **26.6 Confidential, Intelligence and Extraordinary Expenses**

	<b>2024</b>	<b>2023 (As Restated)</b>
Extraordinary and miscellaneous expenses	239,639	207,466
	<b>239,639</b>	<b>207,466</b>

#### **26.7 Professional Services**

	<b>2024</b>	<b>2023 (As Restated)</b>
Legal services	-	-
Auditing services	5,039,530	4,748,884
Consultancy services	12,499,172	7,704,359
Other professional services	154,798,148	141,383,007
	<b>172,336,850</b>	<b>153,836,250</b>

The nature of Other professional services is the charges/costs of Non-Plantilla-Personnel and External/Outsourced resource persons contracted by DAP that cannot be categorized under the specific professional services accounts.

## 26.8 General Services

	2024	2023
Environment/sanitary services	736,908	1,787,717
Janitorial services	6,685,167	6,758,200
Security services	9,230,116	9,317,390
Other general services	12,862,291	10,344,362
	<b>29,514,482</b>	<b>28,207,669</b>

## 26.9 Repairs and Maintenance

	2024	2023 (As Restated)
Repairs and maintenance-buildings and other structures	7,564,391	7,137,056
Repairs and maintenance-machinery and equipment	1,517,955	1,244,248
Repairs and maintenance-transportation equipment	1,533,998	1,037,428
Repairs and maintenance- furniture and fixtures	400,710	484,970
Repairs and maintenance-semi-expendable machinery and equipment	120,900	47,143
Repairs and maintenance-semi-expendable furniture, fixtures and books	42,469	52,963
Repairs and maintenance-other PPE	-	1,748,938
	<b>11,180,423</b>	<b>11,752,746</b>

## 26.10 Taxes, Insurance Premiums and Other Fees

	2024	2023
Taxes, duties and licenses	4,484,204	3,955,245
Fidelity bond premiums	15,713	119,540
Insurance expenses	2,475,291	2,281,284
	<b>6,975,208</b>	<b>6,356,069</b>

## 26.11 Labor and Wages

	2024	2023 (As Restated)
Labor and wages	31,250	500
	<b>31,250</b>	<b>500</b>

## 26.12 Other Maintenance and Operating Expenses

	2024	2023 (As Restated)
Advertising, promotional and marketing expenses	13,059	43,624
Printing and publication expenses	3,416,055	801,905
Representation expenses	35,736,706	31,474,889
Transportation and delivery expenses	268,646	321,820
Rent/lease expenses	4,779,978	3,329,754

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Membership dues and contributions to organizations	195,206	48,884
Subscription expenses	9,093,031	5,425,507
Documentary stamps expenses	14,835	38,583
Other maintenance and operating expenses	66,746,663	65,766,207
	<b>120,264,179</b>	<b>107,251,173</b>

## 27. FINANCIAL EXPENSES

This account consists the following:

	<b>2024</b>	<b>2023</b>
Bank charges	110,746	51,167
Other financial charges	3,444	1,000
	<b>114,190</b>	<b>52,167</b>

## 28. NON-CASH EXPENSES

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Depreciation-buildings and other structures	8,604,647	5,751,222
Depreciation-machinery and equipment	12,241,963	10,437,709
Depreciation-transportation equipment	845,015	1,093,604
Depreciation-furniture, fixtures and books	110,718	86,164
Amortization-intangible assets-computer software	180,423	222,016
Impairment loss-loans and receivables	1,270,546	773,353
Impairment loss-PPE	565,537	99,697
	<b>23,818,849</b>	<b>18,463,765</b>

## 29. NON-OPERATING INCOME, GAIN OR LOSSES

### 29.1 Non-Operating Income/Gain

	<b>2024</b>	<b>2023</b> <b>(As Restated)</b>
Gain on foreign exchange (forex)	2,027,961	2,493,835
Gain on sale of PPE	-	117,537
	<b>2,027,961</b>	<b>2,611,372</b>

### 29.2 Non-Operating Losses

	<b>2024</b>	<b>2023</b>
Loss on foreign exchange (forex)	1,740,554	2,450,502
	<b>1,740,554</b>	<b>2,450,502</b>

### 30. SUBSIDY FROM THE NATIONAL GOVERNMENT

The following are the subsidy income accounts:

	2024	2023 (As Restated)
Assistance and subsidy - national gov't. –		
GAA support to operations - Pasig	706,353,000	677,765,361
Assistance and subsidy - GAA rehab & repair - DAPCC	-	134,053,351
	<b>706,353,000</b>	<b>811,818,712</b>

The bulk of the GAA subsidy received for the mandated programs are for Public Management and Development Program – National Government Career Executive Service Development Program; Education and Training Capability Building Seminars; and Research Programs for the Graduate School of Public and Development Management.

Before CY 2023, the subsidies received from the National Government for mandated programs and locally funded projects are credited to Other unearned revenue instead of the Subsidy income. The recognition of income on mandated programs shall take place when the cost of activities has been incurred and the corresponding/contracted output has been delivered and accepted by clients, while the recognition of income on the locally funded projects/infrastructure is recognized when the construction is completed and accepted by DAP building construction technical group.

Starting CY 2023, DAP has changed its accounting method of recognizing income from Assistance and Subsidy from the National Government, in compliance with COA recommendation under Audit Observation No. 1 of CY 2022 Annual Audit Report and Government Accounting Manual. The Subsidy received for mandated programs and locally funded projects is recognized as Income – assistance and subsidy at the time of receipt.

	2024	2023 (As Restated)
<b>Education and Training Program</b>	<b>337,909,000</b>	<b>394,054,530</b>
• Public Management and Development Program - National Government Career Executive Service Development Program	139,629,000	217,099,542
• Support for the Programs and Projects of the Productivity Development Center	22,660,000	23,635,425
• Education and Training Capability Building Seminar	129,620,000	81,704,752
• Support for the Academic Programs of the Graduate School of Public and Development Management	14,000,000	15,500,000
• Adaptive Governance & Innovative for Local Executives Program	25,000,000	41,114,811
• Massive Open Online Courses on Data Science and Analytics	2,000,000	10,000,000
• Foresight and Anticipatory Governance	5,000,000	-
• Capability Development Program on Environmental Governance and Management	-	5,000,000
<b>Education And Training Services – Locally Funded Projects</b>	<b>150,250,000</b>	<b>134,053,351</b>
• Repairs and Maintenance of Villa Type Cottages in Tagaytay City	-	2,126,513

	2024	2023 (As Restated)
• DAP Idea Generation Hub	15,000,000	32,294,838
• Construction of New Training Building in Tagaytay City	135,250,000	99,632,000
<b>Research and Technical Assistance on Public Sector Productivity Program</b>	<b>218,194,000</b>	<b>283,710,831</b>
• Harmonization of National Government Performance Monitoring Information and Reporting System-Results Based Performance Management System	28,895,000	28,553,000
• Center of Excellence on Public Sector Productivity	39,471,000	51,485,125
• Modernizing Government Regulations for National Competitiveness and Productivity	31,957,000	36,895,000
• Government quality management program	72,226,000	91,036,823
• Research Programs of the Graduate School of Public and Development Management	7,648,000	4,423,000
• Research on the Sustainable Development Goals and Futures Thinking	29,997,000	41,412,000
• Foresight and Anticipatory Governance	-	11,705,883
• Center of Excellence for Data Science and Analytics	5,000,000	7,000,000
• Smart and Creative Communities Program	3,000,000	11,200,000
<b>TOTAL</b>	<b>706,353,000</b>	<b>811,818,712</b>

### 31. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

	2024	2023 (As restated)
Surplus/(deficit) for the period	146,895,512	261,909,125
Add/(less) non-cash items:		
Depreciation expense	21,802,343	17,368,699
Amortization - intangible asset	180,423	222,016
Impairment loss on receivables	1,270,546	773,353
Impairment loss on property, plant and equipment	565,537	99,697
(Gain) loss on sale of property plant and equipment	-	(117,537)
Unrealized (gain) on foreign exchange changes	(2,027,961)	(2,493,835)
Unrealized loss on foreign exchange changes	1,740,554	2,450,502
<b>Sub-total</b>	<b>170,426,954</b>	<b>280,212,020</b>
<i>Add/(less) movements in statement of financial position items:</i>		
(Increase) decrease in gross receivables	(4,925,072)	(35,458,982)
(Increase) decrease in inventories	853,243	(1,607,583)
(Increase) decrease in other current assets	(7,314,294)	(6,452,301)
(Increase) decrease in deferred tax assets	(3,645,794)	138,131
Increase (decrease) in financial liabilities	(3,109,877)	(9,046,312)
Increase (decrease) in inter-agency payables	(8,999,497)	(40,214,536)
Increase (decrease) in trust liabilities	(594,171)	(3,327,026)
Increase (decrease) in deferred credits	710,247	5,540,902
Increase (decrease) in unearned revenue	5,887,301	(202,706,148)
Increase (decrease) in provision for leave credits	(879,597)	2,549,280
Increase (decrease) in other payables	9,030,760	11,447,046

	2024	2023 (As restated)
Non-cash items	-	1,445,139
Other transactions in accumulated surplus	(33,369,488)	(14,550,498)
<b>Net Cash Provided by/ (Used in) Operating Activities - (Per SCF)</b>	<b>124,070,715</b>	<b>(12,030,868)</b>

## 32. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

### 32.1 Key Management Personnel

The members of the Governing Board, being in ex-officio capacity, do not receive any compensation from DAP. The Principal Officers received compensation through salary, other compensation, personnel benefit contributions, and other personnel benefits.

### 32.2 Key Management Personnel Compensation

The members of the Governing Board, being in ex-officio capacity, do not receive any compensation from DAP. The Principal Officers received compensation through salary, other compensation, personnel benefit contributions and other personnel benefits.

## 33. BUDGET INFORMATION IN FINANCIAL STATEMENTS

The original budget reflected in the SCBAA for December 31, 2024, is the proposed Corporate Operating Budget (COB) for the year 2024 and was submitted to the DBM for review/evaluation while the final budget is the amount as approved by the DBM on April 15, 2024. The 2024 COB of DAP resulted from the management's assessment of (1) its various programs, projects, and activities in pursuance of its mandate, (2) the projected revenues and other sources of income to finance and support its operations, and (3) the actual expenses for previous years. The forecasting methods such as the arithmetic mean, the geometric, and the statistical straight line were considered in preparing the COB of DAP. DAP received budgetary support from the National Government for the implementation of mandated government programs.

## 34. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

### 34.1 Revenue Regulation No. 15-2010

Revenue Regulations (RR) No. 21-002 prescribing additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying income tax returns was amended under RR No. 15-2010. The amendment that became effective on December 28, 2010, requires the inclusion in the notes to the financial statements, information on taxes, duties, and license fees paid or accrued during the year in addition to what is required under IPSASs and such other standards and/or conventions.



Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

**a. Value Added Tax (VAT)**

	<b>2024</b>	<b>2023</b>
Vatable sales/receipts of services – private	22,023,143	12,441,724
Sale to government	135,870,425	120,969,512
Total sales/receipts (total vatable gross receipts)	157,893,568	133,411,236
Multiply by tax rate	12%	12%
<b>Total Output VAT for the Year</b>	<b>18,947,228</b>	<b>16,009,348</b>
<b>Allowable input tax</b>	<b>40,869,574</b>	<b>21,207,283</b>
Input tax carried over from previous period	40,552,172	20,889,881
Input tax deferred on capital goods exceeding P1 million from previous quarter	317,402	317,402
<b>Current year's domestic purchases of:</b>	<b>21,020,611</b>	<b>16,232,809</b>
Goods other than capital goods	6,769,195	7,043,978
Services	14,251,416	9,188,831
<b>Total Available Input Tax</b>	<b>61,890,185</b>	<b>37,440,092</b>
Tax credits/payments		
Monthly VAT payments-previous months		
Creditable value-added tax withheld	5,050,015	4,209,535
<b>Total Tax Credits/Payments</b>	<b>5,050,015</b>	<b>4,209,535</b>
<b>Summary:</b>		
Total Output VAT for the year	18,947,228	16,009,348
Less: Total available input tax	61,890,185	37,440,092
Total tax credits	5,050,015	4,209,535
Monthly VAT payments – 1st quarter		-
Prior quarter credit forwarded – 1st quarter	(9,505,130)	(5,032,241)
Prior quarter credit forwarded – 2nd quarter	(10,046,510)	(5,138,262)
Prior quarter credit forwarded – 3rd quarter	(11,758,842)	(6,228,086)
<b>Total Amount Payable (Tax Credit) for the Year</b>	<b>(16,682,490)</b>	<b>(9,241,690)</b>

**b. Excise Tax**

There are no transactions subject to excise taxes for the years ended December 31, 2024, and 2023.

**c. Other Taxes, Local and National**

This account consists of taxes and licenses paid for the years ended December 31, 2024, and 2023, as follows:

	<b>2024</b>	<b>2023</b>
Under taxes, insurance premiums and other fees:		
20 percent final tax on interest income on investments and bank deposits	10,660,317	3,991,121

	<b>2024</b>	<b>2023</b>
Insurance premium on PPE	2,178,797	2,281,283
Taxes on property/duties	42,118	38,583
Premiums on bonds/fidelity bond premiums	15,712	119,540
Business permits, licenses, and other fees	223,403	3,955,245
	<b>13,120,347</b>	<b>10,385,772</b>

**d. Withholding Taxes**

The DAP's withholding taxes for the years ended December 31, 2024 and 2023 are as follows:

**d.1 Income Taxes Withheld on Compensation**

	<b>2024</b>	<b>2023</b>
Total withholding tax for the year	17,071,603	17,094,090
Less: Payments from January to November	15,282,492	16,455,217
<b>Withholding Tax Still Due and Payable</b>	<b>1,789,111</b>	<b>638,873</b>

**d.2 Creditable Income Taxes Withheld (Expanded)**

	<b>2024</b>	<b>2023</b>
Total withholding tax for the year	12,398,203	14,824,145
Less: Payments from January to November	9,726,193	12,134,124
<b>Withholding Tax Still Due and Payable</b>	<b>2,672,010</b>	<b>2,690,021</b>

**d.3 Value-Added Tax and Other Percentage Taxes Withheld (GMP)**

	<b>2024</b>	<b>2023</b>
Total withholding tax for the year	12,789,914	9,028,514
Less: Payments from January to November	10,072,164	8,053,217
<b>Withholding Tax Still Due and Payable</b>	<b>2,717,750</b>	<b>975,297</b>

**d.4 Final Tax Withheld (Non-Resident Alien/Consultant)**

	<b>2024</b>	<b>2023</b>
Total withholding tax for the year	157,589	127,226
Less: Payments from January to November	157,589	127,226
<b>Withholding Tax Still Due and Payable</b>	<b>-</b>	<b>-</b>