DEVELOPMENT ACADEMY OF THE PHILIPPINES
NOTES TO 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 16, 2026 as shown in the Statement of Management's Responsibility for Financial Statements signed by the Acting President and Chief Executive Officer Leocadio S. Sebastian, PhD, CESO I, Senior Vice President, Services Lawrence V. Madriaga, PhD, and the incumbent Chairman of the Board, Department of Economy, Planning and Development Secretary 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) 2025 marks the DAP's 52nd 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, that is, 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:

Age	Rate (in percent)
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, 2025. 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 2025. 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 2025 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 dated August 17, 2023, as the continued filing was allowed per COA Circular No. 2025-005 dated December 18, 2025.

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. 2023-008 dated August 17, 2023. 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 15th of the month. However, if the PPE is available for use after the 15th 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	2025	2024 (As Restated)
Financial Assets			
Cash and cash equivalents	6	626,779,647	715,778,034
Investments	7	584,932,311	752,702,568
Receivables	8	206,939,258	123,060,316
		1,418,651,216	**1,591,540,918**
Financial Liabilities			
Financial liabilities	14	129,383,891	145,775,372
Inter-agency payables	15	133,067,455	135,069,208
Trust liabilities	16	16,419,096	16,433,335
		278,870,442	**297,277,915**

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, 2025:

As at December 31, 2025	**Within 1 year**	**1-5 Years**	**Over 5 years**	**Total**
Financial liabilities	88,807,175	40,576,716	-	129,383,891
Inter-agency payables	18,959,508	22,909,984	91,197,963	133,067,455
Trust liabilities	2,728,744	4,941,430	8,748,922	16,419,096
	110,495,427	**68,428,130**	**99,946,885**	**278,870,442**

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 2025.

Contractor /Address	**Project/Program/ Activity Name**	**Location**	**Date Started**	**Contract Price**	**Balance**
DCTC	One Lot Construction of a Fourteen-Storey Reinforced Concrete Building	DAP Conference Center (DAPCC), Tagaytay	August 27, 2020	**Contract Price / Obligation** Progress Billing # 1: 164,833,430 Progress Billing # 2: 40,672,838 Unbilled Works: 6,075,274 Obligation per CIAC & Court of Appeals Award to DCTC: 211,581,542 50% Arbitration Fees: 1,481,557 **Total: 213,063,099**	213,063,099
ARCE. BAILON. ARCE ARCHITECTS	One Lot Consulting Services for the Provision of Site Master Planning and Complete Detailed Architectural/ Engineering, Landscape and Interior Design Services for the Proposed DAPCC Facilities Expansion in Tagaytay City	DAPCC, Tagaytay	August 7, 2020	32,400,000	4,617,000

Contractor /Address	Project/Program/ Activity Name	Location	Date Started	Contract Price	Balance
A.C. ONG CONSULTING INC. (ACOCI)	One (1) Lot Consulting Services for the provision of Construction Management Services for the Pre-Construction, Construction and Post-Construction Works including Site Development for DAPCC's New Training Building in Tagaytay City for Purposes of "Strengthening the Capacity of DAP to provide both General and Highly Specialized Training Courses for Government Officials	DAPCC, Tagaytay	March 21, 2017	24,999,996	18,706,406
SBD Builders	One (1) Lot Construction of IGH Phase 2: Exterior Café and the Covered Walkway from Interior 1 to Interior 2 to include Detailed Design, Fabrication, and Installation of Design Fit-outs, Furnishings, and Fixtures	DAP Pasig	February 2, 2024	8,395,866	2,938,553
A.M.N. ADDATU AND ASSOCIATES	One Lot Supply of Consulting Services for Detailed Architectural and Engineering Design of Renovations for Cottages 7 and 8 at the DAPCC, Tagaytay	DAPCC, Tagaytay	January 15, 2025	950,000	807,500
AVOLUTION, INC.	One Lot Supply, Installation and Commissioning of Integrated Audio-Visual Equipment and Information and Communication Technology Systems Inclusive of All Accessories for the IGH Ph3 Facilities such as Multi-Media Room, Learning Room, Private Nooks, Café Lounge, and Garden Decks	DAP Pasig	December 06, 2024	18,700,000	18,700,000
GENERATOR ENGINE REPAIR AND MAINTENANCE SERVICES GAT	One lot repair and improvement of Villa Type Cottage at DAPCC Tagaytay	DAPCC, Tagaytay	December 23, 2025	1,343,160	1,343,160
Total of Obligation to Contractors based on signed/ongoing contracts/court decision					**260,175,718**

DCTC filed a Money Claim before the COA in the total amount of P213.063 million, anchored on the Final Award dated September 19, 2022 rendered by the Construction Industry Arbitration Commission (CIAC), which was declared final and executory and subsequently confirmed through CIAC's Order dated February 27, 2023, in the case entitled DCTC v. DAP, docketed as CIAC Case No. 49-2021.

Following the dismissal by the Court of Appeals (CA) of the pleadings filed by DAP, the Office of the Government Corporate Counsel (OGCC), on behalf of DAP, filed on September 26, 2024 a Petition for Review on Certiorari, with an Application for a Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction, before the Supreme Court (SC).

The Petition filed by OGCC prays for the reversal of the CA's Decision dated March 13, 2024 and its Resolution dated July 23, 2024, and for the setting aside of the CIAC Final Award dated September 19, 2022 and the CIAC Order dated October 14, 2022.

In the interim, OGCC, on behalf of DAP, filed the appropriate motions before COA, and the Money Claim filed by DCTC remains pending resolution. The OGCC lawyer-in-charge was likewise advised to await the outcome of the proceedings.

As of date, both the Petition for Review on Certiorari and the Application for TRO and/or Writ of Preliminary Injunction filed before the SC remain pending resolution.

On December 20, 2019, the DAP and DCTC entered into a contract for the One-Lot Construction of a fourteen (14)-storey Reinforced Concrete Building, consisting of a four (4)-storey multi-use podium, a ten (10)-storey accommodation tower with roof deck, and basement parking and utility facilities, including site development and other related site improvements, located at the DAPCC in Tagaytay City. The approved contract cost amounted to P821.073 million.

Construction works subsequently commenced. However, delays attributable to DCTC were incurred during project implementation. These delays significantly contributed to the denial of the requested Variation Orders (VOs) submitted by DCTC through ACOCI, the Construction Management Consultant engaged by DAP.

On December 9, 2021, the DAP received a letter from the CIAC dated December 6, 2021, requiring DAP to file its Answer to the Complaint lodged by DCTC.

Arbitration proceedings thereafter ensued. On May 27, 2022, DAP issued a Notice of Termination to DCTC, followed by an Order of Termination dated June 10, 2022, terminating the construction contract wholly due to the default of DCTC.

On September 19, 2022, CIAC rendered its Final Award, the dispositive portions of which are summarized as follows:

a. The Tribunal ruled that the construction contract is a lump-sum contract, and not a unit price contract;

b. The Tribunal denied the claims for VO Nos. 3, 4, 5, 8, 16, and 17;

c. Notwithstanding the foregoing, the Tribunal declared DAP liable for a total monetary award of P211.582 million, representing DCTC's claims for Progress Billings (PB) Nos. 1 and 2, unbilled works, and the 15 percent advance payment in the amount of P123.161 million previously released by DAP; and

d. The Tribunal ordered that the arbitration costs be equally shared by the parties, notwithstanding the parties' agreement under the Amended Terms of Reference dated March 30, 2022.

In its Order dated December 12, 2022, the CIAC directed the DAP to surrender, or allow DCTC to pull out, all equipment, machinery, and materials owned by DCTC, as well as those owned by third parties.

On December 19, 2022, DAP filed a Petition for Certiorari before the CA, seeking the reversal and setting aside of the CIAC Final Award dated September 19, 2022 and the CIAC Order dated October 14, 2022. Subsequently, on February 27, 2023, CIAC granted DCTC's Motion for Execution and Enforcement dated February 21, 2023, and ordered DAP to:

a. Pay the full monetary award in the amount of P211.581 million, and to assist DCTC in expediting the approval of its claim for payment with the COA; and

b. Fully cooperate in the prompt and orderly pull-out by DCTC of all remaining materials, equipment, and items owned by DCTC and by third parties.

Aggrieved by the foregoing, on March 10, 2023, DAP filed with the CA a Very Urgent Application for the Issuance of a Status Quo Ante Order and/or Writ of Preliminary Injunction. On June 26, 2023, DAP received an Order from the COA informing the Academy that DCTC had filed a claim based on the CIAC Final Award dated September 19, 2022 and the CIAC Order dated October 14, 2022 and directing DAP to submit its corresponding answer.

On March 13, 2024, the CA denied the Petition for Certiorari filed by DAP under Rule 65 of the Rules of Court and directed DAP to pay DCTC the amount of P211.582 million corresponding to the awarded PBs. The Court likewise denied DAP's Motion for Correction of the Final Award. Thereafter, on July 23, 2024, the CA also denied DAP's Motion for Reconsideration with Motion for Leave of Court to Admit Additional Documentary Exhibits.

At present, DAP is pursuing an appeal before the SC, primarily asserting that the amount of P123.161 million, representing the 15 percent mobilization fee (15 percent of the contract price of P821.073 million) paid to DCTC on September 17, 2021 under Official Receipt No. 6500, should be deducted from the total monetary award of P211.582 million granted in favor of DCTC by CIAC. DAP further maintains that, based on ACOCI's final assessment of PB Nos. 1 and 2 covering the period from February 24, 2022 to May 6, 2022, DCTC had accomplished only 17.63 percent of the contract work, equivalent to P144.755 million, which is significantly lower than the total monetary award adjudged by CIAC.

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:

	2025	2024 (As Restated)
Cash on hand	734,097	1,008,505
Cash in bank - local currency	619,890,031	705,500,871
Cash in bank - foreign currency	6,155,519	9,268,658
Total Cash and cash equivalents	**626,779,647**	**715,778,034**

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 2026.

6.2. Cash in Bank

	2025	2024
Savings account	601,135,609	675,831,766
Current account	18,754,422	29,669,105
Dollar account	6,155,519	9,268,658
	626,045,550	**714,769,529**

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

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Investment in time deposits	-	364,925,311	364,925,311	423,948,977	98,819,246	522,768,223
Financial assets-held to maturity		220,007,000	220,007,000	-	229,934,345	229,934,345
	-	**584,932,311**	**584,932,311**	**423,948,977**	**328,753,591**	**752,702,568**

The bulk of cash and investments is earmarked to cover existing obligations and committed funds, specifically:

a. Accounts payable amounting to P84.879 million and Due to officers and employees of P44.505 million;
b. Inter-agency payables (e.g., Bureau of Internal Revenue (BIR), GSIS, Home Development Mutual Fund (Pag-IBIG), and other national government

agencies) totaling P133.067 million;

c. Deferred credits and Other liabilities amounting to P105.878 million;
d. Employees' leave credits of P97.500 million;
e. Customers'/guaranty deposits and trust liabilities, amounting to P16.419 million;
f. Funds allocated for building contractors with signed and ongoing contracts or covered by court order totaling P260.176 million, for which progress billings had not yet been received as at year-end; and
g. The Endowment fund amounting to P135 million, which is required to remain unimpaired, consists of P20 million received from the Office of the President and P115 million granted by the National Government in tranches, as discussed in the succeeding paragraphs.

The Financial assets – held to maturity investment represents long-term Investments in government retail treasury bonds, with coupon rates ranging from 3.5 percent to 6.25 percent and maturities from CY 2025 to CY 2029, broken down as follows:

	2025	2024
Investment in Government Securities, e.g. Treasury Bills/Bonds/Notes:		
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
LBP BTr GS – RTB 05-18	100,000,000	100,000,000
	220,000,000	230,000,000
Less: Discount on Investments in bonds-local	-	(72,655)
	220,000,000	**229,927,345**
Investment in Private Institutions (e.g. Corporate Securities, Unit Investment Trust Funds):		
Issue value of stock subscriptions with the Philippine Long Distance Telephone Company	7,000	7,000
	220,007,000	**229,934,345**

The above amount represents endowment funds received in tranches over the years. To maximize returns while ensuring capital preservation, these funds were invested in long-term government securities.

The details of the placements are as follows:

On September 20, 2016, the Academy approved the placement of endowment funds in government securities through the acquisition of a ten (10)-year Retail Treasury Bond (RTB 10-5) issued by the LBP, with a face value of P115 million, bearing a coupon rate of 3.5 percent, and maturing on September 20, 2026. On the same date, the Academy likewise approved an additional placement in another ten (10)-year RTB 10-5 issued by LBP with a face value of P5 million, bearing the same coupon rate and maturity date.

On September 26, 2019, the Academy approved another placement of endowment funds in government securities through a five (5)-year Fixed Term Treasury Note (FTTN 10-60) issued by LBP, with a face value of P10 million and a coupon rate of 3.625 percent, which matured on September 9, 2025. Upon maturity, total proceeds amounting to P10.145 million, inclusive of the final three-month interest, was credited to LBP Savings Account No. 0671-0740-68.

The long-term investment of P100 million recognized in CY 2024 represents endowment funds attributed to Gloria M. Arroyo and Corazon C. Aquino, which were invested in government securities through a five-year RTB 05-18 issued by LBP. On February 28, 2024, the Academy approved the placement of P20 million and P80 million, respectively, both bearing a coupon rate of 6.25 percent and maturing on February 28, 2029.

In summary, out of the total P220 million financial assets – held to maturity, an amount of P135 million is required to remain unimpaired, representing endowment funds of P20 million received from the Office of the President and P115 million granted by the National Government in tranches. The remaining P85 million is earmarked for the accumulated leave credits of DAP employees.

The 30 percent (P167.770 million) decrease in Investments during the year was mainly attributable to the maturity of a P10 million long-term Retail Treasury Bond and the drawdown of P157.770 million in special deposit placements. The proceeds were utilized partly to fund the implementation of General Appropriations Act (GAA)-mandated projects while awaiting the release of the corresponding subsidy, and partly to support the Academy's operations for CY 2025.

This drawdown was primarily driven by the 38 percent reduction in GAA subsidy compared with the previous year. However, the full financial impact was substantially mitigated by a 13 percent increase in self-generated revenues and a 13 percent savings in total operating expenses, particularly from reductions in Personnel Services (PS) and Maintenance and Other Operating Expenses (MOOE).

8. RECEIVABLES

This account is broken down as follows:

	2025	2024 (As Restated)
Accounts receivable - net	107,252,059	113,850,096
Inter-agency receivables	8,190,000	8,190,000
Interest receivable	533,000	619,810
Other receivables	90,964,199	400,410
	206,939,258	**123,060,316**

	2025			2024 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Accounts receivable	87,227,050	20,025,009	107,252,059	92,584,808	21,265,288	113,850,096
Inter-agency receivables	8,190,000	-	8,190,000	8,190,000	-	8,190,000
Interest receivable	533,000	-	533,000	619,810	-	619,810
Other receivables	90,724,041	240,158	90,964,199	219,791	180,619	400,410
	186,674,091	**20,265,167**	**206,939,258**	**101,614,409**	**21,445,907**	**123,060,316**

8.1. Accounts Receivables

	2025			2024 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Accounts receivable	88,422,060	112,652,421	201,074,481	93,853,927	112,683,946	206,537,873
Allowance for impairment- Accounts receivable	(1,195,010)	(92,627,412)	(93,822,422)	(1,269,119)	(91,418,658)	(92,687,777)
	87,227,050	**20,025,009**	**107,252,059**	**92,584,808**	**21,265,288**	**113,850,096**

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

a. 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;
b. Fines and penalties on unpaid/late rental fees to its tenants;
c. Rent/lease income from conference facilities in DAP – Pasig;
d. Income from conference centers, hostels, dormitories, cafeterias, and others from facilities of DAPCC-Tagaytay; and
e. 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

	2025	2024
Due from national government agencies (NGAs)	8,190,000	8,190,000
	8,190,000	**8,190,000**

8.3. Interest Receivable

	2025	2024 (As Restated)
Interest receivable	533,000	619,810
	533,000	**619,810**

8.4. Other Receivables - net

	2025			2024 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Due from officers and employees	746,406	268,253	1,014,659	182,931	186,510	369,441
Other receivable – accountable/ resigned employees	-	318,910	318,910	36,860	282,050	318,910
Other receivable – projects	90,000,000	-	90,000,000	-	-	-
Allowance for impairment (Due from employees/resigned	(22,365)	(347,005)	(369,370)	-	(287,941)	(287,941)
	90,724,041	**240,158**	**90,964,199**	**219,791**	**180,619**	**400,410**

9. INVENTORIES

	2025	2024 (As Restated)
Inventory held for consumption:		
Carrying amount, January 1	3,523,830	4,386,232
Additional/acquisitions during the year	59,138,823	58,609,732
Expensed during the year except write-down	(56,910,938)	(59,472,135)
Carrying amount, December 31	**5,751,715**	**3,523,829**

Regular purchases of office supplies for stock are recorded under the Inventory account and issuances thereof are recorded based on the approved Requisition Issue Slip.

10. PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2025

	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 2025 (as restated)	54,383,305	5,923,246	1,133,065	261,740,469	2,080,243	2,663,348	327,923,676
Additions/acquisitions	18,437,022	8,341,781	540,883	1,942,570	-	4,915,362	34,177,618
Total	**72,820,327**	**14,265,027**	**1,673,948**	**263,683,039**	**2,080,243**	**7,578,710**	**362,101,294**
Disposals	(4,203,070)	-	-	-	-	-	(4,203,070)
Reclassified to other asset account	-	-	-	(2,585,212)	-	-	(2,585,212)
Depreciation (as per Statement of Financial Performance)	(15,041,068)	(1,213,486)	(154,847)	(10,849,600)	-	(335,635)	(27,594,636)
Impairment (as per Statement of Financial Performance)	(659,679)	-	-	-	-	-	(659,679)
Adjustment-accumulated depreciation	4,125,580	-	(59,374)	-	-	-	4,066,206
Carrying Amount, December 31, 2025 (as per Statement of Financial Position)	**57,042,090**	**13,051,541**	**1,459,727**	**250,248,227**	**2,080,243**	**7,243,075**	**331,124,903**
Gross value at cost (as per Statement of Financial Position)	115,307,794	41,463,065	2,379,313	417,811,051	2,080,243	8,448,357	587,489,823
Less: Accumulated depreciation and impairment	(58,265,704)	(28,411,524)	(919,586)	(167,562,824)	-	(1,205,282)	(256,364,920)
Carrying Amount, December 31, 2025 (as per Statement of Financial Position)	**57,042,090**	**13,051,541**	**1,459,727**	**250,248,227**	**2,080,243**	**7,243,075**	**331,124,903**

As at December 31, 2024 (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 2024 (per Statement of Financial Position)	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
Total	**66,413,077**	**6,613,485**	**1,200,969**	**235,139,327**	**2,110,920**	**3,532,995**	**315,010,773**
Depreciation (as per Statement of Financial Performance)	(12,168,431)	(845,015)	(103,533)	(8,657,290)	-		(21,774,269)
Impairment (as per Statement of Financial Performance)	(734,413)	-	-	-	-	-	(734,413)
Adjustment-cost	(183,615)	-	-	-	(30,677)	-	(214,292)
Adjustment-accumulated depreciation	1,056,687	154,776	35,629	35,258,432	-	(869,647)	35,635,877
Carrying Amount, December 31, 2024 (As per Statement of Financial Position)	**54,383,305**	**5,923,246**	**1,133,065**	**261,740,469**	**2,080,243**	**2,663,348**	**327,923,676**
Gross value at cost (as per Statement of Financial Position)	101,231,333	33,121,283	1,897,804	418,453,694	2,080,243	3,532,995	560,317,352
Less: Accumulated depreciation and impairment	(46,848,028)	(27,198,037)	(764,739)	(156,713,225)	-	(869,647)	(232,393,676)
Carrying Amount, December 31, 2024 (As Restated)	**54,383,305**	**5,923,246**	**1,133,065**	**261,740,469**	**2,080,243**	**2,663,348**	**327,923,676**

10.1 Works of Arts and Archeological Specimens

Artpiece Title	Artist	Material Type	Size (L W H)	Book Value
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
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	Hernando R. Ocampo	Oil	52" x 52"	27,122
Diaphanous II	Romulo Olazo	Oil	60" x 36"	6,000
Magkakandila	Angelito Antonio	Oil	52" x 52"	400
Tres Marias	Emilio Aguilar Cruz	Oil	23" x 35"	3,000
Window	Ibarra Dela Rosa	Oil	30 1/4"x27"	400
Abstract Cityscape	A. Gamutan	Oil	30" x 23.5"	400
City Scene	Hugo Yonzon Jr.	Oil	40" x 60"	6,000
Birds	R. Valencia	Oil	48" x 48"	6,500
Kapistahan	Cesar T. Legaspi	Oil	52 3/4" x 132 1/2"	791,342
Cross	Heraclio Basilio	N/A	26" x 24"	450
Abstraction with a Bottle-like Motif	Jess M.	Oil	24" x 30"	500
Eternal Opening	Edgar Taluzan Fernandez	Acrylic	24" x 24"	500
Children Planting Seedlings	J. M. A.	Oil	27 1/2" x 30"	500
Red Ashes	J.W. Bautista	Oil	24" x 24"	500
DAP Logo	J.W. Bautista	Oil	29" x 28"	500
Grid of Streets	Jose Maria Cabangis	Oil	24" x 24"	300
Twig with Leaves	N/A	Acrylic	24" x 24"	300
View of Taal Volcano	R. P. Alincastre	Oil	20" x 26 1/4"	300

Artpiece Title	Artist	Material Type	Size (L W H)	Book Value
Reincarnation	San Diego	Oil	23 1/2" x 30 3/4"	350
Still Life with Fish on a Table	Ang Kiukok	Oil	48" x 48"	141,733
Banawe Mist	Jose T. Joya	Oil	35" x 145"	18,000
Diaphanous I	Romulo Olazo	Oil	60" x 36"	6,000
Still Life with Banana on a Table	Ang Kiukok	Oil	48" x 47 5/8"	136,064
Doves, Leaves , Sky	R. Canlas	Oil	24" x 30"	500
Stiches/Patches	R. Canlas	Oil	24" x 28"	350
Trees & Moon	N/A	Oil	30" x 30"	500
Cylindrical Separation	Raul Isidro	Oil	67" x 56"	5,000
2 Balls-red/white	Gabriel	Oil	30" x 26"	2,500
Cuadro IV	Prudencio Lamarroza	Multi-media (Paint, metal, wood)	48" x 47 5/8	3,000
Harvest Time	N/A	Oil	24" x 18"	400
Chinatown	J. Azura	Oil	23.5" x 17.75"	400
Flower Pot with Basket	N/A (signed Ybanez)	Pastel	24" x 18"	3,000
Mother & Child	Zapanta	Oil	24" x 18"	3,000
Cow in a Field	Batalliones	Oil	29" x 28"	3,000
Fruit Vendor	Albrayant	Oil	8" x 12"	1,400
City Hall	Corpuz	Oil	9" x 11.5"	1,400
Silungan	D. Batalion	Oil	20" x 26"	3,000
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
Santacruzan	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
TOTAL ARTWORKS LOCATED AT DAPCC, TAGAYTAY		**129**		**1,941,243**
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" x17"	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
TOTAL ARTWORKS LOCATED AT DAP, PASIG		**30**		**139,000**
TOTAL BOOK VALUE				**2,080,243**

11. INTANGIBLE ASSETS

	2025	2024
Computer software	1,129,062	1,129,062
Accumulated amortization	(1,064,418)	(967,454)
Net value–computer software	64,644	161,608
Other intangible assets-research and development	10,770	1,200
	75,414	**162,808**

12. DEFERRED TAX ASSETS

	2025	2024
Deferred tax assets	17,447,404	12,948,643
	17,447,404	**12,948,643**

This account consists of the Deferred tax assets – expanded tax withheld by clients in the amount of P0.588 million and output tax withheld amounting to P1.407 million both covered by BIR 2307 issued by clients; and Deferred tax assets – prepaid income tax (prior years' credit) in the amount of P15.452 million.

13. OTHER ASSETS

13.1 Other Current Assets

This account includes the following:

	2025	2024 (As Restated)
Advances	160,665	153,531
Prepayments	41,047,539	30,793,159
Deposits	738,258	628,559
	41,946,462	**31,575,249**

Advances represent amounts granted to officers and employees. Prepayments mainly consist of VAT input tax, along with software subscriptions and other prepaid expenses. Deposits comprise performance securities posted by DAP to guarantee the completion of certain projects.

13.2 Prepayments

	2025	2024
Advances to contractors	4,026,069	3,560,556
Prepaid insurance	1,448,993	1,349,623
Creditable input tax	20,102,482	11,758,842
Input tax - fourth quarter of CY 2025	8,737,034	9,592,554
Other prepayments	6,732,961	4,531,584
	41,047,539	**30,793,159**

The Other Prepayments account includes an amount of P1.725 million, representing advances made to the Department of Budget and Management – Procurement Service (DBM-PS) for the procurement of one (1) unit Toyota Corolla Altis GR-S HEV, which remains undelivered as at December 31, 2025.

The Logistics Division of the Administrative Department received an email from the DBM-PS on January 16, 2026 regarding the request for an extension of the delivery period. The email stated that on December 29, 2025, the DBM-PS received a request from Toyota Motor Philippines for an extension of the delivery period for 180 days.

The request was approved by the Management on January 19, 2026, subject to the condition that the motor vehicle shall be delivered on or before May 2026 and shall be the first unit of the improved Toyota Corolla Altis GR-S HEV model, without additional cost to the Academy, as stipulated under Annex A of the approved request.

14. FINANCIAL LIABILITIES

	2025	2024 (As Restated)
Accounts payable	84,878,640	90,906,667
Due to officers and employees	44,505,251	54,868,705
	129,383,891	**145,775,372**

	2025			2024 (As Restated)		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Accounts payable	74,295,987	10,582,653	84,878,640	82,865,504	8,041,163	90,906,667
Due to officers and employees	14,511,188	29,994,063	44,505,251	32,185,244	22,683,461	54,868,705
	88,807,175	**40,576,716**	**129,383,891**	**115,050,748**	**30,724,624**	**145,775,372**

As at December 31, 2025, DAP reported total Accounts payable amounting to P84.878 million, representing obligations to suppliers of goods and services, external resource persons, and contractors' progress billings based on actual accomplishments duly certified by the contractors and project engineers. Notably, more than 50 percent, or P42.272 million, of the total Accounts payable pertain to goods and services procured during the last quarter of CY 2025 that were obligated but remained unpaid as at the reporting date.

The Due to officers and employees account as at December 31, 2025, includes an amount of P4.310 million representing back wages payable to Mr. Elmer A. Gariguez while an amount of P1.779 million represents his accumulated mandatory contributions and employees' benefits recorded as Other payables. Said amounts are still subject to the final computation and review of the COA.

The Academy fully acknowledges and respects the finality of the SC's decision upon receipt of the Entry of Judgment. The academy initiated the reinstatement of Mr. Elmer A. Gariguez through a Memorandum dated September 18, 2025. Mr. Elmer A. Gariguez is likewise entitled to payment of back wages. The release of payment for the back wages is subject to the administrative process under COA Circular No. 2023-005 dated July 10, 2023.

The finance department clarified that the filing of a money claim does not in any way diminish the authority, validity, or finality of the SC decision. Rather, it serves as the proper administrative mechanism to ensure compliance with existing auditing rules and regulations in the implementation of the SC decision.

15. INTER-AGENCY PAYABLES

	2025	2024 (As Restated)
Due to NGAs	115,014,570	117,832,742
Due to BIR	8,579,737	8,753,309
Due to GSIS	6,700,303	5,313,425
Due to Pag-IBIG	548,241	766,807
Due to PhilHealth	2,200,722	2,383,740
Due to SSS	23,882	19,185
	133,067,455	**135,069,208**

	2025			2024 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Due to NGAs	906,623	114,107,947	115,014,570	-	117,832,742	117,832,742
Due to BIR	8,579,737	-	8,579,737	8,706,878	46,431	8,753,309
Due to GSIS	6,700,303	-	6,700,303	5,185,447	127,978	5,313,425
Due to Pag-IBIG	548,241	-	548,241	766,807	-	766,807
Due to PhilHealth	2,200,722	-	2,200,722	2,383,740	-	2,383,740
Due to SSS	23,882	-	23,882	19,185	-	19,185
	18,959,508	**114,107,947**	**133,067,455**	**17,062,057**	**118,007,151**	**135,069,208**

Inter-agency payables consist of amounts Due to NGAs, the bulk of which pertains to the unimpaired endowment fund. Due to BIR account represents taxes withheld from employees' compensation, as well as from payments to contractors and suppliers. The remaining balances relate to mandatory contributions regularly remitted by DAP to the GSIS, Pag-IBIG, Social Security System (SSS), and the Philippine Health Insurance Corporation (PhilHealth) on or before their respective due dates.

16. TRUST LIABILITIES

	2025	2024 (As Restated)
Trust liabilities	7,814,440	6,475,872
Guaranty/security deposits payable	4,535,169	5,766,919
Customers' deposits payable	4,069,487	4,190,544
	16,419,096	**16,433,335**

	2025			2024 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Trust liabilities	1,671,502	6,142,938	7,814,440	359,500	6,116,372	6,475,872
Guaranty/security deposits payable	907,438	3,627,731	4,535,169	707,398	5,059,521	5,766,919
Customers' deposits payable	149,804	3,919,683	4,069,487	365,504	3,825,040	4,190,544
	2,728,744	**13,690,352**	**16,419,096**	**1,432,402**	**15,000,933**	**16,433,335**

Trust liabilities consist of guaranty/security deposits payable, representing retention fees withheld to guarantee the performance of building contractors in accordance with the terms of their contracts, and customers' deposits payable, which represent cash received from clients for services to be delivered by DAP.

17. DEFERRED CREDITS

	2025	2024 (As Restated)
Output tax	19,054,651	19,194,484
Deferred revenue from grants and donations	10,650,302	9,647,524
Other deferred credits	5,728,485	5,728,485
	35,433,438	**34,570,493**

17.1 Deferred Credits

	2025			2024 (As Restated)		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Output tax	147,869	18,906,782	19,054,651	4,381,137	14,813,347	19,194,484
Deferred revenue from grants and donations	1,002,778	9,647,524	10,650,302	338,888	9,308,636	9,647,524
Other deferred credits	-	5,728,485	5,728,485	-	5,728,485	5,728,485
	1,150,647	**34,282,791**	**35,433,438**	**4,720,025**	**29,850,468**	**34,570,493**

Deferred credits mainly consist of 12 percent output VAT recognized on trade receivables arising from consultancy services rendered by DAP; the use of its conference facilities, cafeteria, and lease operations; and other receivables subject to output VAT. The account likewise includes grants and donations received by DAP for specific purposes.

18. UNEARNED REVENUE/INCOME

18.1 Unearned Revenue/Income

	2025	2024 (As Restated)
Other unearned revenue/income	8,716,616	29,300,104
	8,716,616	**29,300,104**

	2025			2024 (As Restated)		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Other unearned revenue /income - contracted projects	4,082,900	4,633,716	8,716,616	25,664,358	3,635,746	29,300,104
	4,082,900	**4,633,716**	**8,716,616**	**25,664,358**	**3,635,746**	**29,300,104**

Other unearned revenue/income represents revenue that is not yet earned as at 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. The significant decrease in Unearned Revenue/Income is primarily attributable to the reclassification of various projects under the Graduate School of Public and Development Management (GSPDM) of DAP.

19. PROVISION FOR LEAVE CREDITS

	2025	2024 (As Restated)
Provision for leave credits	97,500,367	116,919,578
	97,500,367	**116,919,578**

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. The decrease in Provision for Leave Credits is due to the adjustments of the provision to approximate the total actual unutilized leave credits of employees

20. OTHER PAYABLES

	2025	2024 (As Restated)
Undistributed Collections	27,801,497	38,407,193
Service charge	23,062,956	17,030,718
DAP multi-purpose cooperative	1,221,467	422,070
LBP salary loan	6,255	116,695
Other payables	9,635,781	7,155,377
	61,727,956	**63,132,053**

	2025			2024 (As Restated)		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Undistributed collections	27,801,497	-	27,801,497	865,073	37,542,120	38,407,193
Service charge	6,032,238	17,030,718	23,062,956	7,804,647	9,226,071	17,030,718
DAP multi-purpose cooperative	1,221,467	-	1,221,467	422,070	-	422,070
LBP salary loan	6,255	-	6,255	113,395	3,300	116,695
Other payables	2,545,299	7,090,482	9,635,781	102,767	7,052,610	7,155,377
	37,606,756	**24,121,200**	**61,727,956**	**9,307,952**	**53,824,101**	**63,132,053**

Undistributed collections comprise 45 percent of Other payables, representing amounts collected that were pending for the issuance of invoices (Official Receipts) to clients as at December 31, 2025. The Other payables also include an amount of P1.779 million which was earmarked for remittance to BIR, GSIS, Pag-IBIG, PhilHealth, corresponding to the back wages of Mr. Elmer A. Gariguez, in full acknowledgment and respect of the SC's final decision.

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 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.

Institution	Contribution	Basis
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)
	47,500,000	

22. DONATED CAPITAL

This account includes donations from the National Government through the Office of the President (OP), as well as subsequent additions advocated by the late DBM Secretary Emilia T. Boncodin. The Endowment Fund was released to the DAP in tranches over several years, in accordance with the GAAs for Fiscal Years (FYs) 2005 to 2009.

The Endowment fund is required to remain unimpaired and shall be returned to the contributors or donors in the event of the dissolution of DAP. The initial donation of P20 million from the OP, together with additional contributions amounting to P115 million, were granted to DAP by the National Government.

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

	Amount
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
	160,488,578

23. ACCUMULATED SURPLUS/(DEFICIT)

		Amount
Accumulated surplus, January 1, 2024		1,043,611,117
Closing of non-moving accounts CY 2023	(924,101)	
Reclassification/adjusting entries CY 2023 in compliance with COA circular, recommendations and other adjustment/ reclassification	32,561,971	31,637,870
Accumulated surplus, January 1, 2024, as restated		**1,075,248,987**
Accumulated surplus/(deficit) for the period	146,895,512	

		Amount
Accumulated surplus/(deficit) adjustments in CY 2024	(3,658,097)	143,237,415
Accumulated surplus, December 31, 2024, as restated		**1,218,486,402**
Accumulated surplus/(deficit) for the Period		(93,726,685)
Accumulated surplus, December 31, 2025		**1,124,759,717**

Movement in Accumulated surplus (January 1, 2024 to December 31, 2025).

The Accumulated surplus increased by P81.149 million as at December 31, 2025, despite the recognition of a net loss during the current year. The increase is primarily attributable to:

- Net Income for CY 2024 amounting to P146.896 million; and

- Retroactive reversal of depreciation expense totaling P35.716 million, arising from:

    a. Adjustment of the prescribed residual value of Buildings and Structures (Pasig and Tagaytay) from 10 percent to 5 percent; and

    b. Extension of the remaining useful life of the structures based on the independent appraiser's report dated August 2023.

These adjustments resulted in a total upward impact of P182.611 million. However, this increase was partially offset by:

- Net Loss for CY 2025 of P93.727 million;

- Recognition of Director Elmer Gariguez's back wages and benefits (CYs 2021 to 2024) amounting to P4.941 million; and

- Net prior years' adjustments amounting to P2.794 million.

After considering these deductions, the net effect is an overall increase of P81.149 million in the Accumulated Surplus as at December 31, 2025.

24. SERVICE AND BUSINESS INCOME

The details of this account are presented below:

	2025	2024 (As Restated)
Consultancy fees	161,849,367	153,990,591
Income from hostels/dormitories	56,212,901	75,829,892
Interest income	45,436,047	42,622,941
Rent/lease income	7,537,195	9,591,955
Other business income	1,123,765	1,919,313
	272,159,275	**283,954,692**

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

Rental income is recognized when earned, in accordance with the terms and conditions of the respective lease or rental contracts.

Income from hostels/dormitories represents revenues from accommodation services, use of cottages, and other related facilities.

Interest income pertains to earnings from investments and bank deposits or other financial assets of the DAP.

25. PERSONNEL SERVICES

This account consists the following:

	2025	2024 (As Restated)
Salaries and wages	198,264,799	200,910,674
Other compensation	64,261,764	78,274,002
Personnel benefit contribution	29,479,851	30,019,382
Other personnel benefits	13,213,597	34,272,947
	305,220,011	**343,477,005**

25.1 Salaries and Wages

	2025	2024 (As Restated)
Salaries and wages - regular	198,264,799	200,910,674
	198,264,799	**200,910,674**

25.2 Other Compensation

	2025	2024 (As Restated)
Year-end bonus	17,067,578	17,089,373
Mid-year bonus	16,696,242	16,219,593
Personnel economic relief allowance	8,813,364	9,375,182
Representation allowance	3,096,750	5,259,875
Clothing/uniform allowance	2,590,000	2,751,000
Overtime and night pay	2,493,674	2,277,325
Transportation allowance	2,337,156	4,328,563
Cash gift	1,859,000	1,966,000
Longevity pay	305,000	315,000
Other bonuses and allowances	9,003,000	18,692,091
	64,261,764	**78,274,002**

25.3 Personnel Benefit Contributions

	2025	2024 (As Restated)
Retirement and life insurance premiums	23,494,133	23,831,343
PhilHealth contributions	4,664,150	4,823,639
Pag-IBIG contributions	880,500	895,400
Employees compensation insurance premiums	441,068	469,000
	29,479,851	**30,019,382**

25.4 Other Personnel Benefits

	2025	2024
Terminal leave benefits	-	20,272,350
Other personnel benefits	13,213,597	14,000,597
	13,213,597	**34,272,947**

26. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists the following:

	2025	2024 (As Restated)
Professional services	171,261,516	171,370,589
Supplies and materials expenses	69,875,413	72,017,352
General services	31,158,344	29,589,481
Traveling expenses	30,736,294	35,816,913
Utility expenses	19,409,232	19,303,719
Repairs and maintenance	13,637,684	11,240,976
Communication expenses	11,405,295	10,041,572
Taxes, insurance premiums, and other fees	7,773,277	6,975,208
Training and scholarship expenses	3,372,852	3,049,746
Confidential, intelligence, and extraordinary expenses	383,813	239,639
Labor and wages	406	31,250
Other maintenance and operating expenses	109,113,693	120,129,402
	468,127,819	**479,805,847**

26.1 Professional Services

	2025	2024 (As Restated)
Consultancy services	13,622,327	12,566,400
Auditing services	3,621,273	3,479,271
Legal services	670,732	-
Other professional services	153,347,184	155,324,918
	171,261,516	**171,370,589**

The Other professional services accounts represent charges and costs incurred for the engagement of Non-Plantilla Personnel under contracts of service, as well as for the hiring of professional and external technical expertise beyond the capability or capacity of the Academy, necessary for the implementation of its programs, projects, and activities.

26.2 Supplies and Materials Expenses

	2025	2024 (As Restated)
Food supplies expenses	30,469,486	35,051,985
Office supplies expenses	18,485,410	17,497,511
Fuel, oil and lubricants expenses	3,901,274	4,178,632
Semi-expendable - information and communication technology equipment	2,893,426	3,181,483
Semi-expendable - furniture and fixtures	2,491,820	840,793
Semi-expendable - office equipment	1,433,921	2,502,536
Drugs and medicines expenses	801,292	677,219
Semi-expendable – books	690,170	419,848
Semi-expendable - kitchen equipment	275,968	325,745
Semi-expendable - other machinery and equipment	215,536	152,232
Semi-expendable furniture, fixtures and books expenses	118,396	28,743
Textbooks and instructional materials expenses	73,140	36,682
Semi-expendable machinery and equipment expenses	30,283	-
Semi-expendable - electrical equipment	29,115	15,268
Medical, dental and laboratory supplies expenses	17,226	63,573
Semi-expendable - medical equipment	10,134	7,821
Semi-expendable - sports equipment	-	178,214
Other supplies and materials expenses	7,938,816	6,859,067
	69,875,413	**72,017,352**

26.3 General Services

	2025	2024 (As Restated)
Security services	10,346,068	9,230,116
Janitorial services	7,918,261	6,685,167
Environment/sanitary services	1,096,932	736,908
Other general services	11,797,083	12,937,290
	31,158,344	**29,589,481**

The Other general services account, amounting to P11.797 million and P12.937 million in CYs 2025 and 2024, respectively, covers payments for laundry services, as well as salaries and wages of personnel, including drivers, mechanics, waiters, cooks, household attendants, house parents, carpenters, foremen, electricians, air-conditioning technicians, and other similar service providers under contract of service.

26.4 Travelling Expenses

	2025	2024 (As Restated)
Travelling expenses – foreign	23,377,712	26,409,005
Travelling expenses – local	7,358,582	9,407,908
	30,736,294	**35,816,913**

26.5 Utility Expenses

	2025	2024 (As Restated)
Electricity expenses	17,163,043	17,111,117
Water expenses	1,113,615	957,858
Other utility expenses	1,132,574	1,234,744
	19,409,232	**19,303,719**

26.6 Repairs and Maintenance

	2025	2024 (As Restated)
Repairs and maintenance-buildings and other structures	9,483,459	7,624,944
Repairs and maintenance-machinery and equipment	1,898,882	1,517,955
Repairs and maintenance-transportation equipment	1,601,909	1,533,998
Repairs and maintenance- furniture and fixtures	564,698	400,710
Repairs and maintenance-semi-expendable machinery and equipment	73,791	120,900
Repairs and maintenance-semi-expendable furniture, fixtures and books	14,945	42,469
	13,637,684	**11,240,976**

26.7 Communication Expenses

	2025	2024 (As Restated)
Postage and courier services	333,511	386,839
Telephone expenses	6,031,422	5,579,006
Internet subscription expenses	5,040,362	4,075,727
	11,405,295	**10,041,572**

26.8 Taxes, Insurance Premiums and Other Fees

	2025	2024
Taxes, duties and licenses	5,036,095	4,484,204
Fidelity bond premiums	192,097	15,713
Insurance expenses	2,545,085	2,475,291
	7,773,277	**6,975,208**

26.9 Training and Scholarship Expenses

	2025	2024
Training expenses	3,309,652	3,032,746
Scholarship grants/expenses	63,200	17,000
	3,372,852	**3,049,746**

26.10 Confidential, Intelligence and Extraordinary Expenses

	2025	2024 (As Restated)
Extraordinary and miscellaneous expenses	383,813	239,639
	383,813	**239,639**

26.11 Labor and Wages

	2025	2024
Labor and wages	406	31,250
	406	**31,250**

26.12 Other Maintenance and Operating Expenses

	2025	2024 (As Restated)
Representation expenses	39,642,650	35,736,706
Subscription expenses	7,107,405	9,134,531
Rent/lease expenses	5,188,462	4,660,155
Printing and publication expenses	1,089,489	3,416,055
Transportation and delivery expenses	372,544	268,646
Advertising, promotional and marketing expenses	193,861	13,059
Membership dues and contributions to organizations	32,084	195,206
Documentary stamps expenses	406	14,835
Other maintenance and operating expenses	55,486,792	66,690,209
	109,113,693	**120,129,402**

The Other maintenance and operating expenses, amounting to P55.487 million and P66.690 million in CYs 2025 and 2024, respectively, cover payments for gender and development activities, Academic Council–related expenses, ISO audit–related expenses, and human resource recruitment costs, including assessment materials and supplies for testing.

27. FINANCIAL EXPENSES

This account consists the following:

	2025	2024
Bank charges	53,085	110,746
Other financial charges	400	3,444
	53,485	**114,190**

28. NON-CASH EXPENSES

	2025	2024 (As Restated)
Depreciation-buildings and other structures	10,849,600	8,657,290
Depreciation-machinery and equipment	15,041,068	12,168,431

	2025	2024 (As Restated)
Depreciation-transportation equipment	1,213,486	845,015
Depreciation-communication networks	335,635	-
Depreciation-furniture, fixtures and books	154,847	103,533
Impairment loss-loans and receivables	1,216,074	1,330,911
Impairment loss-PPE	659,679	734,413
Amortization-intangible assets-computer software	96,964	180,424
	29,567,353	**24,020,017**

29. NON-OPERATING INCOME, GAIN OR LOSSES

29.1 Non-Operating Income/Gain

	2025	2024 (As Restated)
Gain on foreign exchange (forex)	68,777	2,027,961
Gain on sale of PPE	-	59,375
	68,777	**2,087,336**

29.2 Non-Operating Losses

	2025	2024
Loss on foreign exchange (forex)	255,069	1,740,554
	255,069	**1,740,554**

30. SUBSIDY FROM THE NATIONAL GOVERNMENT

The following are the subsidy income accounts:

	2025	2024
Assistance and subsidy - national government. – GAA support to operations - Pasig	437,269,000	706,353,000
	437,269,000	**706,353,000**

Decrease in Assistance and Subsidy from the National Government

The Assistance and subsidy from the national government decreased by P269.084 million, or 38.09 percent, from CYs 2024 to 2025. This decline is attributable to the following factors:

1. Locally funded projects decreased by a total of P150.250 million, primarily due to:

    a. The non-allocation for the New Training Building, as the infrastructure project was not successfully awarded due to failed bidding; and
    b. The slow implementation of the DAP Generation Hub project.

2. Reduction in Education and Training Programs Funding for education and training programs declined by P21 million, mainly due to reduced support for:

    a. The academic programs of the GSPDM;
    b. Massive Open Online Courses (MOOCs) on Data Science and Analytics; and
    c. Foresight and Anticipatory Governance initiatives.

3. Reduction in Research and Technical Assistance Programs

    Funding for research and technical assistance under the Public Sector Productivity Program decreased by P77.707 million, attributable to reduced funding for:

    a. Government Quality Management Program;
    b. Research programs of GSPDM;
    c. Center of Excellence for Data Science and Analytics; and
    d. Smart and Creative Communities Program.

4. Other Reductions in Programs and Projects

    Additional reductions in funding for various programs, projects, and activities amounted to P20.043 million.

Accounting Policy on Recognition of Assistance and Subsidy

Prior to CY 2023, subsidies received from the national government for mandated programs and locally funded projects were recorded under Other unearned revenue rather than as subsidy income.

Income from mandated programs was recognized when the related costs were incurred and the contracted outputs were delivered and accepted by clients.

Income from locally funded infrastructure projects was recognized upon completion and acceptance of the construction by the DAP Building Construction Technical Group.

Starting CY 2023, the DAP revised its accounting policy on the recognition of Assistance and subsidy from the national government. In compliance with the COA recommendation under Audit Observation No. 1 of the CY 2022 Annual Audit Report and the Government Accounting Manual, subsidies received for mandated programs and locally funded projects are now recognized as Revenue under Assistance and Subsidy from the National Government at the time of receipt

	2025	2024
Education and Training Program	**303,117,000**	**337,909,000**
• Public Management and Development Program - National Government Career Executive Service Development Program	143,818,000	139,629,000
• Support for the Programs and Projects of the Productivity Development Center	23,340,000	22,660,000
• Education and Training Capability Building Seminar	105,959,000	129,620,000

	2025	2024
• Support for the Academic Programs of the Graduate School of Public and Development Management	-	14,000,000
• Adaptive Governance & Innovative for Local Executives Program	30,000,000	25,000,000
• Massive Open Online Courses on Data Science and Analytics	-	2,000,000
• Foresight and Anticipatory Governance	-	5,000,000
Education And Training Services – Locally Funded Projects	**-**	**150,250,000**
• DAP Idea Generation Hub	-	15,000,000
• Construction of New Training Building in Tagaytay City	-	135,250,000
Research and Technical Assistance on Public Sector Productivity Program	**134,152,000**	**218,194,000**
• Harmonization of National Government Performance Monitoring Information and Reporting System-Results Based Performance Management System	29,762,000	28,895,000
• Center of Excellence on Public Sector Productivity	36,590,000	39,471,000
• Modernizing Government Regulations for National Competitiveness and Productivity	32,916,000	31,957,000
• Government quality management program	7,440,000	72,226,000
• Research Programs of the Graduate School of Public and Development Management	2,727,000	7,648,000
• Research on the Sustainable Development Goals and Futures Thinking	24,717,000	29,997,000
• Center of Excellence for Data Science and Analytics	-	5,000,000
• Smart and Creative Communities Program	-	3,000,000
TOTAL	**437,269,000**	**706,353,000**

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

	2025	2024 (As restated)
Net surplus/(deficit) for the period	(93,726,685)	143,237,415
Add: Non-cash expenses, amortization and depreciation	29,567,353	24,020,017
Add: Net forex adjustment	186,292	(287,407)
Less: Interest income (accounted in investing activities)	(43,889,419)	(37,702,738)
Adjustments for working capital changes:		
(Increase) decrease in gross receivables	(85,095,016)	(3,676,004)
(Increase) decrease in inventories	(2,227,886)	862,403
(Increase) decrease in other current assets	(10,371,213)	(7,288,442)
(Increase) decrease in deferred tax assets	(4,498,761)	(3,645,794)
Increase (decrease) in financial liabilities	(16,391,481)	4,794,550
Increase (decrease) in inter-agency payables	(2,001,753)	(10,164,795)
Increase (decrease) in trust liabilities	(14,239)	(652,839)
Increase (decrease) in unearned revenue	(20,583,488)	4,932,301
Increase (decrease) in deferred credits	862,945	702,212
Increase (decrease) in provisions	(19,419,211)	(883,851)
Increase (decrease) in other payables	(1,404,097)	9,095,655
Adjustment	4,165,113	726,101
NET CASH PROVIDED BY OPERATING ACTIVITIES	**(264,841,546)**	**124,068,784**

32. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

32.1 Key Management Personnel

The key management personnel of the Academy are the Chairperson, the Members of the Governing Board, and the Principal Officers. The Governing Body consists of members from different government officers. The Principal Officers consist of the Chief Executive Officer and President, Senior Vice Presidents and Vice Presidents.

32.2 Key Management Personnel Compensation

The members of the Governing Board, serving in an ex-officio capacity, do not receive any compensation from the Academy. The Principal Officers receive compensation in the form of salaries, other compensation, personnel benefit contributions, and other personnel benefits.

33. BUDGET INFORMATION IN FINANCIAL STATEMENTS

The original budget reflected in the SCBAA as at December 31, 2025, represents the proposed Corporate Operating Budget (COB) for CY 2025 that was submitted to the DBM for review and evaluation. The final budget corresponds to the amount approved by the DBM.

The CY 2025 COB of DAP was prepared based on Management’s assessment of:

a. the Agency’s programs, projects, and activities in pursuit of its mandate;
b. projected revenues and other sources of funds to finance and support operations; and
c. actual expenditures in prior years.

In preparing the COB, various forecasting techniques were considered, including the arithmetic mean, geometric progression, and statistical straight-line methods. DAP likewise received budgetary support from the National Government for the implementation of its 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 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)

	2025	2024
Vatable sales/receipts of services – private	24,189,468	22,023,143
Sale to government	119,446,142	135,870,425
Total sales/receipts (total vatable gross receipts)	143,635,610	157,893,568
Multiply by tax rate	12%	12%
Total Output VAT for the Year	**17,236,273**	**18,947,228**
Allowable input tax	**70,503,902**	**40,869,574**
Input tax carried over from previous period	70,503,902	40,552,172
Input tax deferred on capital goods exceeding P1 million from previous quarter	-	317,402
Current year's domestic purchases of:	**18,508,562**	**21,020,611**
Goods other than capital goods	7,235,549	6,769,195
Services	11,273,013	14,251,416
Total Available Input Tax	**89,012,464**	**61,890,185**
Tax credits/payments		
Creditable value-added tax withheld	5,019,240	5,050,015
Total Tax Credits/Payments	**5,019,240**	**5,050,015**
Summary:		
Total Output VAT for the year	17,236,273	18,947,228
Less: Total available input tax	89,012,464	61,890,185
Total tax credits	5,019,240	5,050,015
Prior quarter credit forwarded – 1st quarter	(15,857,616)	(9,505,130)
Prior quarter credit forwarded – 2nd quarter	(17,861,315)	(10,046,510)
Prior quarter credit forwarded – 3rd quarter	(20,102,482)	(11,758,842)
Total Amount Payable (Tax Credit) for the Year	**(22,974,018)**	**(16,682,490)**

b. Excise Tax

There are no transactions subject to excise taxes for the years ended December 31, 2025, and 2024.

c. Other Taxes, Local and National

This account consists of taxes and licenses paid for the years ended December 31, 2025, and 2024, as follows:

	2025	2024
Under taxes, insurance premiums and other fees:		
20 percent final tax on interest income on investments and bank deposits	9,087,209	10,660,317

	2025	2024
Insurance premium on PPE	2,145,201	2,178,797
Taxes on property/duties	68,948	42,118
Premiums on bonds/fidelity bond premiums	192,097	15,712
Business permits, licenses, and other fees	125,452	223,403
	11,618,907	**13,120,347**

d. Withholding Taxes

The DAP's withholding taxes for the years ended December 31, 2025 and 2024 are as follows:

d.1 Income Taxes Withheld on Compensation

	2025	2024
Total withholding tax for the year	20,562,822	17,071,603
Less: Payments from January to November	18,394,639	15,282,492
Withholding Tax Still Due and Payable	**2,168,183**	**1,789,111**

d.2 Creditable Income Taxes Withheld (Expanded)

	2025	2024
Total withholding tax for the year	10,875,788	12,398,203
Less: Payments from January to November	8,490,489	9,726,193
Withholding Tax Still Due and Payable	**2,385,299**	**2,672,010**

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

	2025	2024
Total withholding tax for the year	9,217,660	12,789,914
Less: Payments from January to November	7,167,583	10,072,164
Withholding Tax Still Due and Payable	**2,050,077**	**2,717,750**

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

	2025	2024
Total withholding tax for the year	99,601	157,589
Less: Payments from January to November	99,601	157,589
Withholding Tax Still Due and Payable	**-**	**-**