



Republic of the Philippines  
**PHILIPPINE STATE COLLEGE OF AERONAUTICS**  
**NOTES TO FINANCIAL STATEMENTS**  
**(ALL FUNDS)**

For the year ended December 31, 2022  
(Amounts are denominated in Philippine Pesos)

**1. General Information/Agency Profile**

The financial statements (FSs) of the Philippine State College of Aeronautics (PhilSCA) were authorized for issue on February 14, 2023, as shown in the Statement of Management's Responsibility for Financial Statements signed by the PhilSCA President and the Acting Vice-President for Administration and Finance.

The PhilSCA was initially established in 1967 as Basa Air Base (BAB) Community College under AFP Regulations Series of 168-342 issued by the Armed Forces of the Philippines (AFP) on April 1, 1968, under the Department of National Defense (DND).

In 1977, BAB Community College established an Annex in Nichols Air Base, now Villamor Air Base (VAB), in Pasay City known as BABC-Annex. A Satellite Campus was established in Fernando Air Base (FAB) in Lipa City, Batangas.

Also, in 1977, President Ferdinand E. Marcos signed Presidential Decree (PD) No. 1078 converting BAB Community College to Philippine Air Force College of Aeronautics (PAFCA) with its Main Campus in VAB, Pasay City, Metro Manila.

In 1979, another Satellite Campus was established in Mactan-Benito Ebuen Air Base (MBEAB) Campus in Lapu-Lapu City, Mactan, Cebu.

On June 3, 1992, House Bill No. 26650 was signed into law as Republic Act (RA) No. 7605 by then President Corazon C. Aquino converting PAFCA into a state college known as the Philippine State College of Aeronautics. On July 8, 2010, the College was transferred from its original location, at Manlunas Street, VAB, Pasay City (currently Newport City), to its new site at Piccio Garden, Villamor, Pasay City (West Service Road, South Luzon Expressway, near Sales Exit).

The College is envisioned to become a leader institution committed to scientific and technological advancement of aeronautical sciences, responsive to the dynamic and emerging demands for world-class professionals of the industry. Its mission is to produce world-class aeronautics professionals, imbued with commitment, excellence, responsibility, and integrity through advance level of instruction and research.

## **2. Statement of Compliance and Basis of Preparation of FSs**

The FSs have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) with corresponding Philippine Application Guidance (PAG) issued by the Commission on Audit (COA) pursuant to COA Resolution Nos. 2014-003 dated January 24, 2014, and 2020-001 dated January 9, 2020.

The FSs have been prepared on the basis of historical cost. The Statement of Cash Flows is prepared using the direct method.

The PhilSCA adopts a centralized accounting system whereby only one set of books of account is maintained for the Main Campus located at Piccio Garden, Villamor, Pasay City and its Satellite Campuses in Cebu, Batangas and Pampanga.

The FSs have been prepared by fund cluster in accordance with Fund Accounting prescribed under Section 13, Chapter 2 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, issued by COA per COA Circular No. 2015-007 dated October 22, 2015. The PhilSCA maintains the following funds:

<b>Code</b>	<b>Description</b>
01	Regular Agency Fund
05	Internally Generated Funds

## **3. Summary of Significant Accounting Policies**

### **3.1 Basis of Accounting**

The FSs are prepared on an accrual basis in accordance with the IPSASs.

### **3.2 Financial Instruments**

#### **a. Financial Assets**

##### *Initial recognition and measurement*

Financial assets within the scope of IPSAS 41 - Financial Instruments are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. PhilSCA determines the classification of its financial assets at initial recognition.

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

PhilSCA's financial assets include cash and other receivables; loans and other receivables.

#### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification.

#### *Financial assets at fair value through surplus or deficit*

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

#### *Loans and receivables*

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

#### *Derecognition*

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

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

### *Financial assets carried at amortized cost*

For financial assets carried at amortized cost, PhilSCA 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 it 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 assets 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. Loans 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 PhilSCA. 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. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

## **b. Financial Liabilities**

### *Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 41 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. PhilSCA's financial liabilities include trade and other payables.

### *Subsequent measurement*

The measurement of financial liabilities depends on their classification.

### *Financial liabilities at fair value through surplus or deficit*

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

### **c. Offsetting of Financial Instrument**

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.

## **3.3 Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand and cash at bank, and deposits on call. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

## **3.4 Inventories**

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

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

Inventories are recognized as an expense when issued for utilization or consumption in the ordinary course of operations of the PhilSCA.

Semi-Expendables are items below the capitalization threshold of P50,000.00, and recognized as an expense once issued to end-user.

### 3.5 Property, Plant and Equipment

#### *Recognition*

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

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

An item of PPE is recognized as an asset if:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity;
- It meets the capitalization threshold of P50,000.00, and
- The cost or fair value of the item can be measured reliably.

#### *Measurement at Recognition*

An item recognized as PPE is measured at cost.

A PPE acquired through 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 PPE acquired through non-exchange transaction, its cost is its fair value at recognition date.

Cost includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- Expenditure that is directly attributable to the acquisition of the items; and
- Initial estimate of the costs of dismantling and removing the item and restoring the site on 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.

### *Measurement After Recognition*

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

When significant parts of PPE are required to be replaced at intervals, PhilSCA 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 plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized as expenses in surplus or deficit as incurred.

### *Depreciation*

Each part of an item of 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 expense unless it is included in the cost of another asset.

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

### *Depreciation Method*

The straight-line method of depreciation is adopted.

### *Estimated Useful Life and Residual Value*

PhilSCA uses the Schedule on the Estimated Useful Life of PPE by classification prepared by COA and uses a residual value equivalent to at least five percent of the cost of the PPE.

### *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 service amount.

### *Derecognition*

The PhilSCA derecognizes items of 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.

### **3.6 Operating Lease**

Leases in which the PhilSCA does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policies for PPE are applied to similar assets leased by the entity.

### **3.7 Changes in Accounting Policies and Estimates**

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

It recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

It corrects material prior period errors retrospectively in the first set of FSs authorized for issue after their discovery by:

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- 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.

### **3.8 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 were recognized as an asset if the following criteria were met:



- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- 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 as 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.

PhilSCA 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.

#### *Measurement of Revenue from Non-Exchange Transactions*

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

#### *Measurement of Liabilities on Initial Recognition from Non-Exchange Transactions*

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

#### *Fees and fines not related to taxes*

PhilSCA recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria were met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenues were recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

### *Gifts and Donations*

PhilSCA recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind were recognized as assets when the goods were received, or there is a binding arrangement to receive the goods. If goods in-kind were received without conditions attached, a liability is recognized, which is reduced and revenue recognized as the conditions were satisfied.

On initial recognition, gifts and donations including goods in-kind were measured at their fair value as at the date of acquisition, which were ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair value was ascertained by reference to quoted prices in an active and liquid market.

### *Transfers*

It recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

### *Services in-Kind*

Services in-kind were not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

### *Transfers from other government entities*

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

## **3.9 Revenue from Exchange Transactions**

### *Measurement of Revenue*

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

### *Rendering of Services*

PhilSCA recognizes revenue from 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.

### **3.10 Budget Information**

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

As a result of the adoption of the cash basis for budgeting purposes, a separate Statement of Comparison of Budget and Actual Amounts is presented. Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on line items.

The annual budget figures included in the financial statements are for PhilSCA. These budget figures are those approved by the governing body both at the beginning and during the year following a period of consultation with the public.

### **3.11 Employee Benefits**

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

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

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

### **3.12 Measurement of Uncertainty**

The preparation of financial statements in conformity with IPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the

revenues and expenses during the period. Items requiring the use of significant estimates include the setting up of allowance for impairment to provide an adequate amount of uncollectible portion of receivables.

Estimates were based on the best information available at the time of preparation of the financial statements and were reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

#### 4. Cash and Cash Equivalents

Accounts	2022	2021
Petty Cash	690,000.00	455,000.00
Cash in Bank-Local Currency, Current Account	556,577,041.43	538,117,110.53
<b>Total</b>	<b>557,267,041.43</b>	<b>538,572,110.53</b>

The increase in Petty Cash Fund amount from P455,000.00 to P690,000.00 is attributable to the authorized increase in the Petty Cash Fund (PCF) of four (4) PCF Custodian across PhilSCA sites.

Cash in Bank-Local Currency, Current Account amounting to P556,577,041.43 under the Special Trust Fund (STF) represents collections of tuition and other school fees which the College is authorized to use under RA No. 8292.

#### 5. Receivables

##### 5.1 Aging/Analysis of Receivables as at December 31, 2022

Accounts	Total	Past Due	Past Due
		91 – 365 days	Over 2 Years
Loans and Receivables	27,254,293.16	0.00	27,254,293.16
Inter-Agency Receivables	76,656.32	76,656.32	0.00
Other Receivables	1,549,001.65	0.00	1,549,001.65
<b>Total</b>	<b>28,879,951.13</b>	<b>76,656.32</b>	<b>28,803,294.81</b>

##### 5.2 Loans and Receivables

Accounts	2022	2021 Restated
Accounts Receivable	27,875,232.35	27,647,833.82
<i>Allowance for Impairment – Accounts Receivable</i>	<i>1,792,647.93</i>	<i>1,680,667.60</i>
<b>Net Value - Accounts Receivable</b>	<b>26,082,584.42</b>	<b>25,967,166.22</b>
Loans Receivable - Others	879,000.00	879,000.00
<i>Allowance for Impairment - Loans Receivable - Others</i>	<i>44,325.00</i>	<i>44,325.00</i>
<b>Net Value - Loans Receivable - Others</b>	<b>834,675.00</b>	<b>834,675.00</b>
Operating Lease Receivable	357,276.50	483,071.50

Accounts	2022	2021 Restated
<i>Allowance for Impairment - Operating Lease Receivable</i>	20,242.76	15,068.51
<b>Net Value - Operating Lease Receivable</b>	<b>337,033.74</b>	<b>468,002.99</b>
<b>Total</b>	<b>27,254,293.16</b>	<b>27,269,844.21</b>

The Accounts Receivable account represents collectibles for tuition and other school fees from students.

The Loans Receivable – Others account represents outstanding balance of loans granted to students out of funds provided by the Commission on Higher Education (CHED) in CY 2018 through its Student Financial Assistance Program (STUFAP).

The Operating Lease Receivables represent the receivables due from concessionaires. The account balance as of December 31, 2021 was restated from P175,632.50 to P483,071.50 due to the adjustment in rental receivables from Guestel and canteen concessionaires amounting to P244,260.00 and P63,179.00 for CYs 2021 and 2020 respectively.

### 5.3 Inter-Agency Receivables

Accounts	2022	2021 Restated
Due from National Government Agencies (NGAs)	76,656.32	138,582,024.39
Due from Government-Owned and/or Controlled Corporations (GOCCs)	0.00	194,960.97
<b>Total</b>	<b>76,656.32</b>	<b>138,776,985.36</b>

The balance of Due from NGAs in CY2022 amounting to P76,656.32 represents undelivered common use supplies ordered and paid to Department of Budget and Management - Procurement Service (DBM-PS) during CY 2022.

In the previous years, the appropriations for the Free Higher Education (FHE) were lodged under the CHED Budget and were administered by the Unified Student Financial Assistance System for Tertiary Education (UniFAST) Board. The funds were released to the CHED Central Office, which, in turn, released it to SUCs, upon validation of the UniFAST. However, in the FY 2022 GAA, funds were released directly to State Universities and Colleges (SUCs), instead of the CHED, thus significantly affected the balance of the Due from NGAs account.

The Due from GOCCs account as of December 31, 2021, was restated from zero balance to P194,960.97 due to adjustments made for the interest income earned in previous years from the Land Bank of the Philippines (LBP) savings

account and Philippine International Trading Corporation (PITC) Memorandum of Agreement (MOA) account.

#### 5.4 Other Receivables

Accounts	2022	2021 Restated
Receivables-Disallowances/Charges	580,096.79	580,096.79
Other Receivables	1,015,220.25	1,015,248.77
<i>Allowance for Impairment - Other Receivables</i>	<i>46,315.39</i>	<i>46,315.39</i>
Net Value - Other Receivables	968,904.86	968,933.38
<b>Total</b>	<b>1,549,001.65</b>	<b>1,549,030.17</b>

The Receivables–Disallowances/Charges account represents the amount due from employees resulting from audit disallowances which had become final and executory, while the Other Receivables account includes past due other receivables.

On January 9, 2023, PhilSCA received a Notice of Finality of Decision (NFD) No. 2022-309 dated November 16, 2022, for the Notice of Disallowance (ND) Nos. 13-001-164-(11) and 13-002-164-(12) with total amount of P432,000.00 for the payment of legal services rendered by Atty. Magistrado Mendoza Jr. however, a related appeal made by a member of respondents is still pending resolution by the COA Commission Proper.

The Other Receivables account balance as of December 31, 2021 was restated from P1,223,907.75 to P1,015,248.77 due to adjustment made in year 2022 for the rental collection from lessee amounting to P208,658.98.

#### 6. Inventories

Particulars	2022	2021 Restated
<b>Inventory Held for Consumption</b>		
Carrying Amount, January 1	1,549,558.36	1,308,244.26
Additions/ Acquisitions during the year	8,258,970.47	1,273,678.37
Expensed during the year except write-down	7,040,600.08	(1,032,364.27)
<b>Carrying Amount, December 31</b>	<b>2,767,928.75</b>	<b>1,549,558.36</b>
<b>Semi-Expendable Machinery and Equipment</b>		
Carrying Amount, January 1	32,321.02	0.00
Additions/ Acquisitions during the year	5,008,642.36	469,613.00
Expensed during the year except write-down	0.00	(437,291.98)
<b>Carrying Amount, December 31</b>	<b>5,040,963.38</b>	<b>32,321.02</b>
<b>Total Carrying Amount, December 31</b>	<b>7,808,892.13</b>	<b>1,581,879.38</b>

The account Inventories as of December 31, 2021 was restated from P2,386,788.75 to P1,581,879.38 balance due to the overstatement of Office Supplies Inventory, Accountable Forms, Plates and Stickers Inventory, Semi-Expendable Office

Equipment, Semi-Expendable Information and Communications Technology Equipment, Semi-Expendable Sports Equipment, Semi-Expendable Furniture and Fixtures accounts amounting to P363,297.39, P4,320.00, P66,455.00, P200,000.00, P55,170.00, P135,618.00, respectively, for the CY 2021. The overstatement was due to unrecorded issuances of inventories.

Also, the Allowance for Impairment - Semi-Expendable - Other Equipment account was restated due to the unrecorded impairment amounting to P7,347.98.

The amount of P5,008,642.36 additions to Semi-Expendable Machinery and Equipment account is attributable to the retrospective application of the effect in reclassifications made from PPE accounts to Semi-expendable inventory account as required under COA Circular 2022-004 dated May 31, 2022.

## 7. Other Current Assets

Accounts	2022	2021 Restated
<b>Advances</b>		
Advances to Special Disbursing Officers	2,635,434.99	2,840,341.00
Advances to Officers and Employees	759,120.38	56,527.28
<b>Prepayments</b>		
Prepaid Insurance	258,839.71	12,977.17
Prepaid Subscription	3,624,477.78	1,915,166.67
Advances to Contractors	11,847,692.33	7,525,981.25
<b>Grand Total</b>	<b>19,125,565.19</b>	<b>12,350,993.37</b>

The Prepaid Insurance pertains to insurance payments for the Agency's vehicle, aircraft, other properties, and personal accident insurance for students which will expire during CY 2023.

While the Prepaid Subscription is an advance payment made for the three (3) year period starting CY 2022, for subscription of Anti-Plagiarism Honesty Clause Checker and Computer-Based Air Traffic Control Training Software. The account as of December 31, 2021, was restated from P1,955,766.67 to P1,915,166.67 balance due to the adjustment made in CY 2022 to recognize subscription expenses incurred in CY 2021 amounting to P40,600.00.

The Advances to Contractors account under prepayments is attributable to 15% mobilization fee for training hours of Bachelor of Science in Air Transportation (BSAT) students and for construction of a four-story student dormitory building in the PhilSCA-VAB campus.

## 8. Property, Plant and Equipment - Restated

Particulars	Land and Other Land Improvements	Furniture, Fixtures and Books	Other Property, Plant and Equipment	Building and Other Structure	Infrastructure and Communication Network
<b>Carrying Amount, 1/1/2022</b>	<b>255,564,626.78</b>	<b>9,285,518.81</b>	<b>107,580.18</b>	<b>103,697,842.89</b>	<b>5,863,840.00</b>
Additions/Acquisitions/Adjustment	1,557,944.18	(6,844,090.39)	(69,155.18)	256,176,551.87	(703,912.00)
<b>Subtotal</b>	<b>257,122,570.96</b>	<b>2,441,428.42</b>	<b>38,425.00</b>	<b>359,874,394.76</b>	<b>5,159,928.00</b>
Depreciation	(14,960.43)	(261,649.63)	0.00	(14,731,940.99)	(563,129.60)
<b>Carrying Amount, 12/31/2022</b>	<b>257,107,610.53</b>	<b>2,179,778.79</b>	<b>38,425.00</b>	<b>345,142,453.77</b>	<b>4,596,798.40</b>
<b>Gross Cost, 12/31/2022</b>	<b>257,316,424.50</b>	<b>11,445,002.38</b>	<b>775,801.00</b>	<b>440,112,464.85</b>	<b>5,863,840.00</b>
Less: Accumulated Depreciation	(208,813.97)	(1,692,546.21)	(345,825.00)	(128,757,991.08)	(1,267,041.60)
<b>Carrying Amount, 12/31/2022</b>	<b>257,107,610.53</b>	<b>2,179,778.79</b>	<b>38,425.00</b>	<b>345,142,453.77</b>	<b>4,596,798.40</b>

Particulars	Transportation Equipment	Machinery and Equipment	Construction in Progress	Total
<b>Carrying Amount, 1/1/2022</b>	<b>17,751,801.29</b>	<b>61,629,152.36</b>	<b>0.00</b>	<b>453,900,362.31</b>
Additions/Acquisitions/Adjustment	46,190,485.59	(22,322,405.57)	72,810,120.64	346,795,539.14
<b>Subtotal</b>	<b>63,942,286.88</b>	<b>39,306,746.79</b>	<b>72,810,120.64</b>	<b>800,695,901.45</b>
Depreciation	(3,210,842.81)	(7,674,742.78)	0.00	(26,457,266.24)
<b>Carrying Amount, 12/31/2022</b>	<b>60,731,444.07</b>	<b>31,632,004.01</b>	<b>72,810,120.64</b>	<b>774,238,635.21</b>
<b>Gross Cost, 12/31/2022</b>	<b>89,592,457.75</b>	<b>94,701,296.73</b>	<b>72,810,120.64</b>	<b>972,617,407.85</b>
Less: Accumulated Depreciation	(28,861,013.68)	(56,109,648.97)	0.00	(217,242,880.51)
<b>Carrying Amount, 12/31/2022</b>	<b>60,731,444.07</b>	<b>31,632,004.01</b>	<b>72,810,120.64</b>	<b>774,238,635.21</b>

PPEs are carried at cost less accumulated depreciation. The Constructive Period Theory is used for costing construction in progress assets. Regular maintenance, repair and minor replacements are charged against Maintenance and Other Operating Expenses (MOOE).

On November 2010, the College transferred its Main Campus address from its original location at Manlunas Street, VAB, Pasay City to its new address at Piccio Garden, Villamor, Pasay City in Metro Manila as a result of MOA and Deed of Assignment (DOAS) from Bases Conversion and Development Authority (BCDA) as per Board Resolution No. 35 s. 2010 with provisions quoted as follows:

*“Whereas, during its 2<sup>nd</sup> regular meeting on May 24, 2010, the Chairman informed the Board that he was furnished a copy of the latest Environmental Compliance Certificate issued by the DENR NCR Regional Office Director on the temporary relocation site and buildings of the PhilSCA, copy of which is made an integral part of the resolution as ANNEX “A” thus, upon exhaustive deliberation and careful consideration of all the circumstances and with the higher interest of PhilSCA and its constituents foremost in the minds, the Board arrived at a consensus to agree in principle to the proposed relocation site provided that the BCDA agrees to comply with the following terms and conditions:*



1. Xxx
2. Xxx
3. Xxx
4. Xxx
5. Xxx
6. That a permanent school site for PhilSCA other than the proposed relocation site at the VAB Driving range owned by BCDA with an area of approximately 20 hectares be identified, segregated and made available to PhilSCA by BCDA; and (underlining ours).  
Xxxx

*Whereas, the transfer of PhilSCA to the proposed site at the VAB Driving range shall be considered temporary in nature, such that within 3 to 5 years from transfer to such proposed site, the BCDA shall set aside a parcel of land in a location to be agreed upon by BCDA and PhilSCA for use as a permanent relocation site of the PhilSCA Main Campus in accordance with the development plans determined by the PhilSCA constituents and approved by the Board of Trustees, copy of which is attached as "ANNEX B" of this resolution."*

On May 21, 2012, in response to the August 1, 2011, letter of previous PhilSCA resident COA auditor, a new MOA and DOAS between BCDA and PhilSCA, was drafted by BCDA for the approval of PhilSCA BOT which provides that:

*"The parties herein agree that Lot 4, Pcs-00-013512 under Transfer Certificate Title No. 003-201100568 particularly described above shall be the Permanent Relocation site of PhilSCA. The parties agree that BCDA will no longer be obligated to favorably endorse the segregation of at least twenty (20) hectares within Basa Air Base as PhilSCA's final relocation site, since BCDA does not have any property within and jurisdiction over the Basa Air Base. While BCDA is no longer bound by the said obligation, it shall however, exert best efforts to identify and segregate a portion of the land under its title and within its jurisdiction and transfer or convey the same to PhilSCA for the operation of Flying School and/or other consistent with its purpose. The first paragraph of Section 6 of the MOA dated June 10, 2010, is hereby amended accordingly." (underlining ours).*

The Office of Solicitor General (OSG) and Office of Government Corporate Counsel (OGCC) both issued favorable opinions on the new draft MOA. However, the MOA and DOAS were still unsigned by both parties pending compliance by BCDA to the terms and conditions on the identification, segregation and making available to PhilSCA, the approximately 20 hectares of land owned by BCDA. Despite letter follow ups and visitations made by the present PhilSCA President to BCDA Office, PhilSCA cannot issue the Certificate of Acceptance and BCDA cannot process the Transfer Certificate of Title of the subject land to PhilSCA, resulting in the site of PhilSCA at Piccio Garden, Villamor, Pasay City still subsisting.

The occupied sites in PhilSCA BAB and MBEAB Campuses are inside respective Philippine Air Force (PAF) camp area and use is allowed until notified to vacate. On the other hand, FAB Campus was relocated to a specified place within the same camp under a usufruct agreement.

Further, the College received some donated parcels of land without known value upon donation as follows:

<b>Date of Donation</b>	<b>Location</b>	<b>Description</b>
November 27, 2014	Barangay Curva Medellin, Cebu	500 sq. m lot area with two-storey Building Structure with floor area 355 sq. m.
April 29, 2016	Dalipit East, Cuenca, Batangas	15,000 sq. m (forest land)
May 26, 2022	Barangay Curva Medellin, Cebu	842 sqm.

The College President has issued a Memorandum/Order to the concern campus directors to expedite the transfer of registration and titling of donated properties in the name of PhilSCA.

On December 2021 typhoon “Odette” severely damaged the buildings and structures in MBEAB campus. The application for insurance indemnification claim to the damaged properties was properly submitted on June 16, 2022, which is still pending from GSIS accredited insurance company.

The PPE of CY 2021 was restated from P453,900,362.31 to P656,826,227.87 as a result of prior period adjustments.

- Items previously classified as PPE was dropped from PPE account and reclassified and accounted for as Semi-Expendable Inventory/Expense account applied retrospectively as required by COA Circular 2022-004 dated May 31, 2022, which changes the accounting policy on threshold amount in the recognition of PPE from P15,000.00 to P50,000.00.
- Relevant value of donated buildings, school buildings and other structures which during the time of donation has no known value was determined in CY 2022.
- As a consequence of recognition of donated PPEs, corresponding depreciation was computed from the time of donation up to CY 2022.

The Land account for CY 2021 was restated from P255,000,000.00 to P256,793,990.00 due to recognition of value of donated land of Provincial Government of Pampanga amounting to P1,793,990.00 in PhilSCA Basa-Palmayo Campus based on available Tax declaration in CY 2014.

The Other Land Improvement account for CY 2021 was restated from P571,834.50 to 532,515.78 due to adjustment from PPE to Semi-expendable classification. While its corresponding Accumulated Depreciation was restated in CY 2021 and prior years from P7,207.72 to P6,464.26 to adjust overstatement of P193,191.36.

The Accumulated Depreciation – Buildings account for CY 2021 was restated from zero to P289,318.03 to correct the understatement of previous depreciation expense.

The School Building account for CY 2021 was restated from P102,413,755.54 to P356,180,763.02 to record/adjust the following donated school buildings: Cebu Extension Campus in Medellin, Cebu amounting to P12,000,000.00; new FAB Campus site in Lipa City, Batangas amounting to P77,200,000.00; dropping of the school building amounting to P4,020,919.17 in the old FAB Campus site in Lipa City, Batangas; and donated Buildings of Megaworld amounting P174,951,209.48 in VAB Campus. While its corresponding Accumulated Depreciation was restated from P25,977,507.39 to P50,091,081.63 to record the corresponding depreciations for CY2021 and prior years amounting to P24,113,574.24

The Other Structures account for CY 2021 was restated from P19,579,796.51 to P87,648,587.03 to record the donated structures of Megaworld for CY 2021 and prior years amounting P68,068,790.52 in VAB Campus. While its corresponding Accumulated Depreciation -Other Structures account for CY 2021 was restated from P389,296.57 to P63,433,630.43 to record the donated structures of Megaworld in VAB Campus in prior years and DPWH Region IV in FAB Campus in CY 2021 amounting to P63,044, 333.86.

The Accumulated Depreciation-Communication Network account for CY 2021 was restated from zero to P688,750.00 to record the understatement made in the prior year.

The Office Equipment Account for CY 2021 was restated from P31,970,410.94 to P20,933,580.57 to reclassify PPE to Semi-Expendable account in the amount of P11,036,830.37. While its corresponding Accumulated Depreciation-Office Equipment account for CY 2021 and prior year was restated from P22,267,532.11 to P15,511,061.41 to record the overstatement amounting to P6,756,470.70.

The ICT Equipment account for CY 2021 was restated from P69,392,495.23 to P44,254,611.30 to reclassify PPE to Semi-Expendable account in the amount of P25,137,883.93. While its corresponding Accumulated Depreciation-ICT account for CY 2021 and prior year was restated from P33,364,270.19 to P16,373,900.01 to record the overstatement amounting to P16,990,370.18.

The Communication Equipment account for CY 2021 was restated from P1,477,540.00 to P1,046,540.00 to reclassify PPE to Semi-Expendable account in the amount of P431,000.00. While its corresponding Accumulated Depreciation-Communication Equipment account for CY 2021 and prior year was restated from P921,467.00 to P779,654.23 to record the overstatement amounting to P141,812.77.

The Accumulated Depreciation-Medical Equipment account for CY 2021 and prior was restated from P348,761.87 to P317,865.25 to record the overstatement made in the amount of 30,896.62.

The Sport Equipment account for CY 2021 was restated from 679,167.15 to P659,667.15 to reclassify PPE to Semi-Expendable account in the amount of P19,500.00. While its corresponding Accumulated Depreciation-Sport Equipment account for CY 2021 and prior year was restated from P270,681.28 to P252,999.94 to record the overstatement amounting to P17,681.34.

The Technical and Scientific Equipment account for CY 2021 and prior year was restated from P20,712,474.82 to P20,229,274.98 to reclassify PPE to Semi-Expendable account in the amount of P483,199.84. While its corresponding Accumulated Depreciation-Technical and Scientific Equipment account for CY 2021 and prior year was restated from P14,671,125.93 to P19,200,189.67 to record the understatement amounting to P4,529,063.74.

The Other Equipment account for CY 2021 and prior year was restated from P12,148,176.21 to P12,134,044.41 to reclassify PPE to Semi-Expendable account in the amount of P14,131.80. While its corresponding Accumulated Depreciation-Other Equipment account for CY 2021 and prior year was restated from P3,344,213.61 to P5,059,671.04 to record the understatement amounting to P1,715,457.43.

The Motor Vehicle account for CY 2021 and prior year was restated from P13,006,376.30 to P13,828,576.30 to record the donated L300 FB 2017 vehicle donated by the Provincial Government of Pampanga amounting to P822,200.00. While its corresponding Accumulated Depreciation-Motor Vehicle account for CY 2021 and prior year was restated from P6,845,917.60 to P11,705,714.62 to record the understatement amounting to P4,859,797.02

The Aircraft and Aircraft Ground Equipment account for CY 2021 and prior year was restated from P24,139,779.33 to P23,812,681.45 to record the overstatement amounting to P327,097.88. While its corresponding Accumulated Depreciation-Aircraft and Aircraft Ground Equipment account for CY 2021 and prior year was restated from P12,548,436.74 to P13,944,456.25 to record the understatement amounting to P1,396,019.51

The Furniture and Fixtures account for CY 2021 and prior year was restated from P10,742,091.38 to P2,745,811.00 to reclassify PPE to Semi-Expendable account in the amount of P7,996,280.38. While its corresponding Accumulated Depreciation-Furniture and Fixtures Account for CY 2021 and prior year was restated from P1,713,723.64 to P525,829.98 to record the overstatement amounting to P1,187,893.66.

The Books account for CY 2021 and prior year was restated from P1,736,295.00 to P1,273,500.00 to record the overstatement amounting to P462,795.00 which was the effect of adjustment from the PPE to Semi-Expendable classification. While its corresponding Accumulated Depreciation-Books Account for CY 2021 and prior year was restated from P1,479,143.93 to P1,062,975.60 to record the overstatement amounting to P416,168.33.

The Other Property, Plant and Equipment account for CY 2021 and prior year was restated from P1,041,485.00 to P384,250.00 to record the overstatement amounting to P657,235.00 which was the effect of adjustment from the PPE to Semi-Expendable classification. While its corresponding Accumulated Depreciation-Other Property, Plant and Equipment Account for CY 2021 and prior year was restated from P933,904.82 to P345,825.00 to record the overstatement amounting to 588,079.82.

## 9. Intangible Assets

The amount of P121,142.85 (net of withholding tax), pertains to the payment of MS SQL 2019 Server and MS Window server 2022 as per check No. 98260 dated May 10, 2022, amounting to P128,000.00.

## 10. Financial Liabilities

Accounts	2022	2021 Restated
Accounts Payable	1,859,957.18	15,325,603.78
Due to Officers and Employees	1,551,740.45	4,628,419.22
<b>Total</b>	<b>3,411,697.63</b>	<b>19,954,023.00</b>

The Accounts Payable account as of December 31, 2021, was restated from P15,146,270.35 to P15,325,603.78 balance due to non-accrual of expenses amounting to P179,433.43 for CY 2021 and prior years.

The Due to Officers and Employees account was restated also from P1,729,309.67 to P4,628,419.22 due to non-accrual of expenses amounting to P2,899,109.55 from CY 2021 and prior years.

## 11. Inter-Agency Payables

Accounts	2022	2021 Restated
Due to BIR	3,790,147.19	2,363,388.74
Due to GSIS	457,600.38	423,138.31
Due to Pag-IBIG	722,893.92	177,064.84
Due to PhilHealth	21,103.82	35,271.91
Due to NGAs	41,637,853.57	46,350,930.35
Due to GOCCs	18,908.73	18,908.73
<b>Total</b>	<b>46,648,507.61</b>	<b>49,368,702.88</b>

The account consists of taxes withheld for the month of December 2022 from the salaries/wages of personnel, payments made to suppliers and contractors, and remittances to BIR, GSIS, Pag-IBIG, PhilHealth and other GOCCs which are due to be remitted in the ensuing year/month.

The Due to BIR account as of December 31, 2021, was restated from P2,363,951.24 to P2,363,388.74 balance due to the overstatement of remitted withholding taxes made amounting to P562.50 from CY 2021 and prior years.

The Due to NGAs account was restated from P47,005,300.00 to P46,350,930.35 to record the remittance to the National Treasury of the excess proceeds from sale of bid documents amounting to P395,633.35 and recognize Financial Assistance Subsidy to student beneficiaries totaling P1,050,003.00.

## 12. Other Payables

The Other Payables account in the amounts of P231,575.86 and P3,475,053.92 in CYs 2022 and 2021, respectively, refers to the balance due for remittance to the College's accredited employees' association from membership dues and loan repayments.

## 13. Trust Liabilities

Accounts	2022	2021
Guaranty/ Deposits Payable	8,366,544.35	2,185,530.30

The account Guaranty/Deposits Payable in the amount of P8,366,544.35 in CY 2022 refers to the ten percent (10%) retentions made against payments to Pinnacle Technologies, Inc., MDEC Corporation and R. M. Mallari Builders & Enterprises amounting to P988,092.30, P2,008,088.83 and P5,370,363.22 respectively.

## 14. Service and Business Income

Accounts	2022	2021 Restated
<b>Business Income</b>		
School Fees	122,784,681.33	311,351,681.55
Rent/ Lease Income	847,866.08	382,135.00
Interest Income	236,297.48	213,702.71
Fines and Penalties	149,383.75	82,706.50
Other Business Income	4,291,793.88	1,946,677.05
Miscellaneous Income	1,603,864.73	271,543.68
<b>Total</b>	<b>129,913,887.25</b>	<b>314,248,446.49</b>

Business Income account comprises of different types of fees: School Fees and Fines and Penalties collected from students; Rent/Lease Income are collection from rental of spaces; Interest Income came from the interest earned from bank accounts; and Other Business and Miscellaneous Income are income collected from Income Generating Projects.

The School Fees account for CY 2021, was restated from P310,303,941.55 to P311,351,681.55 balance due to erroneous recording of income amounting to P1,047,740.00.

The Rent/Lease Income account as of December 31, 2021, was restated from P137,875.00 to P382,135.00 balance due to erroneous recording of income amounting to P244,260.00.

The Interest Income account as of December 31, 2021, was restated from P155,590.82 to P213,702.71 balance due to erroneous recording of income amounting to P58,111.89.

The Other Business Income account was also restated from P2,365,354.20 to P1,946,677.05 balance due to the overstatement of prior period payment amounting to P418,677.15

## 15. Shares, Grants and Donations

Donations in Kind recorded in CY 2022 amounting to P22,000,000.00 represent the donated Administrative Building at PhilSCA-FAB Campus transferred by the DPWH Regional Office IV-A. The account as of December 31, 2021, was restated from zero to P12,000,000.00 to record the donated two-story academic and administrative building at PhilSCA-MBEAB Extension Campus in Medellin, Cebu.

## 16. Personnel Services - P150,434,491.69

This account refers to all payments related to the regular salaries and other compensation and personnel benefits received by the teaching and non-teaching personnel of the College, broken down as follows:

### 16.1 Salaries and Wages

Particulars	2022	2021
Basic Salary-Civilian	90,756,865.92	88,236,499.46
<b>Total</b>	<b>90,756,865.92</b>	<b>88,236,499.46</b>

### 16.2 Other Compensation

Accounts	2022	2021 Restated
Personal Economic Relief Allowance (PERA)	5,462,886.75	5,182,905.15

Accounts	2022	2021 Restated
Representation Allowance (RA)	417,000.00	445,000.00
Transportation Allowance (TA)	417,000.00	461,995.00
Clothing/ Uniform Allowance-Civilian	1,266,000.00	1,284,000.00
Subsistence Allowance	10,725.00	45,400.00
Laundry Allowance	1,455.65	6,190.74
Honoraria-Civilian	15,282,183.83	13,517,747.98
Hazard Pay	0.00	2,576,500.00
Year End Bonus-Civilian	7,519,030.30	7,335,716.30
Cash Gift-Civilian	1,050,750.00	1,081,000.00
Mid-Year Bonus-Civilian	7,552,925.00	7,385,976.00
Collective Negotiation Agreement Incentive	2,157,360.00	0.00
Productivity Enhancement Incentive-Civilian	1,026,000.00	1,076,500.00
Other Bonuses and Allowances	0.00	3,238,345.00
<b>Total</b>	<b>42,163,316.53</b>	<b>43,637,276.17</b>

The Subsistence Allowance account as of December 31, 2021, was restated from zero to P 45,400.00 balance due to the payment of allowance of medical personnel for the prior period that was only recorded in CY 2022. The same with Laundry Allowance wherein the expense of P6,190.74 for CY 2021 was only recorded in CY 2022.

The Honoraria-Civilian account as of December 31, 2021 was restated from P13,463,687.98 to P13,517,747.98 balance due to the payment of Honorarium of personnel for the prior period that was recorded in CY 2022 amounting to P54,060.00.

### 16.3 Personnel Benefit Contributions

Accounts	2022	2021 Restated
Retirement and Life Insurance Premiums	10,766,915.84	10,468,104.95
Pag-IBIG Contributions	786,128.81	391,395.07
PhilHealth Contributions	1,723,720.09	1,233,341.46
Employees Compensation Insurance Premiums	252,300.00	262,900.00
<b>Total</b>	<b>13,529,064.74</b>	<b>12,355,741.48</b>

The Retirement and Life Insurance Premiums account as of December 31, 2021, was restated from P10,455,172.92 to P10,468,104.95 balance due to remittances of RLIP made in 2022 which properly pertain to 2021 amounting to P12,932.03.

### 16.4 Other Personnel Benefits

Accounts	2022	2021
Terminal Leave Benefits-Civilian	1,890,244.50	2,086,676.11
Other Personnel Benefits	2,095,000.00	3,008,324.09
<b>Total</b>	<b>3,985,244.50</b>	<b>5,095,000.20</b>



## 17. Maintenance and Other Operating Expenses -P256,996,287.87

### 17.1 Traveling Expenses

Accounts	2022	2021 Restated
Traveling Expenses - Local	3,203,678.61	1,054,281.40
Traveling Expenses - Foreign	151,763.57	0.00
<b>Total</b>	<b>3,355,442.18</b>	<b>1,054,281.40</b>

The Traveling Expenses-Local account as of December 31, 2021 was restated from P963,324.40 to P1,054,281.40 due to prior period expense that was recorded only in CY 2022 amounting to P90,957.00.

### 17.2 Training and Scholarship Expenses

The account Training Expenses for CYs 2022 and 2021 amounted to P21,508,900.80 and P63,532,393.23, respectively. The account as of December 31, 2021 was restated from P63,705,803.23 to P63,532,393.23 balance to recognize staled check from previous years amounting to P173,410.00.

### 17.3 Supplies and Materials Expenses

Accounts	2022	2021 Restated
Office Supplies Expenses	1,881,892.77	1,038,584.57
Accountable Forms Expenses	4,264.00	24,073.00
Drugs and Medicines Expenses	2,617.25	178,186.00
Medical, Dental and Laboratory Supplies Expenses	85,612.40	251,398.00
Fuel, Oil, and Lubricants Expenses	940,717.90	844,430.03
Textbooks and Instructional Materials Expenses	0.00	442,039.00
Other Supplies and Materials Expenses	4,125,495.76	3,699,026.15
Semi-Expendable Office Equipment Expenses	0.00	66,455.00
Semi-Expendable Information and Technology Expenses	0.00	200,000.00
Semi-Expendable Furniture and Fixtures Expenses	0.00	135,618.00
Semi-Expendable Sports Equipment Expenses	0.00	55,170.00
<b>Total</b>	<b>7,040,600.08</b>	<b>6,934,979.75</b>

The Office Supplies Expenses account as of December 31, 2021 was restated from P648,309.88 to P1,038,584.57 balance due to the prior period expense that was only recorded in CY 2022 amounting to P390,274.69.

The Accountable Forms Expenses account was restated from P16,437.00 to 24,073.00 due to the prior period expense recorded only in CY 2022 amounting to P7,636.00.

The Fuel, Oil and Lubricants Expenses account was restated from P786,185.36 to P844,430.03 balance due to prior period expense that was recorded only in CY 2022 amounting to P58,244.67.

The Other Supplies and Materials account was also restated from P2,300,918.38 to P3,699,026.15 balance due to the prior period expense that was recorded only in CY 2022 amounting to P1,398,107.77.

Prior year Semi-Expendable Office Equipment, Information and Technology, Furniture and Fixtures, and Sports Equipment Expenses amounting to P66,455.00, P200,000.00, P135,618.00 and P55,170.00, respectively, were also recorded only in CY 2022, resulting to restatement of each account's respective balances as of December 31, 2021.

#### 17.4 Utility Expenses

Accounts	2022	2021 Restated
Water Expenses	4,226,276.07	3,326,981.08
Electricity Expenses	6,224,750.40	4,603,267.25
<b>Total</b>	<b>10,451,026.47</b>	<b>7,930,248.33</b>

The Water Expenses account as of December 31, 2021 was restated from P3,127,330.79 to P3,326,981.08, leaving a difference of P199,650.29 due to the prior period expense for CY 2021 that was recorded only in CY 2022.

The Electricity Expenses account was also restated from P4,301,060.33 to P4,603,267.25 balance due to the CY 2021 expenses recorded in CY 2022 amounting to P302,206.92.

#### 17.5 Communication Expenses

Accounts	2022	2021 Restated
Postage and Courier Services	26,201.96	48,794.62
Telephone Expenses	503,679.00	241,033.00
Internet Subscription Expenses	966,110.52	1,129,254.22
<b>Total</b>	<b>1,495,991.48</b>	<b>1,419,081.84</b>

The Postage and Courier Services Expenses account as of December 31, 2021 was restated from P45,708.62 to P48,794.62 balance due to the prior period expenses pertaining to CY 2021 that was recorded only in CY 2022 amounting to P3,086.00.

The Telephone Expenses account as of December 31, 2021 was restated from P240,433.00 to P241,033.00 balance due to the prior period expenses pertaining to CY 2021 that was recorded only in CY 2022 amounting to P600.00.

The Internet Subscription Expenses account was also restated from P1,113,902.67 to P1,129,254.22 balance due to the CY 2021 expenses that was recorded only in CY 2022 amounting to P15,351.55.

#### **17.6 Awards/ Rewards, Prizes, and Indemnities**

The account Awards/Rewards, Prizes and Indemnities totaling P149,000.00 for the CY 2022 represents the financial rewards and incentives awarded to PhilSCA Aeronautical Engineering students who made it to the top 10 spots in the PRC board examination.

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

The account Extraordinary and Miscellaneous Expenses for CYs 2022 and 2021 amounted to P115,378.35 and P104,820.29, respectively.

#### **17.8 Professional Services**

<b>Accounts</b>	<b>2022</b>	<b>2021 Restated</b>
Legal Services	625,700.00	936,500.00
Auditing Services	48,792.29	85,625.95
Consultancy Services	0.00	2,084,100.00
Other Professional Services	39,351,115.07	39,029,884.39
<b>Total</b>	<b>40,025,607.36</b>	<b>42,136,110.34</b>

The Auditing Services account as of December 31, 2021 was restated from P79,194.66 to P85,625.95 balance due to the payment of prior period services in CY 2021 but were only recorded in CY 2022 amounting to P6,431.29.

The Other Professional Services account represents the professional fee for the Contract of Service Faculty and other professional services rendered. The account was also restated from P38,814,189.95 to P39,029,884.39 balance due services rendered in CY 2021 that was only recorded in CY 2022 amounting to P215,694.44.

#### **17.9 General Services**

<b>Accounts</b>	<b>2022</b>	<b>2021 Restated</b>
Security Services	12,601,486.19	12,857,480.85
General Services	10,802,582.99	7,579,662.04
Other General Services	17,673,522.83	15,655,402.98
<b>Total</b>	<b>41,077,592.01</b>	<b>36,092,545.87</b>

The Security Services account represents the contract made with the security services company for the security maintenance of all PhilSCA Campus.

The General Services account represents the contract made with the manpower services company for the maintenance and cleanliness of PhilSCA-Villamor Campus.

The Other General Services account represents the payments for the services rendered mostly by Contract of Service personnel. The account was restated from P15,564,332.39 to P15,655,402.98 balance due services rendered in CY 2021 that was only recorded in CY 2022 amounting to P 91,070.59.

#### 17.10 Repairs and Maintenance

Accounts	2022	2021 Restated
Repairs and Maintenance - Buildings and Other Structures	2,747,522.75	2,221,445.03
Repairs and Maintenance - School Buildings	70,876.00	9,028.00
Repairs and Maintenance - Other Structures	7,208.97	0.00
Repairs and Maintenance - Machinery and Equipment	118,052.00	601,373.07
Repairs and Maintenance - Office Equipment	62,906.00	0.00
Repairs and Maintenance - Transportation Equipment	236,776.29	2,308,225.85
Repairs and Maintenance - Motor Vehicles	230,572.65	9,250.00
Repairs and Maintenance -Aircrafts and Aircrafts Ground Equipment	81,941.98	0.00
Repairs and Maintenance - Furniture and Fixtures	0.00	354,579.00
Repairs and Maintenance - Semi-Expendable Furniture, Fixtures and Books	0.00	285,069.00
Repairs and Maintenance - Other Property, Plant and Equipment	290,000.00	0.00
Repairs and Maintenance - Semi-Expendable Office Equipment	1,000.00	0.00
<b>Total</b>	<b>3,846,856.64</b>	<b>5,788,969.95</b>

The Repairs and Maintenance – Building and Other Structures account as of December 31, 2021 was restated from P2,196,511.03 to P2,221,445.03 balance due to CY 2021 expense that was only recorded in CY 2022 amounting to P24,934.00.

The Repairs and Maintenance - Machinery and Equipment account as of December 31, 2021 was restated from P606,858.57 to P601,373.07 balance due adjustment of staled check amounting to P5,485.50.

Likewise, the CY 2021 Repairs and Maintenance - School Buildings and Motor Vehicles Expenses amounting to P9,028.00 and P9,250.00 were only recorded in CY 2022.

#### 17.11 Taxes, Insurance Premiums and Other Fees

Accounts	2022	2021 Restated
Taxes, Duties and Licenses	744,458.98	79,469.57
Fidelity Bond Premiums	139,741.08	334,518.75
Insurance Expenses	4,311,627.06	2,738,798.79
<b>Total</b>	<b>5,195,827.12</b>	<b>3,152,787.11</b>

The Taxes, Duties and Licenses account as of December 31, 2021 was restated from P76,970.51 to P79,469.57 due to CY 2021 expense that was only recorded in CY 2022 amounting to P2,499.06.

#### 17.12 Other Maintenance and Operating Expenses

Particulars	2022	2021 Restated
Advertising, Promotional and Marketing Expenses	0.00	140,000.00
Printing and Publication Expenses	1,233,297.00	216,868.00
Representation Expenses	3,730,103.47	3,056,757.25
Rent/Lease Expenses	2,156,190.00	727,370.00
Membership Dues and Contributions to Organizations	638,570.08	769,605.40
Subscription Expenses	2,551,503.82	373,516.83
Other Subscription Expenses	9,794.47	0.00
Subsidy – Others	112,215,260.00	0.00
Other Maintenance and Operating Expenses	152,190.00	153,441.00
<b>Total</b>	<b>122,686,908.84</b>	<b>5,437,558.48</b>

The Printing and Publication Expenses account as of December 31, 2021 was restated from P126,418.00 to P216,868.00 balance due to CY 2021 expense that was only recorded in CY 2022 amounting to P90,450.00.

The Representation Expenses account was restated from P2,378,050.72 to P3,056,757.25, having a difference of P678,706.53, which was due to CY 2021 expense that was recorded in CY 2022.

The Rent/Lease Expenses account was restated from P714,550.00 to P727,370.00, having a difference of P12,820.00, which was due to CY 2021 expense that was recorded in CY 2022.

The Subscription Expenses account was restated from P332,916.83 to P373,516.83, having a difference of P 40,600.00, which was due to CY 2021 expense that was recorded in CY 2022.

The Other Maintenance and Operating Expenses account as of December 31, 2021 was also restated from P123,441.00 to P153,441.00 balance due to the CY 2021 expenses that was only recorded in CY 2022 amounting to P30,000.00.

### 17.13 Research Expenses

The account Research, Exploration and Development Expenses for CYs 2022 and 2021 amounted to P47,156.54 and P110,650.70, respectively.

## 18. Financial Expenses

Accounts	2022	2021 Restated
Bank Transaction Fee	50.00	150.00
Other Financial Charges	365.00	1,538,893.70
<b>Total</b>	<b>415.00</b>	<b>1,539,043.70</b>

The Bank Transaction Fee account as of December 31, 2021 was restated from zero to P150.00 balance due to the CY 2021 expenses that was only recorded in CY 2022.

## 19. Non-Cash Expenses

This expense account consists of all the depreciation expenses for PPE and impairment loss from receivables, broken down as follows:

### 19.1 Depreciation

Accounts	2022	2021 Restated
Depreciation - Other Land Improvements	14,960.43	743.46
Depreciation - Power Supply Systems	12,129.60	0.00
Depreciation - Communications Network	551,000.00	0.00
Depreciation - Buildings and Other Structures	10,961,567.70	2,800,674.30
Depreciation - Machinery and Equipment	0.00	54,181.82
Depreciation - Technical and Scientific Equipment	8,706.51	5,087.04
Depreciation - Communication Equipment	53,350.58	55,216.81
Depreciation - School Buildings	3,770,373.29	6,867,842.87
Depreciation - Office Equipment	163,077.00	1,939,984.23
Depreciation - ICT Equipment	6,597,419.59	4,552,800.20
Depreciation - Motor Vehicles	280,547.57	158,174.51
Depreciation - Aircrafts and Aircrafts Ground Equipment	2,930,295.24	922,048.20
Depreciation - Medical Equipment	31,920.00	37,566.73
Depreciation - Transportation Equipment	0.00	287,757.00

Accounts	2022	2021 Restated
Depreciation - Furniture and Fixtures	236,204.83	276,009.20
Depreciation - Sports Equipment	40,706.28	60,656.57
Depreciation - Other Equipment	779,562.82	723,739.78
Depreciation - Other Property, Plant and Equipment	0.00	10,916.64
Depreciation - Books	25,444.80	32,280.05
<b>Total</b>	<b>26,457,266.24</b>	<b>18,785,679.41</b>

The Depreciation Expense accounts as of December 31, 2021, was restated from P11,045,576.53 to P18,785,679.41 balance due to CY 2021 depreciation expenses of the unrecorded donated school buildings and other structures that was only recorded in CY 2022 totaling P7,740,102.88.

## 19.2 Impairment Losses

Accounts	2022	2021 Restated
Impairment Loss - Loans and Receivables	111,980.33	503,061.59
Impairment Loss – Operating Lease Receivables	5,174.25	7,269.71
Impairment Loss - Other Assets	2,098,569.72	7,347.98
<b>Total</b>	<b>2,215,724.30</b>	<b>517,679.28</b>

## 20. Restatement of Accounts Due to Prior Period Errors

During CY 2022, the PhilSCA has restated its previously issued FSs for the year 2021 to correct prior year's errors and/or omissions in recording transactions, as follows:

No.	Particulars/Nature of Error	Net Effect to Accumulated Surplus/(Deficit), January 1, 2022
<b>Fund Cluster 01</b>		
1.	Recognition of unaccrued expenses	(767,466.88)
2.	Double recording of prior year's expenses	69,043.44
3.	Unrecorded Impairment loss on assets	(7,347.98)
4.	Reclassification of items previously classified as PPE	5,186.81
5.	Unrecorded issuances of accountable forms	(4,320.00)
<b>Subtotal</b>		<b>(704,904.61)</b>
<b>Fund Cluster 05</b>		
1.	Recognized receipts of donations in kind	12,000,000.00
2.	Recognition of depreciation on donated PPE	(7,814,333.13)
3.	Recognition of unaccrued expenses	(2,667,871.96)
4.	To record prior year tuition fee collection	1,050,003.00
5.	Unrecorded issuances of semi-expendable inventories	(457,243.00)
6.	To record remittance to the National Treasury of the excess proceeds from the sale of bid documents	(395,633.35)
7.	Unrecorded issuances of common-use supplies	(363,297.39)

No.	Particulars/Nature of Error	Net Effect to Accumulated Surplus/(Deficit), January 1, 2022
8.	To record rental income collected from tenants	244,260.00
9.	To return to cash previously issued check that staled	226,120.16
10.	To record interest income earned	58,111.89
11.	Recognition of prior year amortization of prepayment	(40,600.00)
12.	To record payment for the release of Performance bond	(23,043.80)
13.	Overstatement of the recorded income	(2,260.00)
<b>Subtotal</b>		<b>1,814,212.42</b>
<b>Grand Total</b>		<b>1,109,307.81</b>

The effects of the restatement on various FSs accounts are summarized below:

No.	Accounts Affected	Effect on CY 2021 FSs Increase/(Decrease)
<b>Fund Cluster 01</b>		
1.	Various Expenses	767,466.88
	Accounts Payable	510,729.29
	Due to Officers and Employees	256,737.59
2.	Depreciation - ICT Equipment	(62,579.18)
	Depreciation - Other Land Improvements	(6,464.26)
	Accumulated Depreciation - ICT Equipment	(62,579.18)
	Accumulated Depreciation - Other Land Improvements	(6,464.26)
3.	Impairment Loss - Other Assets	7,347.98
	Allowance for Impairment - Semi- Expendable - Other Equipment	7,347.98
4.	Depreciation - Other Property, Plant and Equipment	(5,186.81)
	Accumulated Depreciation – Other PPE	(5,186.81)
5.	Accountable Forms Expenses	4,320.00
	Accountable Forms	(4,320.00)
<b>Fund Cluster 05</b>		
1.	Donations in Kind	12,000,000.00
	School Building	12,000,000.00
2.	Depreciation - School Buildings	5,938,121.63
	Depreciation - Other Structure	1,876,211.50
	Accumulated Depreciation - School Buildings	5,938,121.63
	Accumulated Depreciation - Other Structure	1,876,211.50
3.	Various Expenses	2,667,871.96
	Due to Officers and Employees	2,667,871.96
4.	School Fee	1,050,003.00
	Due to NGAs	(1,050,003.00)
5.	Semi – Expendable Inventory Expenses	457,243.00
	Semi – Expendable Inventory	(457,243.00)
6.	Other Business Income	(395,633.35)
	Due to NGAs	(395,633.35)
7.	Office Supplies Expenses	363,297.39



No.	Accounts Affected	Effect on CY 2021 FSs Increase/(Decrease)
	Office Supplies Inventory	(363,297.39)
8.	Rent/Lease Income	244,260.00
	Operating Lease Receivable	244,260.00
9.	Various Expenses	(226,120.16)
	Accounts Payable	(226,120.16)
10.	Interest Income	58,111.89
	Due from GOCCs	58,111.89
11.	Subscription Expenses	40,600.00
	Prepaid Subscription	(40,600.00)
12.	Other Business Income	(23,043.80)
	Accounts Payable	(23,043.80)
13.	School Fee	(2,260.00)
	Accounts Payable	(2,260.00)

## 21. Other Adjustments

No.	Particulars/Nature of Error	Net Effect to Accumulated Surplus/(Deficit), January 1, 2021
<b>Fund Cluster 01</b>		
1.	Derecognition of various PPE account CY 2021	(570,877.40)
2.	Collection of refunded hazards pay paid in CY2020	25,500.00
3.	Accrual of Office Supplies Expenses	10,500.00
<b>Subtotal</b>		<b>(534,877.40)</b>
<b>Fund Cluster 05</b>		
1.	Derecognition of various donated PPE CY2020	(6,939,758.76)
2.	To record prior year tuition fee collection	(208,687.50)
3.	To record various adjustments in depreciations	(116,420,266.40)
4.	To return to cash previously issued check that staled.	(120,642.00)
5.	To record interest Income earned in CY2020	136,877.60
6.	To record rental Income collected from tenants	63,179.00
7.	To record impairment of school building damaged by typhoon	(212,020.00)
8.	Recognized receipts of PPEs from various donors	322,836,190.00
<b>Subtotal</b>		<b>(198,306,401.14)</b>
<b>Grand Total</b>		<b>(198,841,278.54)</b>

## 22. Adjustment of Net Revenue Recognized Directly in Net Assets/Equity

The amount of P120,045.58 reflected in the Statement of Changes in Net Assets/Equity pertains to the recorded amount under the account Cash-Treasury Agency Deposit, Regular upon remittance to the BTr and closed to the Accumulated Surplus/(Deficit) in CY 2022.

### 23. Net Assistance/Subsidy

Particulars	2022	2021
NCA received for the year	301,751,685.00	183,307,789.00
Tax Remittance Advice (TRA)	9,466,724.00	8,867,700.35
<b>Total</b>	<b>311,218,409.00</b>	<b>192,175,489.35</b>
Less: Reversal of unutilized NCA	(62,066.72)	(1,467.49)
<b>Net Financial Assistance/Subsidy</b>	<b>311,156,342.28</b>	<b>192,174,021.86</b>

### 24. Receipt of Notice of Cash Allocations (NCA)

Month	2022	2021
January	12,557,000.00	12,117,000.00
February	13,377,362.00	12,116,000.00
March	13,238,681.00	11,956,000.00
April	26,502,556.00	18,201,187.00
May	21,480,582.00	23,045,085.00
June	13,043,681.00	17,796,740.00
July	13,159,681.00	12,719,192.00
August	13,449,156.00	12,719,192.00
September	125,279,941.00	12,718,192.00
October	13,087,681.00	12,719,192.00
November	22,345,682.00	23,805,817.00
December	14,229,682.00	13,394,192.00
<b>Total</b>	<b>301,751,685.00</b>	<b>183,307,789.00</b>

### 25. Collection of Income/Revenues

The total income realized by the College for FY 2022 is broken down as follows:

Particulars	2022	2021
Service and Business Income	121,744,240.60	77,952,974.40
Other Income	0.00	2,644,539.67
Receipt of Shares, Grants, and Donations	19,000,000.00	0.00
Receipt of Prior Years' Income	463,210.47	10,120.00
<b>Total</b>	<b>141,207,451.07</b>	<b>80,607,634.07</b>

The amount of P112,215,260.00 in Service and Business Income represents collection from DBM for the FHE Subsidy budget under the CY 2022 GAA representing billing made for the enrolled qualified students. The amount was later transferred to STF for use in the College operations.

The Receipt of share, grants, and donations in CY 2022 amounting to P19,000,000.00 represent collections for the CHED funded project implemented by the College such as P3,000,000.00 for the implementation of e-Library and P16,000,000.00 for the implementation of Twinning and Training Program among PhilSCA, PAF, British Columbia Institute of Technology (BCIT) and World Citi Colleges (WCC).

## 26. Receipt of Assistance and Subsidy from Other NGAs, LGUs and GOCCs

The amount of P165,205,532.50 balance pertains to the collected financial assistance from CHED - UniFAST (Free Tuition) and financial assistance from CHED - TES, Tulong-Dunong and other Scholarship amounting to P138,216,470.00, P26,989,062.50, respectively.

## 27. Collection of Receivables

The collection of accounts receivables by the College for CYs 2022 and 2021 amounted to P504,848.40 and P103,315.40, respectively.

## 28. Other Receipts

Particulars	2022	2021
Refund of Cash Advances	1,567,074.35	548,070.58
Unused Petty Cash Fund	0.00	14,799.92
Return of Funds from PITC	0.00	87,761,106.30
Refund of guaranty deposits	3,323,088.49	0.00
Refund of advances to contractors	12,222,815.25	0.00
Collection of Disallowed hazard pay	25,500.00	0.00
Constructive Receipt of TRA	9,472,868.36	0.00
<b>Total</b>	<b>26,611,346.45</b>	<b>88,323,976.80</b>

## 29. Payment of Expenses

Particulars	2022	2021
Payment of PS	133,502,422.64	105,492,244.40
Payment of MOOE	111,376,233.41	93,479,272.56
Payment of expenses pertaining to / incurred in the prior years	1,458,451.27	914,061.51
<b>Total</b>	<b>246,337,107.32</b>	<b>199,885,578.47</b>

## 30. Purchase of Inventories

Particulars	2022	2021
<b>Inventory Held for Consumption</b>		
Purchase of Medical, Dental, and Laboratory Supplies Inventories	10,428.70	0.00
Purchase of Drugs and Medicines Inventory	592,162.38	0.00
Purchase of Fuel, Oil, and Lubricants Inventory	166,798.57	0.00
Purchase of Other Supplies and Materials Inventory	30,507.37	0.00
<b>Sub total</b>	<b>799,897.02</b>	<b>0.00</b>

Particulars	2022	2021
<b>Semi-Expendable Machinery and Equipment</b>		
Purchase of Semi-Expandable - Office Equipment	707,700.00	66,455.00
Purchase of Semi-Expandable - Furniture and Fixtures	49,515.00	166,878.00
Purchase of Semi -Expendable - Technical and Scientific Equipment	412,207.81	0.00
Purchase of Semi-Expendable - ICT Equipment	457,802.11	0.00
Purchase of Semi-Expendable - Other Equipment	25,080.36	0.00
Purchase of Semi-Expendable - Medical Equipment	65,424.71	0.00
<b>Sub total</b>	<b>1,717,729.99</b>	<b>233,333.00</b>
<b>Grand Total</b>	<b>2,517,627.01</b>	<b>233,333.00</b>

The Purchases of inventories for CY 2022 amounting to P799,897.02 represents the effect of changing the inventory monitoring system from direct expense method to Perpetual Inventory Method.

### 31. Grant of Cash Advances

The total Cash Advances/Payroll Fund/Petty Cash Fund granted is as follows:

Particulars	2022	2021
Special Disbursing Officers	16,109,060.00	16,033,107.96
Officers and Employees	2,363,129.41	226,500.00
<b>Total</b>	<b>18,472,189.41</b>	<b>16,259,607.96</b>

### 32. Prepayments

Particulars	2022	2021
Prepaid Insurance	4,717,355.35	0.00
Prepaid Subscription	1,959,750.00	998,000.00
<b>Total</b>	<b>6,677,105.35</b>	<b>998,000.00</b>

The Prepaid Insurance for CY 2022 represents payments made for the insurance of properties and Students Personal Accident insurance which will expire during CY 2023.

Payment for Prepaid Subscription is an advance payment made for the three (3) year period from CY 2022 for subscription of Anti-Plagiarism Honesty Clause Checker and Computer-Based Air Traffic Control Training Software.

### 33. Payment of Accounts Payable

The prior year's account payable payment amounting to P4,578,243.03 and P53,730,961.34 in CYs 2022 and 2021, respectively, represents payment made for contractor's billing for the delivered item and or completed contract where prior commitment of fund was made.

### 34. Remittance of Personnel Benefit Contributions and Mandatory Deductions

This refers to the total monthly remittances of GSIS/Pag-IBIG/PhilHealth and other payables, broken down as follows:

Particulars	2022	2021
Remittance of taxes withheld not covered by TRA	11,418,569.77	9,962,520.35
Remittance to GSIS/Pag-IBIG/PhilHealth	35,650,818.27	35,861,203.91
Remittance of other payables	6,911,764.84	6,111,819.90
<b>Total</b>	<b>53,981,152.88</b>	<b>51,935,544.16</b>

### 35. Grant of Financial Assistance/Subsidy

This amount of P72,262.50 and P397,000.00 for the CY 2022 and 2021 respectively, pertains to the receipt of Administrative Service Cost (ASC) from CHED-Grants of Scholarships.

### 36. Other Disbursements

The Refund of Grants Account amounting to P24,000,000.00 pertains to the return of unutilized fund from CHED Project for Smart Campus Flight Plan under the Smart Campus Development Program of RA 11494. While the Subsidy-Others amounting to P112,215,260.00 pertains to the FHE Subsidy received from DBM to Regular Fund account and transferred to STF for use in the college operation.

### 37. Reversal of the Unutilized NCA

The total lapsed NCA balance for FY 2022 amounted to P62,066.72, which was reverted to the account of the National Treasury as of December 31, 2022.

### 38. Purchase of Property, Plant and Equipment

Particulars	2022	2021
Payment for Land Improvements	0.00	321,602.00
Construction of Buildings and Other Structures	0.00	31,580,932.80
Purchase of Machinery and Equipment	0.00	95,000.00
Construction in Progress	71,181,750.10	10,543,000.12
Purchase of Furniture, Fixtures and Books	0.00	63,690.00
Purchase of Office Equipment	65,600.00	1,072,330.00
Purchase of Aircraft and Aircrafts Ground Equipment	49,022,075.00	260,627.11

Particulars	2022	2021
Purchase of ICT Equipment	0.00	11,286,881.95
Purchase of Other PPE	1,849,800.00	0.00
Purchase of Transportation Equipment	0.00	0.00
Payment for Retention Fee to Contractors	3,497,976.83	0.00
Advances to Contractors	21,415,055.94	13,390,311.56
Payment of Guaranty Deposit	1,196,438.30	0.00
<b>Total</b>	<b>148,228,696.17</b>	<b>68,614,375.54</b>

The increase in CY2022 amounting to P79,614,320.63 is traceable to the payments made for Aircraft and Aircrafts Ground Equipment account identified as turbojet trainer with reheat and mock-up Engine with combined amount of P51,896,000.00.

Also, the Construction in Progress account represents payment made to Project Construction of Students Dormitory building in Villamor Campus and Construction of Laboratory Building in BAB Campus in Floridablanca, Pampanga.

### 39. Purchase of Intangible Assets

The amount of P121,142.85 (net of withholding tax), pertains to the payment of MS SQL 2019 Server and MS Window server 2022 as per check No. 98260 dated May 10, 2022, amounting to P128,000.00.

### 40. Comparison of Budget and Actual Amounts

The original budget for Personnel Services in the amount of P150,102,000.00 was increased by P2,759,282.00. The final budgeted amounts for MOOE and Capital Outlays for FY 2022 were P360,671,640.00 and P7,000,000.00, respectively.

The total disbursements for Personnel Services amounted to P136,221,077.64, leaving a difference of P16,640,204.36 from the final budget allocation for Personnel Services, while the MOOE total disbursements amounted to P157,434,312.84 with a balance of P203,237,327.16. The significant difference was attributed to unreleased appropriations of P218,523,206.00. The appropriations for Capital Outlays under current year amounting to P7,000,000.00, was not released to PhilSCA, hence, there is no corresponding disbursements.

#### 40.1 Personnel Services

Particulars	Budgeted Amount		Actual Amounts on Comparable Basis
	Original	Final	
Agency Specific Budget	138,996,000.00	141,153,360.00	125,447,866.53
Automatic Appropriations	11,106,000.00	11,707,922.00	10,773,211.11
<b>Total</b>	<b>150,102,000.00</b>	<b>152,861,282.00</b>	<b>136,221,077.64</b>

#### 40.2 Maintenance and Other Operating Expenses

Particulars	Budgeted Amount		Actual Amounts on Comparable Basis
	Original	Final	
Current Year Appropriations	362,829,000.00	360,671,640.00	157,434,312.84

#### 40.3 Capital Outlays

Particulars	Budgeted Amount		Actual Amounts on Comparable Basis
	Original	Final	
Machinery and Equipment	7,000,000.00	7,000,000.00	0.00

### 41. Related Party Transactions

#### 41.1 Key Management Personnel

The key management personnel of PhilSCA are the members of the BOT, the President of the College and the members of the senior management group. The BOT is composed of members appointed by CHED, representatives from: NEDA, the student body, the faculty and alumni association, and the private sector.

#### 41.2 Key Management Personnel Compensation

The aggregate remuneration of the members of the governing body and the number of members determined on a full-time equivalent basis receiving remuneration within this category are:

Particulars	Aggregate Remuneration	
	2022	2021
Salaries and Wages	4,373,273.00	4,658,308.30
Other Compensation and Benefits	1,545,480.35	2,126,641.68
Honoraria	155,000.00	257,250.00
<b>Total</b>	<b>6,073,753.35</b>	<b>7,042,199.98</b>