



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

For the year ended December 31, 2024
(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, 2025, 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, the BAB Community College established the BABC - Annex in Nichols Air Base, now the Villamor Air Base (VAB), in Pasay City. Thereafter, a Satellite Campus was established in Fernando Air Base (FAB) in Lipa City, Batangas.

On the same year, then 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.

Two years after, 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, which converted PAFCA into a state college known as the Philippine State College of Aeronautics.

Eight years after, the PhilSCA transferred to its new site at Villamor, Pasay City (West Service Road, South Luzon Expressway).

The PhilSCA is currently envisioned as a leading institution dedicated to advancing the scientific and technological fields of aeronautical sciences. It aims to meet the evolving needs of the industry by producing its own world-class professionals. This is in line with their mission which is to cultivate skilled aeronautics experts who are guided by values of commitment, excellence, responsibility, and integrity, achieved through cutting-edge education 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, except for the Statement of Cash Flows, which 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 Villamor, Pasay City, and its Satellite Campuses in Cebu, Batangas, and Pampanga.

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

The PhilSCA maintains the following funds:

<u>Code</u>	<u>Description</u>
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. The 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 date that the PhilSCA commits to purchase or sell the asset.

The PhilSCA's financial assets include cash and 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

The 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; or
- The 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, the PhilSCA 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. Upon determination that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included 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 the 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 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. The 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-in-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 acceptance. 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, it 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

A 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.

The 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, the 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 an expense unless it is included in the cost of another asset.

Initial Recognition of Depreciation

The 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 15th of the month. However, if the PPE is available for use after the 15th 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

The 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

A PPE's carrying amount is written down to its recoverable amount, or recoverable service amount, if the PPE'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 Intangible Assets

Recognition and Measurement

Intangible assets are recognized when: they are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost.

Subsequent Expenditure on an Acquired In-process Research and Development Project

Subsequent expenditure on an in-process research or development project acquired separately and recognized as an intangible asset is:

- Recognized as an expense when incurred if it is a research expenditure;
- Recognized as an expense when incurred if it is a development expenditure that does not satisfy the criteria for recognition as an intangible asset; and
- Added to the carrying amount of the acquired in-process research or development project if it is a development expenditure that satisfies the recognition criteria for intangible assets.

Internally Generated Intangible Assets

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

Recognition of an Expense

Expenditure on an intangible item is recognized as an expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria of an intangible asset.

Subsequent Measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over their useful life.

The straight-line method is adopted in the amortization of the expected pattern of consumption of the expected future economic benefits or service potential.

An intangible asset with an indefinite useful life is not amortized. Intangible assets with an indefinite useful life or an intangible asset not yet available for use are assessed for impairment whenever there is an indication that the asset may be impaired.

The PhilSCA uses five (5) years as the useful life of finite intangible assets. The useful life for each type of finite intangible asset is established upon purchase of the asset based on the terms of the contract.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. The changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered in the modification of the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense of an intangible asset with a finite life is recognized in surplus or deficit, as the expense category that is consistent with the nature of the intangible asset.

The gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and were recognized in the surplus or deficit when the asset is derecognized.

Research and development costs

The PhilSCA recognizes expenses and research costs as incurred. The development costs on an individual project are recognized as intangible assets when the PhilSCA can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits or service potential;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development

Following its initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The amortization of the asset begins when its development is complete, and the asset is available for use. It is amortized over the period of its expected future benefit.

During the period of its development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

3.8 Changes in Accounting Policies and Estimates

The PhilSCA recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are 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.

3.9 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 are 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.

The 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

The 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

The 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 are 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

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

On initial recognition, gifts and donations including goods-in-kind are measured at their fair value as at the date of acquisition, which are 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 is ascertained by reference to quoted prices in an active and liquid market.

Transfers

The PhilSCA transferred resources as an asset when they 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 are not recognized as an asset or a 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

The 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.

3.10 Revenue from Exchange Transactions

Measurement of Revenue

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

Rendering of Services

The 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 are recoverable.

3.11 Budget Information

The annual budget is prepared on a cash basis and 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. The explanatory comments are provided in the notes to the annual financial statements; the reasons for overall growth or decline in the budget are stated, which is followed by details of overspending or underspending on specific line items.

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

3.12 Employee Benefits

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

The 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 are not recognized as expense. Non-accumulating compensated absences, like special leave privileges, were not recognized.

3.13 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.

The estimates are 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. Since measurement of uncertainty exists in these financial statements, actual results could differ from the estimates.

4. Cash and Cash Equivalents

Accounts	2024	2023 Restated
Cash Collecting Officer	45.00	0.00
Petty Cash	910,000.00	77,840.30
Cash in Bank-Local Currency, Current Account (CiB-LCCA)	450,601,951.23	618,341,712.66
Cash - Treasury/Agency Deposit, Regular	335,169.30	0.00
Cash in Bank-National Treasury, Modified Disbursement System (MDS), Regular	0.00	529,658.85
Total	451,847,165.53	618,949,211.81

The Cash & Cash Equivalents account represents collections of tuition, other school fees, and receipts from Special Trust Fund which the PhilSCA is authorized to use under RA No. 8292.

The Cash Collecting Officer account balance of P45.00 was collected by Mactan Cebu campus cashier on December 24, 2024 and was included in the bank deposit on January 2, 2025 per January 2025 Report of Collection.

The Petty Cash Fund (PCF) account balance of P910,000.00 in CY 2024 is attributable to the existing PCF of accountable officers as of December 31, 2024.

The CY 2023 CiB-LCCA balance was restated from P618,341,559.88 to P618,341,712.66 recognized the amount of P152.78 over deposit.

The corresponding check for the remittance to Bureau of Treasury of the balance in the Cash-Treasury/Agency Deposit, Regular as of December 31, 2024 amounting to P335,169.00 is yet to be prepared.

5. Receivables

5.1 Aging/Analysis of Receivables as at December 31, 2024

Accounts	Total	Past Due	Past Due
		91 – 365 days	Over 2 Years
Loans and Receivables	27,435,420.25	27,435,420.25	0.00
Inter-Agency Receivables	18.20	18.20	0.00
Intra-Agency Receivables	451,108.70	451,108.70	0.00
Other Receivables	2,239,001.65	0.00	2,239,001.65
Total	30,125,548.80	27,886,547.15	2,239,001.65

5.2 Loans and Receivables

Accounts	2024	2023
Accounts Receivable	27,488,833.22	27,113,390.65

Accounts	2024	2023
<i>Allowance for Impairment – Accounts Receivable</i>	<i>1,370,330.75</i>	<i>1,370,330.74</i>
Net Value - Accounts Receivable	26,118,502.48	25,743,059.91
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>
Net Value - Loans Receivable - Others	834,675.00	834,675.00
Operating Lease Receivable	499,718.14	410,796.50
<i>Allowance for Impairment – Operating Lease Receivable</i>	<i>17,475.37</i>	<i>21,748.86</i>
Net Value – Operating Lease Receivable	482,242.77	389,047.64
Total	27,435,420.25	26,966,782.55

The CY 2024 Operating Lease Receivable account balance amounting to P499,718.14 represents the unpaid rental of occupants/tenant from Guestel rooms & Canteen concessionaires of PhilSCA Villamor Campus.

The CY 2024 Accounts Receivable account balance amounting to P27,488,833.22 represents the outstanding obligations of students enrolled at PhilSCA.

The CY 2024 Loans Receivable – Others account balance amounting to P879,000.00 pertains to the amounts loaned by PhilSCA to students that remain unpaid.

5.3 Inter-Agency Receivables

Accounts	2024	2023
Due from National Government Agencies (NGAs)	18.20	44,859.72
Total	18.20	44,859.72

The balance of Due from NGAs account in CY 2024 represents the remaining value in the electronic wallet of PhilSCA for procurement of office supplies to the Procurement Service - Department of Budget and Management (PS-DBM).

5.4 Intra-Agency Receivables

Accounts	2024	2023
Due from Other Funds	451,108.70	874,912.60
Total	451,108.70	874,912.60

The balance exists between Fund 05 & Fund 01 pending preparation of check payment.

5.5 Other Receivables

Accounts	2024	2023 Restated
Receivables-Disallowances/Charges	1,367,096.79	1,367,096.79
Other Receivables	918,220.25	1,015,220.25
<i>Allowance for Impairment - Other Receivables</i>	<i>46,315.39</i>	<i>46,315.39</i>
Net Value - Other Receivables	871,904.86	968,904.86
Total	2,239,001.65	2,336,001.65

The Receivables – Disallowances/Charges account for CY 2022 was restated from P580,096.89 to P1,367,096.89 to record two received Notice of Final Decision (NFD), pursuant to COA Circular No. 2009-006, totaling P787,000.00 (P432,000 plus P355,000), 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 and NFD dated July 12, 2012 on ND No. 11-001-164 (07-09) amounting to P355,000.00 both for the payment of legal services. The Management had properly informed in writing the concerned employees about the NFD.

The reduction in the Other Receivable account balance amounting to P97,000.00 represents the collection from previous employees.

6. Inventories

The Semi-Expendable Machineries & Equipment Inventories items are those purchases which did not qualify as PPE pursuant to COA Circular No. 2022-004.

The decrease of inventories in the Semi-Expendable Machineries and Equipment and Furniture, Fixtures and Books inventories balances are due to the issuance of newly delivered items based on Inventory Custodian Slip (ICS) and Report of Supplies and Materials Issued (RSMI).

Particulars	2024	2023 Restated
Inventory Held for Consumption		
Office Supplies Inventory	555,236.27	1,860,259.56
Accountable Forms, Plates and Stickers Inventory	5,901.00	436,995.00
Drugs & Medicine Inventory	0.00	633,301.00
Medical, Dental & Laboratory Supplies Inventory	0.00	168,981.00
Fuel, Oil & Lubricants Inventory	181,595.00	430,500.00
Textbook and Instructional Materials Inventory	0.00	481,595.00
Other Supplies & Materials Inventory	0.00	229,445.90
Carrying Amount, December 31	742,732.27	4,241,077.46
Semi-Expendable Machinery and Equipment Inventories		
Semi – expendable Office Equipment	0.00	14,150.00
Net Value	0.00	14,150.00

Particulars	2024	2023 Restated
Semi – expendable Information & Communication Technology equipment	0.00	5,890.00
Net Value	0.00	5,890.00
Semi – expendable Disaster Response & Rescue Equipment	0.00	10,000.00
Net Value	0.00	10,000.00
Semi expendable – Technical & Scientific equipment	0.00	12,400.00
Allowance for Impairment – Semi expendable Technical & Scientific equipment	0.00	392.67
Net Value	0.00	12,007.33
Semi-expendable – Other Equipment	0.00	37,679.00
Allowance for impairment – Other Equipment	0.00	12,534.79
Net Value	0.00	25,144.21
Semi-Expendable Furniture, Fixtures and Books		
Semi expendable – Furniture & Fixtures	0.00	14,400.00
Net Value	0.00	14,400.00
Carrying Amount December 31	0.00	81,591.54
Total Carrying Amount, December 31	742,732.27	4,322,669.00

7. Other Current Assets

Accounts	2024	2023 Restated
Advances		
Advances to Special Disbursing Officers	5,065,569.44	1,440,494.77
Advances to Officers and Employees	477,120.12	716,914.59
Prepayments		
Prepaid Insurance	142,710.62	239,608.54
Prepaid Subscription	1,104,722.22	3,658,661.11
Advances to Contractors	25,360,488.20	25,173,963.87
Other Prepayments		111,250.00
Grand Total	32,150,610.60	31,340,892.89

The balances of Advances accounts represent on-going activities and travels that are not yet due for liquidation as of December 31, 2024.

The Advances to Contractors account represents the 15% mobilization fee of supplier/contractor for the training hours of Bachelor of Science in Air Transportation (BSAT) students and for other procurement and construction projects in accordance with the applicable provisions of RA9184.

8. Property, Plant and Equipment – P880,154,648.99

Particulars	Land & Other Land Improvements	Furniture, Fixtures and Books	Other Property, Plant & Equipment	Building & Other Structure
Carrying Amount, 1/1/2024	269,485,650.10	2,011,691.10	38,425.00	382,316,793.01
Additions/Acquisitions/	-		-	
Adjustment	-	(601,743.02)		6,312,403.10
Subtotal	269,485,650.10	1,409,948.08	38,425.00	388,629,196.11
Depreciation	(14,960.43)	(269,915.90)	-	(16,112,841.36)
Carrying Amount, 12/31/2024	269,470,689.67	1,140,032.18	38,425.00	372,516,354.75
Gross Cost, 12/31/2024	269,709,424.50	2,700,402.80	384,250.00	528,948,457.13
Less: Accumulated Depreciation	(238,734.83)	(1,560,370.62)	(345,825.00)	(156,220,082.38)
Less: Impairment Losses				(212,020.00)
Carrying Amount, 12/31/2024	269,470,689.67	1,140,032.18	38,425.00	372,516,354.75

Particulars	Infrastructure & Communication Network	Transportation Equipment	Machinery & Equipment	Construction in Progress	Total
Carrying Amount, 1/1/2024	3,158,286.80	11,045,612.65	71,637,839.32	79,967,226.76	819,661,524.74
Additions/Acquisitions/	16,777,777.76	-	-	-	16,777,777.76
Adjustment	1,458,453.91	3,789,745.69	38,135,319.44	22,307,186.92	71,401,366.04
Subtotal	21,394,518.47	14,835,358.34	109,773,158.76	102,274,413.68	907,840,668.54
Depreciation	- 563,129.60	(774,008.62)	(9,951,163.64)	-	(27,686,019.55)
Carrying Amount, 12/31/2024	20,831,388.87	14,061,349.72	99,821,995.12	102,274,413.68	880,154,648.99
Gross Cost, 12/31/2024	22,577,777.76	44,603,694.61	158,100,660.93	102,274,413.68	1,129,299,081.41
Less: Accumulated Depreciation	- 1,746,388.89	(30,542,344.89)	(58,278,665.81)	-	(248,932,412.42)
Less: Impairment Losses					(212,020.00)
Carrying Amount, 12/31/2024	20,831,388.87	14,061,349.72	99,821,995.12	102,274,413.68	880,154,648.99

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

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

“Whereas, during its 2nd 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 the 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 the 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 the PhilSCA by BCDA; and (underlining ours).
Xxxx

Whereas, the transfer of the 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 the BCDA and the 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 letter dated August 1, 2011, of the previous PhilSCA resident COA auditor, a new MOA and DOAS between the BCDA and the PhilSCA, was drafted by BCDA for the approval of the PhilSCA Board of Trustees (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 the 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 the 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 the 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 the 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 the BCDA to the terms and conditions on the identification, segregation and making available to the PhilSCA, the approximately 20 hectares of land owned by the BCDA. Despite the letter follow-ups and visitations made by the present PhilSCA President to the BCDA Office, the PhilSCA cannot issue the Certificate of Acceptance and the BCDA cannot process the Transfer Certificate of Title of the subject land in favor of PhilSCA, resulting in the site of the PhilSCA at Villamor, Pasay City as temporary site.

The occupied sites in the PhilSCA BAB and MBEAB Campuses are inside the respective Philippine Air Force (PAF) camp area and continuing 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.

The transfer of registration and titling of donated properties received in the name of the PhilSCA is on-going as per the PhilSCA President's memorandum/order to the concerned campus director.

The increase in the Buildings & Other Structures account amounting to P6,596,113.00 is attributable to the recognition of completed rehabilitation of typhoon damaged 6 classrooms in Mactan Cebu and the recognition of the donated Multi-purpose Covered Court and gym at PhilSCA - Palmayo.

The increase in the Machineries & Equipment account is attributable to the recognition of various machineries and equipment purchased amounting to P24,995,000.00 for the delivered Mock-up/Static Gas Turbine Engine project and 3D printing laboratory equipment project and adjustment for the correction of previous PPE classification. Hauling cost amounting to P300,000.00 was paid for the delivery of accepted donation from the Bureau of Soil and Water Management under a Deed of Absolute Donation with details as follows:

Date Acquired	Property No.	Description	Amount	Condition
9-29-1991	N-A-01	(1) Unit Aircraft CESSNA 421B RPC1243	0.00	Unserviceable

The Construction-in-Progress account balance amounting to P102,274,413.68 pertains to the following projects, namely: Construction of the Student Dormitory building at Villamor Campus which still awaits acceptance by the PhilSCA; Major repair and rehabilitation of classrooms and hangar in the PhilSCA Mactan; and On-going construction of New Administrative and Academic Building at PhilSCA Mactan, Cebu.

9. Intangible Assets

Accounts	2024	2023
Computer Software	31,119,423.00	31,365,823.00
<i>Less: Accumulated Amortization – Computer Software</i>	<i>18,399,339.29</i>	<i>13,339,208.92</i>
Total	12,720,083.71	18,026,614.08

The Intangible Assets account, consisting of computer software, is recorded based on its acquisition cost and being amortized over 5 years using straight line method.

10. Financial Liabilities

Accounts	2024	2023 Restated
Accounts Payable	8,095,437.19	13,302,300.71
Due to Officers and Employees	2,830,041.72	3,697,336.74
Guaranty/Deposits Payable	7,772,318.57	1,366,574.08
Total	18,697,797.48	18,366,211.53

The Accounts Payable balance for CY 2024 is attributable to the accrual of unpaid supplier deliveries and services, and employee's mandatory deductions, which are due for payment in January 2025.

The Guaranty/Deposit Payable account is attributable to collection of contractor's security bond deposit paid thru check and money retention to be released to contractors upon completion and acceptance of the project.

11. Inter-Agency Payables

Accounts	2024	2023 Restated
Due to BIR	3,072,175.06	2,916,648.14
Due to GSIS	570,010.88	872,331.95
Due to Pag-IBIG	728,395.67	728,698.65
Due to PhilHealth	25,942.61	21,158.37
Due to NGAs	43,043,559.12	51,994,261.57
Due to GOCCs	18,908.73	18,908.73
Total	47,458,992.07	56,552,007.41

The balances of mandatory government remittances (BIR, GSIS, Pag-IBIG & PhilHealth) accounts represent deductions made from employees' payroll for December 2024 which will be remitted in January 2025. Due to BIR account balance represents the withholding taxes deducted/accrued from the supplier & employees which will be remitted to BIR in January 2025.

12. Intra-Agency Payables P1,237,487.53

The balance of Intra-Agency Payables account in CY 2024 amounting to P1,237,487.53 still exist between Fund 05 & Fund 01 pending preparation of check payment while CY 2023 was restated from P874,912.60 to P882,163.60.

13. Other Payables - P232,187.97

The Other Payables account balance in CY 2024 & CY 2023, amounting to P232,187.97 & P199,984.72, respectively, refers to collected union dues from employees' membership and loan repayments for remittance in CY 2025.

14. Trust Liabilities

Accounts	2024	2023
Guaranty/ Deposits Payable	0.00	2,476,892.30
Total	0.00	2,476,892.30

15. Service and Business Income

Accounts	2024	2023 Restated
Business Income		
School Fees	100,208,936.16	293,580,666.33
Rent/ Lease Income	1,936,406.63	1,383,615.52
Interest Income	219,318.00	226,980.42
Fines and Penalties	208,894.75	277,590.25
Other Business Income	8,480,678.20	2,264,237.92
Miscellaneous Income	231,585.75	1,357,993.98
Total	111,285,819.49	299,091,084.42

The Service and Business Income account is comprised of different types of fees: School Fees and Fines and Penalties from students; Rent/Lease Income from the rental of spaces; Interest Income from bank accounts; and Other Business and Miscellaneous Income from the Income Generating Projects of the PhilSCA.

Other Business Income account includes collection from the GSIS insurance amounting to P5,556,768.99 for the recovery of the equivalent value of the damaged properties due to typhoon “Odette” of the PhilSCA Mactan campus in CY 2019.

The School Fees account consist of collection from paying and non-paying students. The non-paying students are those qualified and opted to avail the benefits of Universal Access to Quality Tertiary Education Act (UAQTEA) under RA No. 10931. It also includes collections from the previous college’s students unpaid tuition fee balances.

The Miscellaneous Income account balance for CY 2023 was restated from P1,357,841.20 to P1,357,993.98 to recognize over deposit of cash collection amounting to P152.78.

16. Personnel Services – P193,185,292.24

The Personnel Services account represents 37 percent of the CY 2024 current operating expenses, covering all payments related to the salaries and other compensation of regular personnel, as well as benefits received by the PhilSCA’s teaching and non-teaching staff.

The increase in the Personnel Services is attributable to the implementation of 1st Tranche Salary increase as per Executive Order (EO) No. 64 s.2024 with retroactive effect on January 1, 2024 up to calendar year 2027 and DBM NBC No. 589 allowing

the hiring of additional personnel pursuant to Revised Organizational Staffing Standard (ROSS).

16.1 Salaries and Wages

Account	2024	2023 Restated
Basic Salary-Civilian	113,986,599.04	95,502,755.78
Salaries and Wages - Casual/Contractual	962,471.59	0.00
Total	114,949,070.63	95,502,755.78

The Salaries and Wages – Casual/Contractual is attributable to hiring of additional drivers as casual, serving Lipa, BASA, Mactan and Villamor campuses.

The Basic Salary account for CY 2023 is restated from P95,498,150.60 to P95,502,755.78 to recognize the return of overpaid salary of an employee.

16.2 Other Compensation

Accounts	2024	2023 Restated
Personal Economic Relief Allowance (PERA)	5,771,418.13	4,963,162.78
Representation Allowance (RA)	565,500.00	462,000.00
Transportation Allowance (TA)	494,500.00	360,000.00
Clothing/ Uniform Allowance - Civilian	1,722,000.00	1,188,000.00
Subsistence Allowance	0.00	17,250.00
Laundry Allowance	0.00	2,352.20
Honoraria-Civilian	16,605,303.97	15,766,371.22
Year End Bonus-Civilian	9,940,051.80	7,860,734.95
Cash Gift-Civilian	1,246,000.00	1,027,500.00
Mid-Year Bonus-Civilian	8,782,061.00	7,693,458.00
Collective Negotiation Agreement Incentive	4,808,326.31	2,862,120.00
Anniversary Bonus- Civilian	1,950,000.00	0.00
Other Bonuses and Allowances	1,221,500.00	1,008,000.00
Total	53,106,661.21	43,210,949.15

There are no Subsistence Allowance and Laundry Allowance expenses recorded in CY 2024.

16.3 Personnel Benefit Contributions

Accounts	2024	2023
Retirement and Life Insurance Premiums	13,555,061.61	12,423,807.42

Accounts	2024	2023
Pag-IBIG Contributions	552,100.00	247,500.00
PhilHealth Contributions	2,765,619.33	1,821,363.69
Employees Compensation Insurance Premiums	295,579.82	260,702.31
Total	17,168,360.76	14,753,373.42

16.4 Other Personnel Benefits

Accounts	2024	2023 Restated
Terminal Leave Benefits-Civilian	2,340,062.87	4,188,247.99
Other Personnel Benefits	4,893,500.00	4,139,000.00
Lump-Sum for Step Increments - Length of Service	13,387.74	0.00
Loyalty Awards Civilian	714,249.03	0.00
Total	7,961,199.64	8,327,247.99

17. Maintenance and Other Operating Expenses – P316,846,938.19

The MOOE account represents 63 percent of the CY 2024 current operating expenses, which includes cash and non-cash operating expenses.

17.1 Traveling Expenses

Accounts	2024	2023 Restated
Traveling Expenses - Local	5,706,467.11	7,407,862.71
Traveling Expenses - Foreign	714,249.03	1,175,200.01
Total	6,420,716.14	8,583,062.72

The Traveling Expenses - Local account as of December 31, 2023, is restated from P7,113,185.71 to P7,407,862.71 due to prior period expense that was recorded only in CY 2024.

17.2 Training and Scholarship Expenses

Accounts	2024	2023 Restated
Training Expenses	88,205,581.94	62,251,379.27
Total	88,205,581.94	62,251,379.27

The Training and Scholarship expense for CY 2024 is composed of expenses due to the contract for the Flight Training of BSAT students and payment for the registration to various trainings and seminars of personnels.

17.3 Supplies and Materials & Semi-Expendable Expenses

Accounts	2024	2023 Restated
Supplies and Materials Expenses		
Office Supplies Expenses	2,500,362.05	3,028,360.09
ICT Office Supplies Expenses	53,016.00	0.00
Accountable Forms Expenses	446,094.00	24,392.00
Drugs and Medicines Expenses	18,923.08	19,418.75
Medical, Dental and Laboratory Supplies Expenses	285.00	22,494.00
Fuel, Oil, and Lubricants Expenses	1,164,776.11	1,138,525.64
Other Supplies and Materials Expenses	5,482,444.23	9,468,710.86
Subtotal	9,665,900.47	13,701,901.34
Semi-Expendable expenses		
Semi-Expendable Office Equipment	1,249,100.00	405,735.00
Semi-Expendable Sports Equipment	0.00	800,600.00
Semi-Expendable Information & Communication Technology Equipment	1,777,630.00	0.00
Semi Expendable Disaster Response & Rescue Equipment	119,060.00	0.00
Semi Expendable Technical and Scientific Equipment	453,080.00	0.00
Semi Expendable Other Equipment	309,143.50	0.00
Semi-Expendable Furniture and Fixtures Expenses	2,160,555.00	223,150.00
Semi-Expendable Books	102,463.20	407,590.00
Subtotal	6,171,031.70	1,837,075.00
Total	15,836,932.17	15,538,976.34

17.4 Utility Expenses

Accounts	2024	2023 Restated
Water Expenses	7,073,003.76	7,253,886.36
Electricity Expenses	9,152,991.94	8,795,793.13
Total	16,225,995.70	16,049,679.49

17.5 Communication Expenses

Accounts	2024	2023 Restated
Postage and Courier Services	58,267.95	190,287.50
Telephone Expenses	266,204.45	457,626.00
Internet Subscription Expenses	1,121,853.69	17,637.46
Cable, Satellite, Telegraph and Radio Expense	0.00	1,058,739.36

Accounts	2024	2023 Restated
Total	1,446,326.09	1,724,290.32

The Internet Subscription Expenses account as of December 31, 2023 was restated from P1,215.00 to P17,637.43 due to the reclassification of expenses that was recorded only in CY 2024.

17.6 Awards/ Rewards, Prizes and Indemnities

Accounts	2024	2023 Restated
Awards/ Rewards Expenses	156,101.00	0.00
Rewards/ Incentives	0.00	50,000.00
Prizes	94,000.00	44,250.00
Total	250,101.00	94,250.00

17.7 Confidential, Intelligence and Extraordinary Expenses

The Confidential, Intelligence and Extraordinary Expenses account represents expenditures for CYs 2024 and 2023, amounting to P101,412.12 and P92,772.97, respectively.

17.8 Professional Services

Accounts	2024	2023 Restated
Legal Services	632,227.80	630,000.00
Auditing Services	53,734.81	111,614.56
Other Professional Services	29,463,421.07	37,381,827.17
Total	30,149,383.68	38,123,441.73

The Other Professional Services account as of December 31, 2023 is restated from P36,462,196.1 to P37,381,827.17 due to the accrual of prior period services in CY 2023 but were only paid in CY 2024.

The Other Professional Services account represents the professional fee for the Contract of Service of Faculty, Part time Lecturers, and invited Resource speakers and other professional services rendered.

17.9 General Services

Accounts	2024	2023 Restated
Security Services	10,634,343.27	12,811,588.24
Janitorial Services	15,068,854.72	12,485,044.11
Other General Services	15,441,877.07	18,893,747.41

Accounts	2024	2023 Restated
Total	41,145,075.06	44,190,379.76

The Security Services account represents the contract made with the security agency for the maintenance of peace and order of all PhilSCA Campuses. The account is restated from P12,366,383.14 to P12,811,588.24 due to the accrual of prior period services in CY 2023 but was only recorded in CY 2024.

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

The Other General Services account represents the payments for the services rendered mostly by the Contract of Service personnel of all campuses.

17.10 Repairs and Maintenance

Accounts	2024	2023
Repairs and Maintenance - Buildings and Other Structures	268,803.00	1,489,707.35
Repairs and Maintenance - Buildings	82,699.00	0.00
Repairs and Maintenance - School Buildings	590,552.00	660,362.00
Repairs and Maintenance - Other Structures	214,118.00	0.00
Repairs and Maintenance - Machinery and Equipment	26,252.80	83,446.00
Repairs and Maintenance - Office Equipment	348,226.00	239,126.00
Repairs and Maintenance - ICT Equipment	14,500.00	800.00
Repairs and Maintenance - Transportation Equipment	0.00	281,251.49
Repairs and Maintenance - Motor Vehicles	720,712.89	188,488.00
Repairs and Maintenance -Aircrafts and Aircrafts Ground Equipment	442,341.25	319,841.14
Repairs and Maintenance - Furniture and Fixtures	9,727.00	41,015.00
Repairs and Maintenance - Semi-Expendable Office Equipment	0.00	16,200.00
Repairs and Maintenance - Other Property, Plant and Equipment	687.00	0.00
Repairs and Maintenance – Other Equipment	23,799.00	0.00
Total	2,742,417.94	3,320,236.98

The Repairs and Maintenance – School Buildings & Other Structure account for CY 2023 is restated from P1,155,957.35 to P1,489,707.35 due to the recording of CY 2023 adjustment in CY 2024.

17.11 Taxes, Insurance Premiums and Other Fees

Accounts	2024	2023
Taxes, Duties and Licenses	360,082.88	206,834.25
Fidelity Bond Premiums	205,650.00	511,982.86
Insurance Expenses	4,722,466.04	4,666,718.55
Total	5,288,198.92	5,385,535.66

The Insurance Expenses account is attributable to payments made to GSIS for the insurance of the school's PPE, as well as medical insurance for students.

Fidelity Bond premiums expenses represents Fidelity Bonding of personnel designated to be custodian of Cash and other school property.

17.12 Other Maintenance and Operating Expenses & Subsidy - Others

Particulars	2024	2023
Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	16,128.00	383,130.00
Printing and Publication Expenses	874,707.00	2,323,784.00
Representation Expenses	5,575,198.89	5,254,060.86
Rent/Lease Expenses	1,694,751.28	3,554,895.07
Membership Dues and Contributions to Organizations	2,364,333.39	3,052,443.62
Subscription Expenses	3,940,404.62	1,824,554.16
ICT Software Subscription Expenses	22,865.44	0.00
Other Subscription Expenses	1,778.00	48,242.84
Library and Other Reading Materials Subscription Expenses	50,000.00	87,350.00
Web Maintenance	0.00	300,000.00
Other Maintenance and Operating Expenses	6,357,727.28	3,686,399.79
Subtotal	20,897,893.90	20,514,860.34
Subsidy - Others		
Subsidy – Others	88,039,775.00	274,955,880.00
Subtotal	88,039,775.00	274,955,880.00
Total	108,937,668.90	295,470,740.34

The Representation Expenses account is restated from P5,170,717.49 to P5,254,060.86 due to CY 2023 expense that was recorded in CY 2024.

The Rent/Lease Expenses account is restated from P3,501,095.07 to P3,554,895.07 was due to CY 2023 expense recorded in CY 2024.

The Subscription Expenses account as of December 31, 2023, is restated from P1,839,554.16 to P1,824,554.16 due to CY 2023 expense that was recorded in CY 2024.

The Other Maintenance & Operating Expenses account as of December 31, 2023, is restated from P3,522,641.76 to P3,686,99.79 balance due to CY 2023 expense that was recorded in CY 2024.

The decrease in Subsidy-Others account is due to uncollected bill to CHED-UniFAST for the Free Higher Education (FHE) of enrolled qualified students.

17.13 Research Expenses

The account Research, Exploration, and Development Expenses for CY 2024 and 2023 amounted to P97,128.53 and P500.00, respectively.

18. Financial Expenses

Accounts	2024	2023
Bank Transaction Fee	1,850.00	0.00
Bank Charge	500.00	0.00
Other Financial Charges	0.00	100.00
Total	2,350.00	100.00

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	2024	2023 Restated
Depreciation - Other Land Improvements	14,960.43	14,960.43
Depreciation - Power Supply Systems	0.00	12,129.60
Depreciation - Communications Network	290,000.00	551,000.00
Depreciation – Sewer System	317,592.59	0.00
Depreciation – Water Supply System	196,296.30	0.00
Depreciation – School Buildings	12,546,172.96	12,281,250.53
Depreciation –Buildings	1,110,581.50	1,110,581.50
Depreciation - Other Structures	2,746,558.97	2,721,009.33
Depreciation - Technical and Scientific Equipment	5,514,319.43	6,263,650.11
Depreciation - Communication Equipment	0.00	53,350.58
Depreciation - Office Equipment	193,800.00	238,970.60
Depreciation - ICT Equipment	4,312,934.31	3,178,198.02
Depreciation – Motor Vehicles	1,181,330.43	430,678.88

Accounts	2024	2023 Restated
Depreciation – Aircrafts and Aircraft Ground Equipment	338,361.74	343,329.74
Depreciation – Medical Equipment	0.00	15,960.00
Depreciation – Furniture and Fixtures	143,878.24	230,721.75
Depreciation – Sports Equipment	11,048.50	24,832.73
Depreciation – Other Equipment	87,399.60	176,201.60
Depreciation – Books	52,943.50	39,194.15
Total	29,058,178.50	27,686,019.55

The Depreciation Expense accounts increased due to the recognition of acquired machineries & equipment and completed building and other structures.

19.2 Impairment Losses

Accounts	2024	2023
Impairment Loss – Operating Leases Receivable	0.00	471.85
Total	0.00	471.85

19.3 Amortization of Intangibles

Accounts	2024	2023 Restated
Amortization of Expense – Computer software	5,281,890.37	3,972,030.37
Total	5,281,890.37	3,972,030.37

20. Restatement of Accounts Due to Prior Period Errors

During CY 2024, the PhilSCA has restated its previously issued FSs for the year 2023 to correct the 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, 2024
Fund Cluster 01		
1.	To record reversal of personnel salary and benefits off-set against training cost	(50,594.36)
2.	To record reversal of erroneous entry of tax penalties	281,434.53
	Sub total	230,840.17
Fund Cluster 05		
1.	Prior Year's Income	102.60
2.	Record Prior Year's Expenses	(2,941,525.52)
3.	Prior Year's Depreciation	(6,672.18)
	Sub Total	(2,948,095.10)

No.	Particulars/Nature of Error	Net Effect to Accumulated Surplus/(Deficit), January 1, 2024
	Total	(2,717,254.93)

21. Other Adjustments

No.	Accounts Affected	Effect on CY 2023 FSs Increase/ (Decrease)
Fund Cluster 05		
1.	Semi-Expendable Office Equipment Expenses	8,423,198.90
2.	Semi-Expendable Information and Communication Equipment Expenses	192,594.65
3.	Semi-Expendable -Communications Equipment Expenses	4,287.50
4.	Semi-Expendable -Disaster Response and Rescue Equipment Expenses	71,126.00
5.	Semi-Expendable -Medical Equipment Expenses	110,553.52
6.	Semi-Expendable -Sports Equipment Expenses	139,029.71
7.	Semi-Expendable -Technical and Scientific Equipment Expenses	454,550.00
8.	Semi-Expendable - Other Equipment Expenses	297,328.66
9.	Semi Expendable Furniture and Fixtures Expenses	1,277,157.53
10.	Semi Expendable Books Expenses	89,699.47
	Sub Total	11,059,525.94

22. Adjustment of Net Revenue recognized directly in net assets/equity – P639,249.03

The amount reflected in the Statement of Changes in Net Assets/Equity pertains to the recorded amount under the account Cash-Treasury Agency Deposit, Regular closed to the Accumulated Surplus/(Deficit) in CY 2024.

23. Net Assistance/Subsidy

Particulars	2024	2023 Restated
Notice of Cash Allocation (NCA) received for the year	318,138,218.00	474,481,671.53
Tax Remittance Advice (TRA)	11,016,623.26	8,934,137.52
Total	329,154,841.26	483,134,374.52
Less: Reversal of unutilized NCA	(637,145.09)	(1,277,553.58)
Net Financial Assistance/Subsidy	328,517,696.17	482,138,255.47

24. Receipt of Notice of Cash Allocations (NCA)

Month	2024	2023
January	13,967,000.00	12,924,000.00
February	12,826,000.00	109,282,134.00

Month	2024	2023
March	14,409,628.00	13,543,012.00
April	15,966,048.00	26,394,756.00
May	21,968,751.00	22,084,049.00
June	99,980,875.00	13,312,012.00
July	20,135,264.00	14,131,012.00
August	13,890,100.00	13,539,012.00
September	18,215,100.00	102,117,977.00
October	20,486,647.00	13,621,012.00
November	47,432,428.00	26,744,447.00
December	18,860,377.00	106,506,814.00
Total	318,138,218.00	474,200,237.00

25. Collection of Income/Revenues

The total income realized by the PhilSCA for FY 2024 is broken down as follows:

Particulars	2024	2023 Restated
Service and Business Income	109,156,731.50	299,369,707.37
Other Income	1,712,544.48	738,489.35
Receipt of Prior Years' Income	102.60	31,975.24
Total	110,869,378.58	300,140,171.96

The Service and Business Income account represents collection from DBM for the FHE Subsidy budget downloaded to the Regular Agency Fund (F01) representing billing made for the 2nd Semester of Academic Year 2023-2024 for enrolled qualified students.

It also includes collection from GSIS as indemnity from the damages sustained in Mactan, Cebu campus properties.

The Service and Business Income for CY 2023 is restated from P299,369,554.59 to P299,369,707.37 to recognize the P152.78 miscellaneous income from over deposit of collection in the bank.

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

This account represents the CY 2024 balance amounting to P2,374,612.00 and CY 2023 balance amounting to P18,548,958.00.

27. Collection of Receivables

Particulars	2024	2023
Collection of loans and receivables	460,807.43	539,177.52
Collection of other receivables	803,455.64	0.00
Total	1,264,263.07	539,177.52

This account represents the amount collected from outstanding loans & other receivable of previous employees.

28. Receipt of Inter-Agency Fund Transfers – P221,013.50

This account represents other agency transactions.

29. Receipt of Intra-Agency Fund Transfer – P2,866,835.87

The collection of P2,866,835.87 represents guaranty/security deposit collected from supplier.

30. Other Receipts and Adjustments

Particulars	2024	2023 Restated
Other Receipts		
Receipt of Refund of Cash Advances	13,678,368.43	2,134,541.07
Unused Petty Cash Fund	37,098.99	106.00
Refund of guaranty deposits	0.00	2,091,222.89
Refund of clothing allowance	0.00	6,000.00
Refund from overpayment of personnel services	166,861.49	72,342.96
Refund of year-end bonus/Cash gift	0.00	53,288.00
Refund of advances to contractors	0.00	12,390,099.50
Collection of Liquidated Damages	0.00	162,777.05
Constructive Receipt of TRA	11,016,623.26	6,735,796.55
Sub Total	24,898,952.17	23,646,174.02
Adjustments		
Adjustment – Restoration to Cash Account of Unreleased Check	657,115.91	21,865.36
Sub Total	657,115.91	21,865.36
Total	25,556,068.08	23,668,039.38

31. Payment of Expenses

Particulars	2024	2023
Payment of PS	167,175,983.72	147,222,596.85
Payment of MOOE	137,893,188.74	103,369,447.60
Payment of Due to Officers & Employees	1,710,129.87	0.00
Payment of financial expenses	0.00	100.00
Payment of expenses pertaining to / incurred in the prior years	4,808,355.64	4,038,780.41
Subtotal	311,587,657.97	254,630,924.86
Remittance to National Treasury	0.00	722,978.83

Particulars	2024	2023
Subtotal	0.00	722,978.83
Total	311,587,657.97	255,353,903.69

32. Purchase of Inventories

Particulars	2024	2023
Purchase of Semi-Expendable Equipment		
Purchase of Disaster Response and Rescue Equipment	0.00	69,703.48
Purchase of Semi-Expendable - Furniture and Fixtures	37,170.00	223,150.00
Purchase of Semi-Expendable - Books	93,420.00	407,590.00
Purchase of Semi-Expendable - Office Equipment	962,122.00	405,735.00
Purchase of Semi-Expendable – Sport Equipment	0.00	800,600.00
Purchase of Semi-Expendable - ICT Equipment	1,497,500.00	0.00
Purchase of Semi-Expendable - Other Equipment	91,397.00	0.00
Subtotal – Semi Expendable Equipment	2,681,609.00	1,906,778.48
Purchase of Inventories		
Purchase of Office supplies Inventory	521,775.00	795,328.95
Purchase of disaster response and rescue equipment	0.00	69,703.48
Purchase of fuel, oil and lubricants inventory	93,640.00	0.00
Purchase of other supplies and materials inventory	99,960.00	37,960.90
Purchase of Inventory held for consumption	0.00	13,090,633.94
Subtotal – Inventories	715,375.00	13,993,627.27
Grand Total	3,396,984.00	15,900,405.75

33. Grant of Cash Advances

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

Particulars	2024	2023
Special Disbursing Officers	23,457,149.46	22,567,529.50
Officers and Employees	8,490,575.68	5,588,693.17
Advances for Operating expenses	1,010,000.00	0.00
Total	32,957,725.14	28,156,222.67

34. Prepayments

Particulars	2024	2023
Prepaid Insurance	4,478,087.74	4,647,071.38
Other Prepayment	0.00	445,000.00

Particulars	2024	2023
Prepaid Subscription	0.00	3,643,661.11
Total	4,478,087.74	8,735,732.49

The Prepaid Insurance account for CY 2024 represents payments made for the insurance of properties and the Student's Personal Accident insurance.

35. Payment of Accounts Payable

The accounts payable amounting to P15,223,709.18 and P1,942,020.51 in CYs 2024 and 2023, respectively, represents payment made for contractor's billing for the delivered item and or completed contract where prior commitment of funds was made.

36. Remittance of Personnel Benefit Contributions and Mandatory Deductions

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

Particulars	2024	2023
Remittance of taxes withheld not covered by TRA	5,482,000.56	8,866,831.08
Remittance to GSIS/Pag-IBIG/PhilHealth	42,068,464.33	37,815,676.55
Remittance of other payables	6,961,183.06	5,235,345.96
Total	54,511,647.95	51,917,853.59

37. Grant of Financial Assistance/Subsidy

The amount of P9,084,039.45 and P3,068,800.00 for the CY 2024 and 2023 respectively pertains to the receipt from Commission on Higher Education (CHED) of financial assistance for distribution to the student's grantees.

Particulars	2024	2023
Subsidy to NGAs (Admin Cost) other	2,287.50	2,400.00
Grant of financial assistance to NGAs/LGUs/GOCCs	9,081,751.95	0.00
Grant of financial assistance to student grantees	0.00	3,066,400.00
Total	9,084,039.45	3,068,800.00

38. Release of Inter-Agency Fund Transfer – P250,730.80

The account represents the advance payment to PS-DBM for the procurement of Office Supplies.

39. Release of Intra-Agency Fund Transfer

Particulars	2024	2023
Release of other intra-agency fund transfers	87,039,775.00	0.00
Total	87,039,775.00	0.00

The Subsidy – Others account pertains to the FHE Subsidy for the 2nd Semester, AY 2023-2024 released by DBM to the Regular Agency Fund account (F01), which are then transferred to Internally Generated Funds (F05) for use in the PhilSCA's operation.

40. Reversal of the Unutilized NCA – P637,145.09

The lapsed NCA balance amounted to P637,145.09 and P1,277,553.58 for CY 2024 & 2023, respectively, were reverted to the account of the National Treasury.

41. Other Disbursements

Particulars	2024	2023
Released of subsidy - other	1,000,000.00	274,955,880.00
Other disbursement	746,250.00	0.00
Total	1,746,250.00	274,955,880.00

The Subsidy – Others account amounting to P1,000,000.00 for the Tulong-Dunong Program was received and duly distributed to the qualified student-grantees.

The balance of other disbursement account amounting to P746,250.00 pertains to the correction made on the recovery of the previous overpayment made to a contractor.

42. Adjustments

Particulars	2024	2023
Other Disbursements	0.00	50,620.00
Reversing entry for unreleased checks in previous year	3,289,794.34	0.00
Other adjustments - Outflow	12,878.56	0.00
Total	3,302,672.90	50,620.00

43. Purchase of Property, Plant and Equipment

Particulars	2024	2023 Restated
Construction of Buildings & Other Structures	26,793,271.92	0.00
Sewer System	10,888,888.88	0.00
Water Supply System	5,888,888.88	0.00

Particulars	2024	2023 Restated
Purchase of furniture, fixtures and books	1,656,000.00	0.00
Construction in Progress	0.00	29,870,898.05
Purchase of Office Equipment	457,000.00	360,000.00
Purchase of Aircraft and Aircrafts Ground Equipment	0.00	7,490,000.00
Purchase of ICT Equipment	7,607,500.00	14,888,000.00
Purchase of Other PPE	633,670.00	0.00
Purchase of Technical & Scientific Equipment	25,607,352.82	0.00
Purchase of Transportation Equipment	0.00	25,741,783.91
Payment for Retention Fee to Contractors	1,872,500.00	0.00
Advances to Contractors	21,093,159.88	24,054,600.00
Payment of Guaranty Deposit	1,677,777.78	0.00
Total	104,176,010.16	102,405,281.96

44. Comparison of Budget and Actual Amounts

The original budget for Personnel Services in the amount of P164,082,000.00 was increased by P16,679,038.40. The final budgeted amounts for MOOE and Capital Outlays for FY 2024 were P258,580,364.60 and P25,000,000.00, respectively.

44.1 Personnel Services

Particulars	Budgeted Amount		Actual Amounts on Comparable Basis
	Original	Final	
Personnel Services	164,082,000.00	180,761,038.40	175,107,270.24

44.2 Maintenance and Other Operating Expenses

Particulars	Budgeted Amount		Actual Amounts on Comparable Basis
	Original	Final	
MOOE	266,499,000.00	258,580,364.60	126,417,656.63

44.3 Capital Outlays

Particulars	Budgeted Amount		Actual Amounts on Comparable Basis
	Original	Final	
Capital Outlays	25,000,000.00	25,000,000.00	3,540,164.00

45. Related Party Transactions

45.1 Key Management Personnel

The key management personnel of the PhilSCA are the members of the BOT, the President, 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.

45.2 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 as follows:

Particulars	Aggregate Remuneration	
	2024	2023
Salaries and Wages	5,304,478.15	5,150,192.85
Other Compensation and Benefits	1,788,915.08	1,533,884.00
Honoraria	69,500.00	165,000.00
Total	7,162,893.23	6,849,076.85