

Professional Regulation Commission
Notes to Financial Statements
For the year ended December 31, 2016

1. General Information/Agency Profile

The financial statements of the Professional Regulation Commission (PRC) were authorized for issue on March 30, 2017 as shown in the Statement of Management Responsibility for Financial Statements signed by Chairman Teofilo S. Pilando, Jr.

The PRC is responsible for the administration, implementation and enforcement of regulatory policies on the regulation and licensing of various professions and occupations under its jurisdiction. It is instrument of the Filipino people in securing for the nation a reliable, trustworthy, and progressive system of developing professionals whose personal integrity and spiritual values are solid and respected, whose competencies are globally competitive, and whose commitment to serve the Filipino nation and the whole community is strong and steadfast.

Initially created under Presidential Decree (PD) No. 223 on June 22, 1973, it was repealed by Republic Act (RA) No. 8981 on December 5, 2000 otherwise known as the “PRC Modernization Act”.

Pursuant to this, the PRC shall:

- Administer, implement and enforce the regulatory policies of the national government with respect to the regulation and licensing of the various professions and occupations under its jurisdiction including the enhancement and maintenance of professional and occupational standards and ethics and the enforcement of the rules and regulation relative thereto.
- Recognize the important role of professionals in nation-building and towards this end, establish and maintain a high standard of admission to the practice of all professions and at all times ensure and safeguard the integrity of all licensure examinations.
- Promote the sustained development of a corps of competent Filipino professionals whose competence has been determined by honest and credible licensure examinations and whose standards of professional service and practice are internationally recognized and considered world – class.

To further strengthen the PRC’s mandate and in order to improve the quality of professionals supplied to the local and international labor market, the PRC was attached to and placed under the administrative supervision and control of the Department of Labor and Employment (DOLE) through Executive Order (EO) No.

565 on September 11, 2006, as amended by EO No. 565-A. At present, the Commission has 46 professions under its jurisdiction.

The Commission Proper is headed by a Chairperson and two Commissioners, all of whom are appointed by the President of the Republic. It has four stakeholders namely:

- a) The General Public,
- b) The Accredited Professional Organizations,
- c) The Professional Regulatory Boards, and
- d) The Officers and Staff.

It has ten regional offices located at the following: Baguio, Cagayan de Oro, Cebu and Davao, established in 1997; Iloilo, Legaspi, Tacloban, Tuguegarao and Zamboanga, established in 1998-1999; Lucena, established in 2000; and two additional satellite offices in the cities of Butuan and Pagadian which were established in 2008.

2. Basis of Financial Statement Presentation

The Financial Statements (FS) have been prepared in accordance with the Philippine Public Sector Accounting Standards (PPSAS) issued by the Commission on Audit per COA Resolution No. 2014-003 dated January 24, 2014.

The enhanced eNGAS was fully implemented by the Commission in 2015 thus the FS were generated through this system.

The FS include the consolidated transactions coming from the ten PRC Regional Offices and two Satellite Offices. The Commission maintains a centralized form of accounting system. All expenses are paid for by the Central Office except for the monthly cash advance for maintenance and other operating expenses and cash advance for examination and other special purpose which is on the account of each regional office.

The FS have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

3. Summary of Significant Accounting Policies

3.1. Basis of Accounting

The PRC adopts the modified accrual basis of accounting, where all expenses are recognized when incurred and reported in the financial statements in the period to which they relate. In addition, revenues are recognized only when collected.

The Modified Obligation System records allotments received and obligations incurred. Separate registries area maintained to control allotments and obligations for each class of allotment.

3.2. Inventories

Inventory is measured at cost upon initial recognition. Inventories are assets in the form of materials or supplies to be consumed or distributed in rendering of services and recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the PRC.

3.3. Property, Plant and Equipment

Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and impairment losses. When significant parts of the PPE are required to be replaced at intervals, the PRC 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 expense in surplus or deficit as incurred. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation

The PRC applies the straight line method of depreciation for PPE using the estimated useful life by classification as prepared by COA. The depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month. A residual value is computed at ten percent of the cost of the assets acquired prior to the implementation of the PPSAS, while the new residual value of five percent of the cost of the asset was applied to new acquisitions for the year. However, not all items were depreciated upon the implementation of the electronic New Government Accounting Systems (e-NGAS) as there were some that have been either fully depreciated or the computation of the depreciation on some PPE cannot be made due to insufficiency of records.

3.4. Changes in accounting policies and estimates

The PRC 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 financial statements 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.

3.5. Revenue from non exchange transaction

The PRC recognizes revenues from fees and fines when collected.

3.6. 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 showing the basis, timing or entity differences.

3.7. Employee benefits

The employees of PRC are members of the Government Service Insurance System (GSIS) which provides life and retirement insurance coverage. The PRC recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowances, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

It recognizes expenses for accumulating compensated absences when these are 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, are not recognized.

3.8. Measurement uncertainty

The preparation of FS in conformity with PPSAS, 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 FS and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets.

4. Changes in Accounting Policies

The FS were prepared in accordance with the PPSAS and the coding structure pursuant to COA Circular No. 2015-002 dated March 9, 2015 and COA-DBM-DOF Joint Circular (JC) No. 2013-1 dated August 6, 2013.

5. Cash and Cash Equivalents

Accounts	2016	2015
Cash Collecting Officers	5,231,264.07	2,831,725.88
Petty Cash	80,000.00	50,000.00
Cash in Bank- Local Currency, Current Account	1,159,084.29	1,377,764.29
Cash in Bank- Local Currency, Savings Account	109,082.72	109,082.72
Cash - Treasury/Agency Deposit, Trust	4,977,344.45	4,977,344.45
Cash-Modified Disbursement System (MDS)- Regular	1,382,387.45	2,250,691.50
Total Cash and Cash Equivalents	12,939,162.98	11,596,608.84

5.1 Cash on Hand

The balance of the Cash- Collecting Officers totaling ₱5,231,264.07 represents undeposited collections of income and refund of cash advances at year end which were deposited on January 3, 2017.

5.2 The Cash in Bank-Local Currency, Current Account of ₱1,159,084.29 under LBP Account No. 000012-1171-24 is a special account maintained for proceeds from bidding activities such as, but not limited to, sale of bid documents and protest fees. The honoraria and overtime pay of the Chair and Members of the Bids and Awards Committee are being paid from this account.

5.3 The Cash in Bank-Local Currency, Savings Account of ₱109,082.72 represents the maintaining balance of the Payroll Account of PRC Central and Regional Offices. Details are shown below:

Particulars	LBP Account No.	Amount
PRC Payroll Account	002001-9001-97	30,000.00
Baguio	0221-1474-99	10,000.00
Cagayan de Oro	241-10923-24	10,000.00
Cebu	0141-2536-89	10,000.00
Davao	0161-3165-20	2,000.00
Iloilo	3291-0008-77	10,000.00
Legaspi	0131-1620-30	1,000.00
Lucena	0211-2570-24	10,000.00
Pagadian	0521-2707-64	10,000.00
Tacloban	1731-0186-14	10,000.00
Tuguegarao	021-2046-81	1,000.00
Zamboanga	0521-2707-64/191214196	5,082.72
Total		109,082.72

5.3 The Cash-Treasury/Agency Deposit, Trust of ₱4,977,344.45 represents Receivables from the Bureau of the Treasury for the implementation of various projects against funds transferred from other agencies. Among these are:

- Operation of PRC’s Educational Statistics Task Force (ESTF) in the amount of ₱1,930,743.13, which is responsible in monitoring the performance of schools in the various licensure examinations funded by the Commission on Higher Education and;
- Research project entitled “The Assessment of the Examinees and CHED HEIs Performance in Six PRC Licensure Examinations for Agriculturist (2003-2008)” by the Board of Agriculture funded by the Bureau of Agricultural Research.
- Insurance policy claim by the Commission issued by GSIS in reference to the Fire Loss Insurance at the 4th Floor, Annex Building.

5.4 The Cash-Modified Disbursement System (MDS)-Regular of ₱1,382,387.45 represents the unreleased checks for CY 2016.

6. Receivables

6.1 The amount of ₱2,458.10 represents Accounts Receivables already dormant for years in the books upon implementation of the eNGAS in CY 2004.

6.2 Inter-Agency Receivables

Accounts	2016		2015	
	Current	Non-Current	Current	Non-Current
Due from National Government Agencies	35,573,248.95	611,923,344.68	495,574,346.35	119,601,975.77
Total	35,573,248.95	611,923,344.68	495,574,346.35	119,601,975.77

- The account Due from National Government Agencies in the amount of ₱647,496,593.63 is composed of ₱90,864,379.24 representing advance payments to the Procurement Service (PS)-DBM for purchases of supplies and equipment. The account is closed when the item/s are finally delivered.
- Also, included in the advance payments to the Department of Budget and Management-Procurement Service (DBM-PS) is the amount of ₱6,465,781.00 for the procurement of plane tickets for various official travels of the Commission. This is covered by a Memorandum of Agreement between PRC and DBM-PS.

- This account also includes inter-agency transfer of funds to Department of Public Works and Highways (DPWH) with a total amount of ₱22,381,000.00 consisting of ₱7,095,000.00 for the plumbing and roofing works of PRC-Central Office and ₱15,286,000.00 for the electrical upgrading and retrofitting, and for the renovation of third floor of the Annex Building and Auditorium.
- In 2015, the amount of ₱484,300,000.00 was transferred to DPWH for the construction of the building at the acquired lot in Diosdado Macapagal Avenue in addition to the ₱24 million which was transferred in the year 2013.
- In 2016, the amount of ₱24,000,000.00 originally transferred to DPWH-NCR Office for the Architectural and Engineering Design Services was transferred to DPWH-Central Office. The amount refunded by the DPWH-NCR was erroneously credited to Other Payables account instead of Due from National Government Agencies account. This will be adjusted accordingly in the ensuing year.
- An amount of ₱1,862,950.79 was also transferred to DPWH for the flooring and ceiling works of PRC Tuguegarao Office.
- Included in the said balance is the unexpended portion of the inter-agency transfer of fund to DPWH-Region V for the construction of the PRC-Legaspi Regional Office amounting to ₱88,263.60.

6.3 Other Receivables

Accounts	2016	2015
Receivables- Disallowances and Charges	17,579,407.47	61,442,405.44
Due from Officers and Employees	200.00	39,707.60
Other Receivables	595,065.01	317,881.74
Total	18,174,672.48	61,799,994.78

- Receivables - Disallowance/Charges represents amount resulting from audit disallowances that have become final and executory.
- As a result of the cash examination conducted by the COA Regional Office (RO) No. II in 2008, a total amount of ₱17,139,108.80 was booked up under the receivable account of Mr. Ferdinand Llapitan, Cashier I of the PRC-Tuguegarao Office. The cash examination result indicates that Mr. Llapitan had a total cash shortage of ₱17,139,108.80 from unremitted and unrecorded collections. It was discovered that from the total collections of ₱71,558,137.71 for the period October 30, 2002 to January 3, 2008, only the amount of ₱55,865,322.34 was reported and duly acknowledged by Official Receipts. The balance amounting to ₱15,692,815.37 was not recorded and

reported by Mr. Llapitan and the undeposited amount of ₱1,446,293.43 constitutes the total cash shortage. The following actions were taken regarding this case :

- Appropriate administrative charges were filed by PRC against the person and he was meted the penalty of dismissal from the service.
 - Hold-departure Order No. 201-39 was issued by the Department of Justice so that he may not leave the country.
 - The affidavit of the COA Team Members of Team II-Cluster I – Executive and Oversight, National Government Sector, COA RO No. II, Tuguegarao City that conducted the cash examination that bears the cash shortage of Mr. Llapitan was forwarded by the Legal and Adjudication Office of COA RO No. II to the Office of the Ombudsman (OMB) last January 19, 2009 for the filing of Criminal and Administrative Cases against him for violation of Article 217 of the Revised Penal Code.
 - A letter query on the status of the case was forwarded by PRC to the OMB.
- c. Other Receivables account represents receivables from suppliers, resigned employees, service contractors, and active members of the Commission of Regulatory Board and those whose terms have ended.

7. Inventories

Particulars	Office Supplies Inventory	Accountable Forms Inventory	Medical, Dental and Laboratory Supplies Inventory	Construction Materials Inventory	Total
Inventory Held for Consumption					
Carrying Amount, January 1, 2016	16,160,652.66	43,476,913.94	23,125.00	-	59,660,691.60
Additions	24,619,210.13	45,548,191.70	-	161,963.60	70,329,365.43
Expenses during the year except write-down	(17,337,489.29)	(35,612,817.18)	-	(157,303.60)	(53,107,610.07)
Total Carrying Amount, December 31, 2016	23,442,373.50	53,412,288.46	23,125.00	4,660.00	76,882,446.96

In conformity with COA Circular No. 2005-002 dated April 14, 2005, small tangible items or semi-expendable goods with estimated life of more than one year but small enough to be considered as Property Plant and Equipment that should be expended upon issuance, were taken as direct expenses for the current year.

An amount of ₱5,401,274.03 pertains to the forwarded balance of Office Supplies Inventory upon the implementation of eNGAS in 2004 and remains to be a dormant account for years. Prior to the implementation of eNGAS, the Accounting Division does not maintain any Supplies Ledger Card; hence, the breakdown as to the type of inventory accounts of the amount stated cannot be ascertained. The necessary reconciliation is being undertaken for the adjustments of the Inventory accounts. Efforts are being made to retrieve the 2004 Inventory Reports as basis for the said reconciliation. While the balance of ₱23,125.00 for Medical, Dental, and Laboratory Supplies Inventory account is already dormant since the start of eNGAS in CY 2004.

8. Property, Plant and Equipment

	Land	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment
Carrying Amount, January 1, 2016	160,554,070.30	136,422,588.24	105,244,384.56	15,296,734.14
Additions/Acquisitions	-	-	3,838,686.07	-
Adjustments				
Total	160,554,070.30	136,422,588.24	109,083,070.63	15,296,734.14
Depreciation	-	-	(1,437,531.34)	(148,634.28)
Carrying Amount, December 31, 2016	160,554,070.30	136,422,588.24	107,645,539.29	15,148,099.86

Gross Cost	160,554,070.30	136,422,588.24	208,642,625.63	36,709,675.76
Less : Acc. Depreciation	-	-	100,997,086.34	21,561,575.90
Carrying Amount, December 31, 2016	160,554,070.30	136,422,588.24	107,645,539.29	15,148,099.86

	Furniture & Fixtures and Books	Construction in Progress	Other PPE	TOTAL
Carrying Amount, January 1, 2016	25,482,344.14	76,316,849.74	2,235,529.24	521,552,500.36
Additions/Acquisitions	238,720.00	-	-	4,077,406.07
Adjustments	-	(1,862,950.79)	-	(1,862,950.79)
Total	25,721,064.14	74,453,898.95	2,235,529.24	523,766,955.64
Depreciation	(227,383.44)	-	-	(1,813,549.06)
Carrying Amount, December 31, 2016	25,493,680.70	74,453,898.95	2,235,529.24	521,953,406.58

Gross Cost (Asset Account Balance)	46,252,963.77	74,453,898.95	2,697,159.77	665,732,982.42
Less : Acc. Depreciation	20,759,283.07	-	461,630.53	143,779,575.84
Carrying Amount, December 31, 2016	25,493,680.70	74,453,898.95	2,235,529.24	521,953,406.58

- 8.1 The Land account pertains to two parcels of land located in Lahug City, Cebu, and Pasay City. The lot in Cebu has a market value of ₱2,208,000.00 and a total area of 1,104 square meter whose land stewardship was transferred to PRC Cebu Regional Office in 1998.
- 8.2 The Department of Budget and Management (DBM) released a Multi-Year Obligation Authority dated February 28, 2009 in the amount of ₱158,346,070.29 for the purchase of a 4,865 square meter lot located at Superblock A, Central Business Park 1, Pasay City for the site of the new PRC Building. Consequently, corresponding Notices of Cash Allocation was released for all payments. In 2012, the Commission fully paid this lot to the Philippines Reclamation Authority.
- 8.3 Part of the cost of Office Building, amounting to ₱103,510,851.84, was based on the copy of the Inventory of Government Buildings, duly certified by then Chairperson Hermogenes P. Pobre. This is the only available record establishing direct ownership of the building, hence no depreciation expense was provided for. The Inventory of Government Buildings shows the following:
- The main building, consisting of three floors, with floor area of 2,790 square meter had a replacement cost of ₱44,640,000.00;
 - The Annex Building consisting of five floors with floor area of 3,340.55 square meter has a replacement of cost of ₱53,448,800.00 or a total value of ₱98,088,800.00;
 - The estimated renovation cost of ₱12,000,000.00 of the PRC auditorium was deducted from the total replacement cost of Annex Building since the actual amount of renovation cost had been previously recorded in the books of accounts;
 - In May 2004, prior to the implementation of the e-NGAS, the Building account had a balance of ₱17,422,051.84 representing the construction of the 5th floor Annex Building. In 2006, the cost of both the Main and Annex Buildings was booked up in the amount of ₱86,088,800.00 based on the Inventory of Government Buildings, hence, the balance of the building accounts as of December 31, 2012 totaled to ₱103,510,851.84. In 2011, the amount of ₱32,911,736.40 was booked up representing the cost of the building of the PRC Legaspi Regional Office.
- 8.4 Construction in Progress

This account includes the forwarded ending balance during the conversion to e-NGAS, breakdown as follows:

Project	Contractor	Amount
Unreconciled amount (beginning balance)	-	891,060.84
PRC Tuguegarao Building (Materials)	Melda Madrid Hardware Center	5,607,082.00
PRC Tuguegarao Building (Labor)	MC Torio Construction	1,361,520.00
Total		7,859,662.84

9. Intangible Assets

9.1 Computer Software

This account represents payments made for automation projects of the Commission in line with the computerization and modernization program under Section 14 of the PRC Modernization Act.

Project	Contractor	Amount
Licensure Examination Registration and Information System (LERIS)	GSI – SSPI, Inc.	3,626,942.95
Central Records Mgmt. Information System (CRMIS)	Meta System	4,158,767.40
Office System Automation 1 (OSA 1)	TIM Inc.	15,296,400.00
Security and Disaster Management System (SDMS)	TIM Inc.	15,000,000.00
Database Migration	Mega Data	2,150,000.00
LERIS 1 ST Technical Assistance Project	GSI – SSPI, Inc.	1,468,133.47
LERIS 2nd Technical Assistance Project	GSI – SSPI, Inc.	4,576,464.00
Office System Automation 2 (OSA 2)	Incaventure Partners Inc.	4,652,500.00
Network Infrastructure Project	ePLDT	14,996,401.73
Network Infrastructure Project-cabling of 4 th floor Marine Office	ePLDT	360,626.56
IP VPN Connectivity	GAR Enterprise	308,000.00
Total		66,594,236.11

The above items although classified herein as Intangible Assets have not been reclassified from Construction in Progress account. This will be adjusted in the ensuing year.

10. Other Current Assets

Accounts	2016	2015
Advances for Operating Expenses	8,982,812.00	1,808,692.83
Advances for Payroll	28,267.35	28,267.35
Advances to Special Disbursing Officer	1,264,214.20	152,582.16
Advances to Officers and Employees	546,473.68	769,063.71
Prepayment	2,613,283.27	2,613,283.27
Total	13,435,050.50	5,371,889.32

- 10.1 Advances for Operating Expenses – ₱8,982,812.00 represents unliquidated cash advances for MOOE drawn for the regular operations of the PRC Field Offices and for other specific purposes.
- 10.2 Advances for Payroll - ₱28,267.35 represents unliquidated cash advances made for payment of personnel services such as salaries, RATA, PERA/ACA and other bonuses and allowances.
- 10.3 Advances to Special Disbursing Officer - ₱1,264,214.20 represents unliquidated cash advances intended for specific purpose.
- 10.4 Advances to Officers and Employees – ₱546,473.68 represents unliquidated cash advances of the disbursing officers, employees and officials in the Central and Regional Offices intended for travels.
- 10.5 Prepayment- ₱2,613,283.27 composed of prepaid rent in the amount of ₱2,225,424.60 which represents rental deposits made in several regional offices and other prepaid expenses in the amount of ₱387,858.67 represents guaranteed deposits made to electric cooperatives of several PRC regional offices.
- 10.6 Other Assets - ₱8,421,931.74.

The account includes Items-in-Transit converted to Other Assets and broken down as follows:

Particulars	Amount
This amount represents the cost of the 3 Seconic Optical Mark Recognition (OMR) including custom duties, which the Commission purchased in 2007. The said items (3 OMR) were actually delivered though not yet immediately adjusted in the books of account because of technical issues in the eNGAS.	3,294,631.91
The amount corresponds to unreconciled balance of previous year's transactions. Reconciliation is currently being undertaken to identify the composition of this amount.	2,820,618.36
Total	6,115,250.27

- 10.7 Other Assets amounting to ₱2,182,473.17 represents costs of assets for disposal which are transferred to this account in conformity with NGAS basic feature and policies that serviceable assets no longer used shall be reclassified to "Other Assets account and shall not be subject to depreciation. Likewise, the remaining ₱124,208.30 represents wrong entry made to Building account which was reclassified to Other Assets account.

11. Financial Liabilities

Particulars	2016	2015
Accounts Payable	73,669,047.40	37,924,733.53
Due to Officer and Employees	7,442,832.53	12,001,470.98
Total	81,111,879.93	49,926,204.51

The Accounts Payable is composed of due and demandable accounts amounting to ₱72,286,659.95 and adjustment for unreleased checks of ₱1,382,387.45, hence a total of ₱73,669,047.40. Adjusting entries are prepared at the end of the year equivalent to the unreleased checks and recognition of the appropriate payable/liability accounts, in accordance with COA GAFMIS Circular No. 2002-01 dated December 16, 2002. Journal entries are prepared for the reversions of unreleased checks at the beginning of the succeeding year in order to restate the amount of the account Cash and other related account.

12. Inter-Agency Payables

Particulars	2016	2015
Due to BIR	1,313,405.01	1,001,955.88
Due to GSIS	1,347,376.44	2,711.93
Due to Pag-IBIG	117,009.30	16,244.12
Due to PhilHealth	99,677.10	14,687.60
Due to NGAs	4,663,177.64	5,306,102.60
Due to GOCCs	310,148.03	204,800.54
Total Inter-Agency Payables	7,850,793.52	6,546,502.67

13. Trust Liabilities

13.1. Customer's Deposits Payable - ₱25,700.00

14. Other Payables

14.1. Other payables with a total amount of ₱25,214,806.08 consists of the following:

Particulars	Amount
BAC	985,984.75
PRC Cooperative	657,737.69
NHMFC	39,747.00
PRC Accredited Professional Regulatory Boards	(141,379.50)
Group Perspective, Inc.	(.01)
PRC Savings and Loan Association	(713,258.25)
PRC Union	(31,127.67)
Land Bank of the Philippines	3,000.00
DPWH	24,000,000.00
Jovita R. Perez	227,926.85
Various transactions	180,593.79

Total	25,214,806.08
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15. Service and Business Income

Particulars	2016	2015
Service Income		
Registration Fees	125,581,605.00	107,502,360.00
Licensing Fees	492,367,885.00	383,129,769.00
Verification and Authentication Fees	121,202,069.00	102,003,587.00
Fines and Penalties - Service Income	24,553,485.20	17,429,286.60
Other Service Income	24,728,295.38	14,357,292.61
<i>Sub total</i>	788,433,339.58	624,422,295.21
Business Income		
Examination Fees	460,793,349.98	416,335,794.52
<i>Sub total</i>	460,793,349.98	416,335,794.52
Total Service and Business Income	1,249,226,689.56	1,040,758,089.73

Collections of income reported in CY 2016 totalled ₱1,249,226,689.56, based on the consolidated income reports of all PRC's income generating responsibility centers. The bulk of the Commission's income was derived from the Examination Fee and Licensing Fee, at ₱460,793,349.98 and ₱492,367,885.00, respectively or an aggregate of 76 percent of the total income.

However, the income from Clark, Pampanga One-Stop-Shop-Centers for Overseas Filipino Workers (OSSCO) for CY 2016 amounting to ₱1,672,865.00 is not yet recorded pending verification of the reports submitted by Accountable Officer.

To ensure accountability and compliance with accounting and auditing rules and regulations, all collections for the conduct of foreign examinations and its initial registration were duly deposited under the Treasurer of the Philippines-Philippine Foreign Currency Deposit-Dollar Account. Foreign currency deposits were converted to peso amount using the BSP rate as of the last working day of the year.

16. Personnel Services

16.1. Salaries and Wages

Particulars	2016	2015
Salaries and Wages - Regular	94,903,870.20	84,789,042.25
Salaries and Wages - Casual/Contractual	112,716.08	166,800.02
Total Salaries and Wages	95,016,586.28	84,955,842.27

16.2. Other Compensation

Particulars	2016	2015
Personal Economic Relief Allowance (PERA)	8,266,377.12	7,755,813.38
Representation Allowance (RA)	2,349,500.00	2,323,375.00

Particulars	2016	2015
Transportation Allowance (TA)	1,561,375.00	1,352,250.00
Clothing/Uniform Allowance	1,770,000.00	1,615,000.00
Subsistence Allowance	11,350.00	12,800.00
Productivity Incentive Allowance	-	609,970.00
Honoraria	130,796,802.28	106,536,330.15
Year End Bonus	8,077,229.95	7,217,208.12
Cash Gift	1,759,608.43	1,652,274.78
Other Bonuses and Allowances	16,168,550.20	6,882,420.04
Total Other Compensation	170,760,792.98	135,957,441.47

16.3. Personnel Benefit Contributions

Particulars	2016	2015
Retirement and Life Insurance Premiums	11,113,513.52	9,953,008.12
PhilHealth Contributions	1,001,350.00	928,386.50
Employees Compensation Insurance Premiums	416,056.15	391,983.11
PAG-IBIG Contributions	382,200.00	393,112.50
Total Personnel Benefit Contributions	12,913,119.67	11,666,490.23

16.4. Other Personnel Benefits

Particulars	2016	2015
Pension Benefits	3,717,528.00	4,776,852.00
Terminal Leave Benefits	6,025,919.32	958,360.11
Other Personnel Benefits	18,775,343.95	18,218,416.06
Total Other Personnel Benefits	28,518,791.27	23,953,628.17

17. Maintenance and Other Operating Expenses

17.1. Traveling Expenses

Particulars	2016	2015
Traveling Expenses - Local	9,333,967.75	9,739,188.71
Traveling Expenses - Foreign	9,107,014.63	12,522,782.91
Total Traveling Expenses	18,440,982.38	22,261,971.62

17.2. Training and Scholarship Expenses

Particulars	2016	2015
Training Expenses	4,391,470.28	5,201,939.00
Total Training and Scholarship Expenses	4,391,470.28	5,201,939.00

17.3. Supplies and Materials Expenses

Particulars	2016	2015
Office Supplies Expenses	32,774,999.50	27,920,175.49
Accountable Forms Expenses	35,327,549.50	30,736,899.55
Drugs and Medicines Expenses	-	1,524.64
Fuel, Oil and Lubricants Expenses	2,272,975.12	1,829,691.32
Other Supplies and Materials Expenses	500.00	-
Total Supplies and Materials Expenses	70,376,024.12	60,488,291.00

17.4. Utility Expenses

Particulars	2016	2015
Water Expenses	1,778,008.93	1,924,834.33
Electricity Expenses	15,393,831.89	16,740,025.60
Total Utility Expenses	17,171,840.82	18,664,859.93

17.5. Communication Expenses

Particulars	2015	2015
Postage and Courier Services	2,590,016.08	1,210,383.07
Telephone Expenses	2,798,243.04	2,837,388.72
Internet Subscription Expenses	3,846,242.14	4,512,694.98
Cable, Satellite, Telegraph and Radio Expenses	25,973.59	36,311.34
Total Communication Expenses	9,260,474.85	8,596,778.11

17.6. Confidential, Intelligence and Extraordinary Expenses

Particulars	2016	2015
Extraordinary and Miscellaneous Expenses	1,834,591.72	1,879,252.66
Total Confidential, Intelligence and Extraordinary Expenses	1,834,591.72	1,879,252.66

17.7. Professional Services

Particulars	2016	2015
Legal Services	707,200.00	702,000.00
Consultancy Services	1,845,199.96	3,020,000.00
Other Professional Services	2,440,335.73	3,357,638.39
Total Professional Services	4,992,735.69	7,079,638.39

17.8. General Services

Particulars	2016	2015
Janitorial Services	7,668,841.14	4,109,889.32
Security Services	17,912,151.54	14,575,833.25
Other General Services	124,967,628.50	112,403,721.86
Total General Services	150,548,621.18	131,089,444.43

17.9. Repairs and Maintenance

Particulars	2016	2015
Repairs and Maintenance - Buildings and Other Structures	1,104,269.65	409,957.04
Repairs and Maintenance - Machinery and Equipment	1,074,246.38	1,082,966.88
Repairs and Maintenance - Transportation Equipment	1,360,145.10	1,290,627.72
Repairs and Maintenance - Furniture and Fixtures	68,048.21	158,324.00
Repairs and Maintenance - Other Property, Plant and Equipment	640,870.00	99,023.50
Total Repairs and Maintenance Expenses	4,247,579.34	3,040,899.14

17.10. Taxes, Insurance Premiums and Other Fees

Particulars	2016	2015
Taxes, Duties and Licenses	3,547,240.98	124,004.62
Fidelity Bond Premiums	794,147.77	934,601.01
Insurance Expenses	615,032.68	720,729.51
Total Taxes, Insurance Premiums and Other Fees	4,956,421.43	1,779,335.14

17.11. Other Maintenance and Operating Expenses

Particulars	2016	2015
Advertising Expenses	2,363,378.15	2,345,044.09
Printing and Publication Expenses	7,049.00	2,698.00
Representation Expenses	693,829.48	1,458,229.54
Transportation and Delivery Expenses	85,479.00	47,859.00
Rent/Lease Expenses	34,921,747.70	23,983,824.11
Subscription Expenses	171,906.17	159,448.50
Other Maintenance and Operating Expenses	1,623,709.20	1,986,408.96
Total Other Maintenance and Operating Expenses	39,867,098.70	29,983,512.20

18. Financial Expenses

Particulars	2016	2015
Bank Charges	400.00	900.00
Total Financial Expenses	400.00	900.00

19. Non-Cash Expenses

Particulars	2016	2015
Depreciation - Machinery and Equipment	1,437,531.34	846,298.64
Depreciation - Transportation Equipment	148,634.28	74,317.14
Depreciation - Furniture, Fixtures and Books	227,383.44	186,438.31
Total Depreciation	1,813,549.06	1,107,054.09

20. Subsidy from National Government

This account includes the following:

Particulars	Amount
NCA received from DBM for payment of expenses for Agency's operational requirements, pension benefits of retired Chairman and Commissioners, terminal leave of retired employees, payment of PEI and PBB	788,164,515.00
Tax Remittance Advice for BIR tax remittance	50,084,874.35
Adjustment made to reverse entry made on unutilized NCA	766,411.89
<i>Total</i>	<i>839,015,801.24</i>
Less: Reversion of Unused NCA (Regular and Accounts Payable)	206,292,977.26
Adjustment for the Deposit of Collection from Audit Disallowances for current year	2,960.00
Balance ending	632,719,863.98

Included in the NCA received was an adjustment made totaling ₱1,671,000.00 due to erroneous entries to record NCA received for the month of November 2016 which pertains to RLIP and Miscellaneous Personnel Benefits Fund, ₱905,000.00 and ₱766,000.00 respectively.

The amount above was closed to Accumulated Surplus / (Deficit) account at year-end.

21. Key Management Personnel

The key management personnel of PRC consist of the Chairman and two Commissioners, Assistant Commissioner, Directors and Heads of Divisions.

21.1. Key Management Personnel Compensation

The aggregate remuneration of 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
Salaries and Wages	23,914,305.72
Other Compensation	11,011,113.73
Other Personnel Benefit	4,058,845.98
Total Other Personnel Benefits	38,984,265.43

The Secretary of the Department of Labor and Employment which has supervision over the PRC has no remuneration from the later.