

**Professional Regulation Commission**  
**Notes to Financial Statements**  
**For the year ended December 31, 2014**

**1. General Information/Agency Profile**

The financial statements of the Professional Regulation Commission (PRC) were authorized for issue on June 26, 2015 as shown in the Statement of Management Responsibility for Financial Statements signed by Florentino C. Doble, M.D., Chairman.

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Initially created under Presidential Decree (PD) No. 223 on June 22, 1973, it was repealed by Republic Act (RA) No.8981 and approved on December 5, 2000 otherwise known “PRC Modernization Act”.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 Executive Order (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 Financials Statement Presentation**

The financial statements have been prepared in accordance with and comply 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 full implementation of the PPSAS will be done only in 2015. The financial statements were initially generated using the e-NGAS which was fully implemented by the agency in June 2004. Conversion to the Revised Chart of Accounts was based on the financial statements prepared for December 31, 2014

The Financial Statements 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 financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method. However, it still reflects the account Cash-Treasury (Agency Deposit-Regular) which should have been closed to Accumulated Surplus (Deficit) at year end. An adjustment will be made in 2015 for this purpose.

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

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

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

There are two books that the Commission maintains which later merged into one (1) per PPSAS:

(a) Regular Agency (RA) books wherein the Notice of Cash Allocation (NCA) as well as income/receipts, which the agency is authorized to use are recorded.

(b) The National Government (NG) books wherein income/receipts, which are remitted to the National Treasury and the agency is not authorized to utilize are documented.

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 Professional Regulation Commission.

#### **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 property, plant and equipment 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 Commission 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 asset, while the new residual value of five (5) percent of the cost of the asset will be adjusted/applied in the succeeding years. However, not all items were depreciated upon the implementation of the 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.

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

The PRC correct 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, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

The PRC 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 financial statements 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 financial statements 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 financial statements were prepared in accordance with the Philippine Public Sector Accounting Standards (PPSAS) and the coding structure pursuant to COA Circular 2015-002 dated March 9, 2015. However the conversion to the Revised Chart of Accounts was effected only at year end and was based on the ending balances of accounts as of December 31, 2014. There was no full implementation of COA Circular 2013-002 as amended by 2014-003 during the year 2014. Hence, any change in Accounting Policies may only be implemented in the ensuing year.

## 5. Cash and Cash Equivalents

Accounts	Amount
Cash Collecting Officers	2,504,479.22
Petty Cash Fund	50,000.00
Cash in Bank- Local Currency, Current Account	1,193,752.11
Cash in Bank- Local Currency, Savings Account	109,082.72
Cash - Treasury/Agency Deposit, Trust	4,977,344.45
Cash-Modified Disbursement System (MDS)-Regular	2,945,908.51
<b>Total Cash and Cash Equivalents</b>	<b>11,780,567.01</b>

## 5.1 Cash on Hand

The balance of the *Cash- Collecting Officer* totaling ₱2,504,479.22 represents undeposited collections of income and refund of cash advances at year end which were deposited on January 5 & 6, 2015.

Collection of income reported for 2014 is at ₱1,078,597,417.66, 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 ₱372,917,883.64 and ₱454,669,756.40, respectively or an aggregate of 77% of the total income. This does not include income collected by Zamboanga Regional Office for the months of April to December, 2014. Material discrepancies were noted in the Report of Collections for these particular months which could not be easily verified thus, recording in the books of accounts was deferred. The unrecorded income is estimated at P27,090,204.30. A special audit by the Internal Audit Services shall be requested for this purpose.

Reported income also includes collections from various SM malls nationwide for ID renewal and application for examination fees amounting ₱54,486,211.00 representing 5% of the total commission income.

To ensure accountability and compliance to 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.

- 5.2 The *Cash in Bank-Local Currency Current Account* of ₱1,193,752.11 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, protest fees, etc but also includes the fund transfers. The honoraria and overtime pay of the Chair and Members of the Bids and Awards Committee are being paid from this fund.
- 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
Baguio	0221-1474-99	10,000.00
Cagayan de Oro	241-10923-24	10,000.00
Iloilo	3291-0008-77	10,000.00
Legaspi	0131-1620-30	1,000.00
Lucena	0211-2570-24	10,000.00

<b>Particulars</b>	<b>LBP Account No.</b>	<b>Amount</b>
PRC Payroll Account	002001-9001-97	30,000.00
Tacloban	1731-0186-14	10,000.00
Zamboanga	0521-2707-64/191214196	5,082.72
Tuguegarao	021-2046-81	1,000.00
Cebu	0141-2536-89	10,000.00
Davao	0161-3165-20	2,000.00
Pagadian	0521-2707-64	10,000.00
<b>Total</b>		<b>109,082.72</b>

## 6. Receivables

### 6.1 Inter-Agency Receivables

<b>Accounts</b>	<b>Amount</b>		
	Current	Non-Current	Total
Due from National Government Agencies	6,785,766.50	119,717,990.53	126,503,757.03
<b>Total</b>	<b>6,785,766.50</b>	<b>119,717,990.53</b>	<b>126,503,757.03</b>

- The account Due from NGAs in the amount of ₱126,503,757.03 is composed of ₱80,034,493.43 from Procurement Services (PS-DBM); and ₱46,469,263.60 from DPWH. PS-DBM account represents advance payments to Procurement Service (PS)-DBM for purchases of supplies and equipment from the Procurement Service. The account is closed when the item/s are finally delivered.
- This account also includes an amount of ₱46,469,263.60 representing inter-agency transfer of funds to DPWH for the architectural and engineering design of the proposed PRC Building and for the various renovations of the PRC-Central Office. Included in the said balance is the unexpended portion of the inter-agency transfer of fund to Department of Public Works and Highways (DPWH)-Region V for the construction of the PRC-Legaspi Regional Office.

### 6.2 Other Receivables

<b>Accounts</b>	<b>Amount</b>
<b>Other Receivables</b>	
Receivables- Disallowances and Charges	17,579,407.47
Due from Officers and Employees	200.00
Other Receivables	317,881.70
<b>Total Other Receivables</b>	<b>17,897,489.17</b>

- Receivables - Disallowance/Charges represents amount resulting from audit disallowances that have become final and executory.
- Other Receivables Account represents receivables from suppliers, resigned employees, and members of the Commission of Regulatory Board whose terms have ended.
- As a result of the cash examination conducted by the COA Regional Office No.2 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. Ferdinand Llapitan and the undeposited amount of ₱1,446,293.43 constitutes the total cash shortage. The following actions were taken regarding this case :
  - a) Appropriate administrative charges were filed by PRC against the person and he was meted the penalty of dismissal from the service.
  - b) Hold-departure Order No. 201-39 was issued by the Department of Justice so that he may not leave the country.
  - c) The affidavit of the COA Team Members of Team II-Cluster I – Executive and Oversight, National Government Sector, COA Regional Office No. 02, 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 Regional Office No. 2 to the Office of the Ombudsman last January 19, 2009 for the filing of Criminal and Administrative cases against him for violation of Article 217 of the Revised Penal Code.
  - d) A letter query on the status of the case was forwarded by PRC to the Office of the Ombudsman.

## 7. Inventories

Account	Amount
Office Supplies Inventory	14,344,454.58
Accountable Forms Inventory	39,490,675.14
Medical, Dental, and Laboratory Supplies Inventory	23,125.00
<b>Total</b>	<b>53,858,254.72</b>



In conformity to 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. As to the non-moving account in the amount of ₱4,270,976.67 that pertains to the previous years' purchase of semi-expendable supplies that were directly issued to end-user, the said amount was adjusted to Prior Years' Adjustments.

The 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 Account; 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 this account. Efforts are being made to retrieve the 2004 Inventory Reports as basis for the said reconciliation.

## **8. Other Current Assets**

- 8.1 *Advances for Operating Expenses* – P1,361,099.06 represents unliquidated cash advances for MOOE drawn for the regular operations of the PRC Field Offices and for other specific purposes.
- 8.2 *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.
- 8.3 *Advances to Officers and Employees* – ₱705,152.25 represents unliquidated cash advances of the disbursing officers, employees and officials in the Central and Regional Offices intended for travels.
- 8.4 *Prepayment*- ₱2,589,283.27 composed of *prepaid rent* in the amount of ₱2,201,424.60 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.

## 9. Property, Plant and Equipment

	<b>Land</b>	<b>Buildings and Other Structures</b>	<b>Machinery and Equipment</b>	<b>Transportation Equipment</b>
Carrying Amount, January 1, 2014	160,554,070.30	136,697,048.78	108,561,311.09	17,454,734.39
Additions/Acquisitions			2,059,430.62	
Adjustments		-274,460.54	396,000.00	
Total	160,554,070.30	136,422,588.24	111,016,741.71	17,454,734.39
<i>Depreciation (As per Statement of Financial Performance)</i>		(000.00)	-9,864,487.69	-2,692,281.96
<b>Carrying Amount, December 31, 2014 (As per Statement of Financial Position)</b>	<b><u>160,554,070.30</u></b>	<b><u>136,422,588.24</u></b>	<b><u>101,152,254.02</u></b>	<b><u>14,762,452.43</u></b>
<b>Gross Cost (Asset Account Balance per Statement of Financial Position)</b>	160,554,070.30	136,422,588.24	199,865,510.38	40,597,487.32
Less : <i>Acc. Depreciation Allowance for Impairment</i>	-	-	-98,713,256.36	-25,835,034.89
<b>Carrying Amount, December 31, 2014 (As per Statement of Financial Position)</b>	<b><u>160,554,070.30</u></b>	<b><u>136,422,588.24</u></b>	<b><u>101,152,254.02</u></b>	<b><u>14,762,452.43</u></b>

	<b>Furniture &amp; Fixtures and Books</b>	<b>Construction in Progress</b>	<b>Other PPE</b>	<b>TOTAL</b>
Carrying Amount, January 1, 2014	14,786,434.65	74,453,898.95	2,323,175.36	514,830,673.52
Additions/Acquisitions	4,489,666.01		7,995.00	6,557,091.63
Adjustments	4,664,311.61			4,785,851.07
Total	23,940,412.27	74,453,898.95	2,331,170.36	526,173,616.22
<i>Depreciation (As per Statement of Financial Performance)</i>	(421,009.56)		(95,641.12)	(13,073,420.33)

	<b>Furniture &amp; Fixtures and Books</b>	<b>Construction in Progress</b>	<b>Other PPE</b>	<b>TOTAL</b>
<b>Carrying Amount, December 31, 2014 (As per Statement of Financial Position)</b>	<b><u>23,519,402.71</u></b>	<b><u>74,453,898.95</u></b>	<b><u>2,235,529.24</u></b>	<b><u>513,100,195.89</u></b>
<b>Gross Cost (Asset Account Balance per Statement of Financial Position)</b>	43,864,864.03	74,453,898.95	2,697,159.77	658,455,578.99
Less : <i>Acc. Depreciation</i>	(20,345,461.32)		(461,630.53)	(145,355,383.10)
<b>Carrying Amount, December 31, 2014 (As per Statement of Financial Position)</b>	<b><u>23,519,402.71</u></b>	<b><u>74,453,898.95</u></b>	<b><u>2,235,529.24</u></b>	<b><u>513,100,195.89</u></b>

- 9.1 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 meters whose land stewardship was transferred to PRC Cebu Regional Office in 1998.
- 9.2 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 sq. 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.
- 9.3 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 sq. had a replacement cost of ₱44,640,000.00;
  - The Annex Building consisting of five floors with floor are of 3,340.55 sq. 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 electronic National Government Accounting System (e-NGAS), the Building Account had a balance of ₱17,422,051.84 representing the construction of the 5<sup>th</sup> 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; and
- Efforts shall be made in the current year to seek out the reconciliation of items under PPE Accounts

#### 9.4 *Construction in Progress*

This account includes the forwarded ending balance during the conversion to e-NGAS and the construction of the new PRC-Tuguegarao Office, breakdown as follows:

<b>Project</b>	<b>Contractor</b>	<b>Amount</b>
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
IP VPN Connectivity	GAR Enterprise	308,000.00
<b>Total</b>		<b>7,859,662.84</b>

## 10. Intangible Assets

### 10.1 *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 Republic Act 8981 (PRC Modernization Act).

<b>Project</b>	<b>Contractor</b>	<b>Amount</b>
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 <sup>ST</sup> 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)	Incventure Partners Inc.	4,652,500.00
Network Infrastructure Project	ePLDT	14,996,401.73
Network Infrastructure Project-cabling of 4 <sup>th</sup> floor Marine Office	ePLDT	360,626.56
IP VPN Connectivity	GAR Enterprise	308,000.00
<b>Total</b>		<b>66,594,236.11</b>

## 11. Other Non-Current Assets      0

### 11.1 Items-in-Transit – ₱ 6,115,259.27

The account *Items-in-Transit* are broken down as follows:

<b>Amount</b>	<b>Particulars</b>
₱3,294,631.91	This amount represents the cost of the 3 Seconic 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 Electronic National Government Accounting System (eNGAS )
2,820,618.36	The amount corresponds to unreconciled balance of previous year's transactions. Reconciliation is currently being undertaken to identify the composition of this amount.
<b>₱6,115,250.27</b>	<b>Total</b>

- 11.2 *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.

## 12. Financial Liabilities

### 12.1 Payables

Particulars	Total
Accounts Payable	9,071,617.20
Due to Officer and Employees	11,877,260.55
<b>Total</b>	<b>20,948,877.75</b>

The Accounts Payable is composed of due and demandable accounts totaling to ₱6,125,708.69 and adjustment for unreleased checks amounting to ₱2,945,908.51. 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 to GAFMIS Circular No. 2002-01 dated December 16, 2002. Entries are for reversions at the beginning of the succeeding year in order to restate the amount of the unreleased checks.

### 12.2 Inter-Agency Payables

Particulars	Amount
Due to BIR	953,452.36
Due to GSIS	46,704.22
Due to Pag-IBIG	2,853.96
Due to PhilHealth	7,031.31
Due to NGAs	4,663,177.64
Due to GOCCs	288,167.63
<b>Total Inter-Agency Payables</b>	<b>5,961,387.12</b>

## 13. Service and Business Income

Particulars	A m o u n t
<b>Service Income</b>	
Registration Fees	117,248,060.00
Licensing Fees	454,669,756.40
Verification and Authentication Fees	96,191,350.00
Fines and Penalties - Service Income	17,228,239.00
Other Service Income	20,342,128.62
<b>Total</b>	<b>705,679,534.02</b>
<b>Business Income</b>	
Examination Fees	372,917,883.64

<b>Particulars</b>	<b>A m o u n t</b>
<b>Total</b>	<b>372,917,883.64</b>
<b>Total Service and Business Income</b>	<b>1,078,597,417.66</b>

#### 14. Personnel Services

##### 14.1 Salaries and Wages

<b>Particulars</b>	<b>Amount</b>
Salaries and Wages - Regular	82,887,184.84
Salaries and Wages - Casual/Contractual	259,786.88
<b>Total Salaries and Wages</b>	<b>83,146,971.72</b>

##### 14.2 Other Compensation

<b>Particulars</b>	<b>Amount</b>
Personal Economic Relief Allowance (PERA)	7,663,770.25
Representation Allowance (RA)	2,250,250.00
Transportation Allowance (TA)	1,124,500.00
Clothing/Uniform Allowance	1,575,000.00
Subsistence Allowance	12,850.00
Productivity Incentive Allowance	619,202.00
Honoraria	143,125,538.03
Year End Bonus	5,958,583.08
Cash Gift	2,286,875.00
Other Bonuses and Allowances	4,807,200.00
<b>Total Other Compensation</b>	<b>69,423,768.36</b>

##### 14.3 Personnel Benefit Contributions

<b>Particulars</b>	<b>Amount</b>
Retirement and Life Insurance Premiums	9,558,193.16
PhilHealth Contributions	942,041.09
Employees Compensation Insurance Premiums	349,814.61
PAG-IBIG Contributions	375,000.00
<b>Total Personnel Benefit Contributions</b>	<b>11,225,048.86</b>

##### 14.4 Other Personnel Benefits

<b>Particulars</b>	<b>Amount</b>
Pension Benefits	1,143,681.00
Retirement Gratuity	3,428,852.40

<b>Particulars</b>	<b>Amount</b>
Terminal Leave Benefits	5,415,564.20
Other Personnel Benefits	3,132,781.64
<b>Total Other Personnel Benefits</b>	<b>13,120,879.24</b>

## **15. Maintenance and Other Operating Expenses**

### 15.1. Traveling Expenses

<b>Particulars</b>	<b>Amount</b>
Traveling Expenses - Local	9,262,019.52
Traveling Expenses - Foreign	13,492,934.64
<b>Total Traveling Expenses</b>	<b>22,754,954.16</b>

### 15.2. Training and Scholarship Expenses

<b>Particulars</b>	<b>Amount</b>
Training Expenses	4,861,327.10
<b>Total Training and Scholarship Expenses</b>	<b>4,861,327.10</b>

### 15.3. Supplies and Materials Expenses

<b>Particulars</b>	<b>Amount</b>
Office Supplies Expenses	28,917,112.56
Accountable Forms Expenses	28,582,081.91
Drugs and Medicines Expenses	9,650.00
Medical, Dental and Laboratory Supplies Expenses	553.52
Fuel, Oil and Lubricants Expenses	2,773,223.26
Other Supplies and Materials Expenses	9,150.00
<b>Total Supplies and Materials Expenses</b>	<b>60,291,771.25</b>

### 15.4. Utility Expenses

<b>Particulars</b>	<b>Amount</b>
Water Expenses	1,647,260.02
Electricity Expenses	20,100,073.52
<b>Total Utility Expenses</b>	<b>21,747,333.54</b>

### 15.5. Communication Expenses

<b>Particulars</b>	<b>Amount</b>
Postage and Courier Services	945,058.39
Telephone Expenses	2,917,642.81
Internet Subscription Expenses	3,903,602.44



<b>Particulars</b>	<b>Amount</b>
Cable, Satellite, Telegraph and Radio Expenses	23,443.60
<b>Total Communication Expenses</b>	<b>7,789,747.24</b>

15.6. Confidential, Intelligence and Extraordinary Expenses

<b>Particulars</b>	<b>Amount</b>
Extraordinary and Miscellaneous Expenses	1,713,000.52
<b>Total Confidential, Intelligence and Extraordinary Expenses</b>	<b>1,713,000.52</b>

15.7. Professional Services

<b>Particulars</b>	<b>Amount</b>
Legal Services	715,536.00
Consultancy Services	4,351,333.32
Other Professional Services	2,883,426.32
<b>Total Professional Services</b>	<b>7,950,295.64</b>

15.8. General Services

<b>Particulars</b>	<b>Amount</b>
Janitorial Services	3,486,487.22
Security Services	6,672,847.94
Other General Services	120,831,458.23
<b>Total General Services</b>	<b>130,990,793.39</b>

15.9. Repairs and Maintenance

<b>Particulars</b>	<b>Amount</b>
Repairs and Maintenance - Buildings and Other Structures	729,497.69
Repairs and Maintenance - Machinery and Equipment	341,732.80
Repairs and Maintenance - Transportation Equipment	1,306,695.46
Repairs and Maintenance - Furniture and Fixtures	82,776.75
Repairs and Maintenance - Other Property, Plant and Equipment	168,389.20
<b>Total Repairs and Maintenance Expenses</b>	<b>2,629,091.90</b>

15.10. Taxes, Insurance Premiums and Other Fees

<b>Particulars</b>	<b>Amount</b>
Taxes, Duties and Licenses	686,936.82
Fidelity Bond Premiums	774,728.28

<b>Particulars</b>	<b>Amount</b>
Insurance Expenses	711,289.33
<b>Total Taxes, Insurance Premiums and Other Fees</b>	<b>2,172,954.43</b>

#### 15.11. Other Maintenance and Operating Expenses

<b>Particulars</b>	<b>Amount</b>
Advertising Expenses	865,757.46
Printing and Publication Expenses	12,920.20
Representation Expenses	1,095,366.87
Transportation and Delivery Expenses	3,999.50
Rent/Lease Expenses	10,725,710.76
Subscription Expenses	47,800.16
Other Maintenance and Operating Expenses	2,059,322.41
<b>Total Other Maintenance and Operating Expenses</b>	<b>14,810,877.36</b>

### 16. Financial Expenses

<b>Particulars</b>	<b>Amount</b>
Bank Charges	400.00
<b>Total Financial Expenses</b>	<b>400.00</b>

### 17. Non-Cash Expenses

#### 17.1. Depreciation

<b>Particulars</b>	<b>Amount</b>
Depreciation - Machinery and Equipment	9,864,487.69
Depreciation - Transportation Equipment	2,692,281.96
Depreciation - Furniture, Fixtures and Books	421,009.56
Depreciation - Other Property, Plant and Equipment	95,641.12
<b>Total Depreciation</b>	<b>13,073,420.33</b>

### 18. Key Management Personnel

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

#### 18.1. Key Management Personnel Compensation

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

<b>Particulars</b>	<b>Aggregate Remuneration</b>
Salaries and Wages	3,275,058.89
Other Compensation	971,859.73
Personnel Benefit Contributions	170,151.58
Other Personnel Benefits	5,618,651.63
<b>Total Other Personnel Benefits</b>	<b>10,035,721.83</b>

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

## **19. Subsidy from National Government**

This account includes the following:

<b>Particulars</b>	<b>Amount</b>
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	1,123,458,440.00
Tax Remittance Advice for BIR tax remittance	45,409,490.40
Total	1,168,867,930.40
Less:	
Reversion of Unused NCA (Regular and Accounts Payable)	553,808,690.31
Refunds of Unused Cash Advances	3,060,040.52
<b>Balance ending</b>	<b>611,999,199.57</b>