



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

ANNUAL AUDIT REPORT

on the

CAGAYAN STATE UNIVERSITY
Tuguegarao City

For the Year Ended December 31, 2023



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. II
Tuguegarao City, Cagayan

May 3, 2024

ARTHUR G. IBÁÑEZ, ASEAN Engr.
Officer-in-Charge
Office of the University President
Cagayan State University
Tuguegarao City

Dear Sir:

We are pleased to transmit the Consolidated Annual Audit Report on the Cagayan State University for the Calendar Year 2023, pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the "Government Auditing Code of the Philippines."

The audit was conducted in accordance with International Standards of Supreme Audit Institutions to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions, as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements of the Agency in view of the significance of the exceptions noted in audit stated in the Independent Auditor's Report.

The audit observation together with the recommended course of action, which were discussed with the concerned management officials and staff during the exit conference held on April 8, 2024, are presented in detail in Part II of the report.

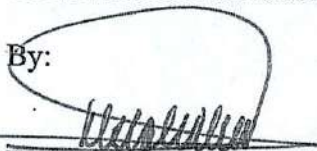
We request that the recommended remedial measures be immediately implemented and we will appreciate being informed of the action taken thereon within 60 days from receipt hereof pursuant to Section 99 of the General Provisions of the General Appropriations Act of FY 2023 (Republic Act No. 11936), using the Agency Action Plan and Status of Implementation (AAPSI) Form to be submitted to the Audit Team.

We acknowledge the support and cooperation that you and your staff extended to the Audit Team, thus, facilitating the conduct and submission of the Report.

Very truly yours,

COMMISSION ON AUDIT

By:



HECTOR L. CORTES
Officer-in-Charge – Director IV

Copy furnished:

President of the Republic of the Philippines
Malacañang Complex, J.P. Laurel Street,
San Miguel, Manila. 1005

Vice-President
11F, Robinsons Cybergate Plaza, EDSA cor. Pioneer St.,
Mandaluyong, 1550, Metro Manila.

President of the Senate
Rm. 512 5th Flr. GSIS Bldg., Financial
Center, Roxas Blvd., Pasay City

Speaker of the House of Representatives
Rm S-217-218,
House of Representatives, Quezon City

Chairperson-Senate Finance Committee
Rm 209 GSIS Bldg., Financial Center
Roxas Blvd., Pasay City

Chairperson-Appropriation Committee
Rm. RVM-422
House of Representatives, Quezon City

Secretary of the Department of Budget and Management
G/F, DBM Bldg. I, General Solano Street,
San Miguel, Manila

Presidential Management Staff, Office of the President
10/F PMS Bldg, Arlegui Street,
San Miguel, Manila 1005



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. II
Tuguegarao City, Cagayan

May 3, 2024

THE BOARD OF REGENTS

Cagayan State University
Tuguegarao City

Dear Sir/Madam:

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The audit observation together with the recommended course of action, which were discussed with the concerned management officials and staff during the exit conference held on April 8, 2024, are presented in detail in Part II of the report.

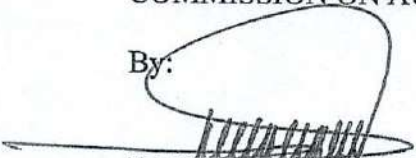
In our transmittal of even date, we requested the University president to implement the recommendations embodied in the report and inform this Office of the actions taken thereon within 60 days upon receipt hereof pursuant to Section 99 of the General Provisions of Republic Act No. 11936, otherwise known as the "General Appropriations Acts" of Fiscal Year 2023, using the Agency Action Plan and Status of Implementation (AAPSI) Form to be submitted to the Audit Team. We will appreciate any action(s) you may take towards the implementation of the audit recommendation.

We acknowledge the support and cooperation that you and your staff extended to the Audit Team, thus, facilitating the conduct and submission of the Report.

Very truly yours,

COMMISSION ON AUDIT

By:



HECTOR L. CORTES
Officer-in-Charge – Director IV

Copy furnished:

President of the Republic of the Philippines
*Malacañang Complex, J.P. Laurel Street,
San Miguel, Manila. 1005*

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*11F, Robinsons Cybergate Plaza, EDSA cor. Pioneer St.,
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San Miguel, Manila 1005*



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. II
Carig Sur, Tuguegarao City

State Universities and Colleges and Other NGAS Stand-Alone Agencies

April 19, 2024

HECTOR L. CORTES

Officer-in-Charge – Director IV
Commission on Audit
Regional Office No. 02
Tuguegarao City:

Sir:

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, we conducted a financial and compliance audit on the accounts and operations of the Cagayan State University, Tuguegarao City, Cagayan, for the year ended December 31, 2023.

The audit was conducted to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions, as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

The report consists of four parts: Part I–Audited Financial Statements, Part II–Observations and Recommendations, Part III–Status of Implementation of Prior Years' Unimplemented Audit Recommendations and Part IV–Annexes. The audit observations and recommendations were discussed with management officials in an exit conference held on April 8, 2024, whose comments were included in the report, where appropriate.

We rendered a qualified opinion on the fairness of presentation of the financial statements of the Agency because of the following:

- (1) Non-reclassification of completed infrastructure projects to the proper asset accounts amounting to P16,644,296.22 rendered the Construction in Progress and other related accounts unreliable;
- (2) Non-preparation of adjusting journal entries on book reconciling items totaling P474,641.00 due to errors and omissions, and non-reversion of stale checks of P64,617.25 to cash accounts rendered the Cash in Bank and other affected accounts unreliable; and

- (3) Recording of taxes remitted in January 2024 amounting to P2,432,766.03 as remittance in December 2023 rendered the Due to BIR and other affected account unreliable.

Our audit was conducted in accordance with International Standards of Supreme Audit Institutions and we believe that it provides reasonable bases for the results of audit.

Very truly yours,


JOSEPHINE ALBERTA P. LAPPAY
Supervising Auditor



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. II
Carig Sur, Tuguegarao City

Office of the Auditor – Audit Team No. R2-02
NGAS – SUCs and Other Stand – Alone Agencies

April 15, 2024

JOSEPHINE ALBERTA P. LAPPAY
Supervising Auditor
National Government Audit Sector
State Universities and Colleges
Commission on Audit
Regional Office No. II
Tuguegarao City

Madam:

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, we conducted a financial and compliance audit on the accounts and operations of the Cagayan State University, Tuguegarao City, Cagayan, for the year ended December 31, 2023.

The audit was conducted to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions, as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

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Our audit was conducted in accordance with International Standards of Supreme Audit Institutions and we believe that it provides reasonable bases for the results of audit.

Very truly yours,


ROSEMARIE B. SALES
Audit Team Leader

Cagayan State University
Agency Action Plan and Status of Implementation
Audit Observations and Recommendations
For the Calendar Year 2023

Reference	Audit Observations	Audit Recommendations	Action Plan	Person/Dep't Responsible	Target Implementation Date	Status of Implementation	Reasons for Delay/Non-Implementation (if applicable)	Action Taken/Action to be taken
					From To			

University Accountant

University President

Note: Status of Implementation may either be (a) Implemented and (b) Not Implemented.

EXECUTIVE SUMMARY

A. Introduction

The Cagayan State University (CSU) was established on June 11, 1978 by virtue of Presidential Decree No. 1436 issued by President Ferdinand E. Marcos. It is mandated by its charter to provide better services in professional and technical training in the Arts, Sciences, Humanities and Technology. The main missions are academic, instruction, research, extension, and production. The purpose of the University is to provide advanced education in the arts and sciences, give professional and technical training; encourage and undertake research, conduct training and extension services; and encourage the application of knowledge.

CSU has nine (9) Campuses under its university system, namely: CSU at Andrews, Tuguegarao City; CSU at Carig, Tuguegarao City; CSU at Piat; CSU at Lallo; CSU at Lasam; CSU at Sanchez Mira; CSU at Gonzaga; CSU at Aparri; and CSU at Solana. In these Campuses, the original intent of providing democratized tertiary education in the countryside is felt in the whole region, specifically in Cagayan.

The Board of Regents (BORs) is the highest policy-making body of the CSU, which is composed of one (1) chairman, one (1) vice-chairman and 10 members. The Executive Officers of CSU are headed by the University President, who is assisted by three (3) Vice-Presidents and a University Secretary, while the Campuses are governed by its Campus Executive Officers.

The Audit Team has adopted the integrated results and risk-based audit methodology in the audit of the accounts and operations of the Cagayan State University. Our procedures included internal control review; examination of documents/records/reports; analysis, recalculation, confirmation and inspection of selected accounts, transactions, and projects, as necessary.

B. Scope of Audit

The audit covered the review of the accounts and operations of the CSU for the period January 1, 2023 to December 31, 2023. The audit was conducted to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions, as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

C. Financial Highlights

The comparative analysis of the appropriations, allotment and obligations of the University for the Calendar Years 2023 and 2022 are as follows:

Particulars	2023	2022	Increase (Decrease)	
			Amount	%
Appropriations	1,270,061,164.19	1,274,003,719.00	(3,942,554.81)	(0.31)
Allotment	1,261,336,975.19	1,160,166,199.00	101,170,776.19	8.72
Obligation Incurred	1,210,822,389.16	1,066,170,586.19	144,651,802.97	13.57
Unobligated Balance	50,514,586.03	93,995,612.81	(43,481,026.78)	(46.26)

The financial position and performance of CSU for the CYs 2023 and 2022 are as follows:

Particulars	CY 2023	CY 2022	Increase (Decrease)	
			Amount	%
Financial Condition				
Assets	P 2,029,241,312.87	P 2,069,004,373.70	P (39,763,060.83)	(1.92)
Liabilities	214,948,359.87	280,705,034.04	(65,756,674.17)	(23.43)
Net Assets/Equity	1,814,292,953.00	1,788,299,339.66	25,993,613.34	1.45
Financial Performance				
Income	1,441,628,096.46	1,305,627,205.25	136,000,891.21	10.42
Expenses	1,365,226,263.65	1,119,867,711.82	245,358,551.83	21.91
Net Income	76,401,832.81	185,759,493.43	(109,357,660.62)	58.87

D. Operational Highlights

The CSU reported its major accomplishments in Current Year (CY) 2023 for its programs per performance indicator as provided under the General Appropriations Act (GAA) of Fiscal Year (FY) 2023. Details are presented below:

Particulars	Target	Accomplishment	Accomplishment Rate (%)
MFO 1: Higher Education Program			
Outcome Indicators			
1. Percentage of first-time licensure exam takers that passed the licensure examination	50%	79.68%	159.36%
2. Percentage of graduates (2 years prior) that are employed	60%	67.70%	112.83%
Output Indicators			
1. Percentage of undergraduate student population enrolled in CHED-identified and RDC – identified priority programs	60%	79.02%	131.7%
2. Percentage of undergraduate programs with accreditation	80%	100%	125%

Particulars	Target	Accomplishment	Accomplishment Rate (%)
MFO 2: Advance Education Program			
Outcome Indicator			
1. Percentage of graduate school faculty engaged in research work	58%	84.38%	145.48%
Output Indicators			
1. Percentage of graduate students enrolled in research degree programs	100%	100%	100%
2. Percentage of accredited graduate programs	60%	100%	166.7%
MFO 3: Research Program			
Outcome Indicator			
1. Number of research outputs in the last three years utilized by the industry or by other beneficiaries applied for patenting	13	15	115.38%
Output Indicators			
1. Number of research outputs/studies completed within the year	50	76	152%
2. Percentage of research outputs published in internationally refereed of CHED recognized journal within the year	25%	32.19%	128.76%
MFO 4: Technical Advisory Extension Program			
Outcome Indicator			
1. Number of active partnerships with LGUs, industries, NGOs, NGA, SMEs, and other stakeholders as a result of extension activities	16	23	143.75%
Output Indicators			
1. Number of trainees weighted by the length of training	8,047	8251.55	102.54%
2. Number of extension programs organized and supported consistent with SUC's mandated and priority programs	16	23	143.75%
3. Percentage of beneficiaries who rate the training course/courses and advisory services as satisfactory or higher in terms of quality and relevance	97%	100%	103.09%

E. Independent Auditor's Report on the Financial Statements

As discussed in Part II – Observations and Recommendations portion of this report, we rendered a modified opinion on the fairness of presentation of the financial statements of the Agency due to the following:

- (1) Non-reclassification of completed infrastructure projects to the proper asset accounts amounting to P 16,644,296.22 rendered the Construction in Progress and other related accounts unreliable;

- (2) Non-preparation of adjusting journal entries on book reconciling items totaling P474,641.00 due to errors and omissions, and non-reversion of stale checks of P64,617.25 to cash accounts rendered the Cash in Bank and other affected accounts unreliable; and
- (3) Recording of taxes remitted in January 2024 amounting to P2,432,766.03 as remittance in December 2023 rendered the Due to BIR and other affected account unreliable.

E. Summary of Significant Observations and Recommendations

1. The year-end balance of the Due to NGAs account could not be relied upon due to the inclusion of (a) unreconciled balance totaling P47.215 million between the University books and that of the Source Agencies (SA); (b) 22 projects aggregating P1.611 million which remained dormant ranging from 8 to 17 years; and (c) presence of negative balances of P2.195 million and unverified balance of P0.768 million.

We recommended that the Management:

- (a) Direct the University/Campus Accountants to undertake reconciliation of all funds received with the Source Agency Accountants to determine the amount still due for liquidation;
 - (b) Evaluate the inactive/dormant projects included in the Due to NGAs account. Should the funds be established to be no longer needed, it should be remitted to the source agencies in strict compliance with COA Circular No. 94-013;
 - (c) Direct the University/Campus Accountants to conduct regular monitoring and reconciliation of projects to avoid accumulation of unexpended funds;
 - (d) Require the Accounting Section of the respective Campuses to revisit the identified negative balances and prepare the necessary adjustments;
 - (e) Require the Accountant of Sanchez Mira Campus to reconcile and cause the retrieval of records of the unverified beginning balances and effect necessary adjustment, if warranted; and
 - (f) Henceforth, strictly adhere to the provisions of COA Circular No. 94-013, particularly in the proper accounting and reporting of fund transfers.
2. The existence, accuracy, and reliability of the year-end balances of the Property, Plant and Equipment accounts are uncertain due to a variance of P1.067 billion between the balances per books and per Report on the Physical Count of Property,

Plant and Equipment, thus, affecting the fair presentation of the affected accounts in the financial statements.

We recommended that the Management:

- (a) Direct the Inventory Committee to continue the reconciliation of University records and adjust the books of accounts and/or property records, as warranted, once the results have been established;
- (b) Instruct the Inventory Committee of Gonzaga, Lallo, Lasam and Piat Campuses to prepare the RPCPPE in conformity with Appendix 74 of GAM for NGAs, Volume II; and
- (c) Comply with the one-time cleansing of PPE account balances provided for under COA Circular No. 2020-006.

F. Summary of Total Suspensions, Disallowances and Charges as at year end

As at December 31, 2023, the University had unsettled suspensions, disallowances and charges totaling P5,782,773.88, P163,472,368.77 and P0.00, respectively. The details are presented as follows:

Audit Action	Beginning Balance	Issued during the year	Settlement during the year	Ending Balance as at December 31, 2023
Notice of Suspension	P5,782,773.88	P 0.00	P 0.00	P5,782,773.88
Notice of Disallowance	98,580,458.58	69,719,833.33	4,827,923.14	163,472,368.77
Notice of Charge	0.00	0.00	0.00	0.00
Total	P104,363,232.46	P69,719,833.33	P4,827,923.14	P169,255,142.65

G. Status of Implementations of Prior Years' Audit Recommendations

Of the 50 audit recommendations embodied in the prior years' Annual Audit Reports, 19 were implemented and 31 were not implemented. The details of the implementation of prior years' audit recommendations are discussed in Part III of this Report.

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**PART I – AUDITED FINANCIAL
STATEMENTS**



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. II
Tuguegarao City, Cagayan

INDEPENDENT AUDITOR'S REPORT

The President

Cagayan State University
Tuguegarao City, Cagayan

Opinion

We have audited the consolidated financial statements of the Cagayan State University, which comprise the Statement of Financial Position as at December 31, 2023, and the Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Cash Flows and Statement of Comparison of Budget and Actual Amounts for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Bases for Opinion* section of our report, the accompanying financial statements present fairly in all material respects, the financial position of the Cagayan State University as at December 31, 2023, and its financial performance, its cash flows, and its statement of comparison of budget and actual amounts for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Bases for Opinion

As discussed in Part II – Audit Observations and Recommendations portion of this Report, we rendered an opinion on the fairness of presentation of the financial statements of the Agency due to the following:

- (1) Non-reclassification of completed infrastructure projects to the proper asset accounts amounting to P 16,644,296.22 rendered the Construction in Progress and other related accounts unreliable;
- (2) Non-preparation of adjusting journal entries on book reconciling items totaling P474,641.00 due to errors and omissions, and non-reversion of stale checks of P64,617.25 to cash accounts rendered the Cash in Bank and other affected accounts unreliable; and
- (3) Recording of taxes remitted in January 2024 amounting to P2,432,766.03 as remittance in December 2023 rendered the Due to BIR and other affected account unreliable.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Except for the matters described in the *Bases for Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

COMMISSION ON AUDIT

By:


JOSEPHINE ALBERTA P. LAPPAY
Supervising Auditor

April 4, 2024



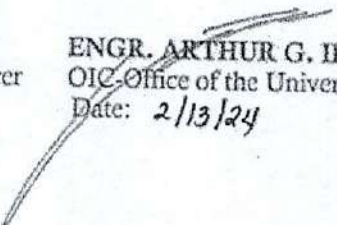
REPUBLIC OF THE PHILIPPINES
CAGAYAN STATE UNIVERSITY
ANDREWS CAMPUS
Caritan, Tuguegarao City, Cagayan

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Cagayan State University is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2023 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.


EMERITA P. GERON
Chief, Financial and Management Officer
Date: 2/13/24


ENGR. ARTHUR G. IBANEZ, Ph. D
OIC-Office of the University President
Date: 2/13/24



Republic of the Philippines
CAGAYAN STATE UNIVERSITY
Tuguegarao City, Cagayan

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ALL FUNDS

As at December 31, 2023
(With Comparative Figures for CY 2022)

	NOTES	2023	2022
ASSETS			
Current Assets			
Cash and Cash Equivalents	5 P	353,374,982.64 P	439,157,004.97
Receivables	6	122,400,687.38	118,026,585.58
Inventories	7	20,913,167.72	24,504,157.22
Other Current Assets	8	22,353,686.29	15,497,867.52
Total Current Assets		519,042,524.03	597,185,615.29
Non - Current Assets			
Property, Plant and Equipment	9	1,499,950,101.94	1,464,001,901.18
Biological Assets	10	4,702,868.49	4,918,929.49
Intangible Assets	11	4,709,699.74	2,061,809.07
Other Assets	12	836,118.67	836,118.67
Total Non-Current Assets		1,510,198,788.84	1,471,818,758.41
TOTAL ASSETS	P	2,029,241,312.87 P	2,069,004,373.70
LIABILITIES AND NET ASSETS/EQUITY			
LIABILITIES			
Current Liabilities			
Financial Liabilities	13.1 P	24,018,961.03 P	58,334,617.45
Inter-Agency Payables	13.2	101,293,657.89	123,591,936.86
Intra-Agency Payables	13.3	9,802,539.46	6,598,616.89
Trust Liabilities	13.4	67,716,268.37	15,251,745.29
Deferred Credits/Uncearned Income	13.5	440,818.94	1,829,216.91
Other Payables	13.6	11,676,114.18	75,098,900.64
Total Current Liabilities		214,948,359.87	280,705,034.04
TOTAL LIABILITIES		214,948,359.87	280,705,034.04
NET ASSETS/EQUITY			
Equity			
Accumulated Surplus/(Deficit)		1,814,292,953.00	1,788,299,339.66
Total Net Assets/Equity		1,814,292,953.00	1,788,299,339.66
TOTAL LIABILITIES AND NET ASSETS/EQUITY	P	2,029,241,312.87 P	2,069,004,373.70

(See accompanying Notes to Financial Statements)



Republic of the Philippines
CAGAYAN STATE UNIVERSITY
Tuguegarao City, Cagayan

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
ALL FUNDS

For the year-ended December 31, 2023
(With Comparative Figures for CY 2022)

	<u>NOTES</u>	<u>2023</u>	<u>2022</u>
Revenue	14		
Service and Business Income	P	346,775,944.40	P 402,348,060.64
Shares, Grants and Donations		34,851,047.78	1,094,853.00
Miscellaneous Income		<u>447,702.53</u>	<u>286,011.35</u>
Total Revenue		<u>382,074,694.71</u>	<u>403,728,924.99</u>
Less Current Operating Expenses	15		
Personnel Services		866,778,504.65	723,891,182.80
Maintenance and Other Operating Expenses		435,302,870.96	340,583,714.78
Financial Expenses		62,483.00	59,678.00
Non-Cash Expenses		<u>61,411,275.86</u>	<u>55,191,489.22</u>
Total Current Operating Expenses		<u>1,363,555,134.47</u>	<u>1,119,726,064.80</u>
Surplus (Deficit) from Current Operations		<u>(981,480,439.76)</u>	<u>(715,997,139.81)</u>
Net Financial Assistance/Subsidy	16-17	1,059,158,321.75	900,235,116.76
Gains		395,080.00	1,663,163.50
Losses		<u>(1,671,129.18)</u>	<u>(141,647.02)</u>
Surplus (Deficit) for the period	P	<u>76,401,832.81</u>	<u>P 185,759,493.43</u>

(See accompanying Notes to Financial Statements)



Republic of the Philippines
CAGAYAN STATE UNIVERSITY
Tuguegarao City, Cagayan

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
ALL FUNDS

For the Year-Ended December 31, 2023

(With Comparative Figures for CY 2022)

	2023	2022
Balance at January 1	P 1,788,299,339.66	P 1,659,190,257.85
Add/(Deduct):		
Changes in Accounting Policy	(33,765,344.35)	(2,457,243.09)
Prior Period Adjustments/Unrecorded Income and Expenses	(9,085,312.07)	(57,060,597.49)
Other Adjustments	(5,315,017.38)	(21,271,021.21)
Restated balance	P 1,740,133,665.86	P 1,578,401,396.06
Add/(Deduct):		
Changes in Net Assets/Equity for the Calendar Year		
Surplus (Deficit) for the period	P 76,401,832.81	P 185,759,493.43
Adjustment of net revenue recognized directly in net assets/equity	618,035.54	(162,354.24)
Others	(2,860,581.21)	24,300,804.41
Total recognized revenue and expense for the period	P 74,159,287.14	P 209,897,943.60
Balance at December 31	P 1,814,292,953.00	P 1,788,299,339.66

(See accompanying Notes to Financial Statements)



Republic of the Philippines
CAGAYAN STATE UNIVERSITY
Tuguegarao City, Cagayan
CONSOLIDATED STATEMENT OF CASH FLOWS
ALL FUNDS

For the Year Ended December 31, 2023
(With Comparative Figures for CY 2022)

	Notes	2023	2022
Cash Flows From Operating Activities:	18		
Cash Inflows	18.1		
Receipt of Notice of Cash Allocation (NCA)	P	1,195,932,496.00	P 1,042,891,447.00
Receipt of Assistance and Subsidy from Other NGAs, LGUs & GOCCs		729,125,450.82	591,283,818.81
Collection of Receivables		8,112,764.64	10,703,949.43
Receipt of Trust Liabilities		131,856,373.18	151,399,176.08
Collection of Income/Revenues		486,473,491.56	644,390,945.12
Receipt of Intra-Agency Fund Transfer		3,447,777.53	4,537,020.81
Other Receipts		65,900,877.05	79,300,456.11
Adjustments		-	-
Total Cash Inflows	P	<u>2,620,849,230.78</u>	P <u>2,524,506,813.36</u>
Cash Outflows	18.2		
Payment of Expenses	P	1,562,398,279.33	P 1,331,772,621.26
Purchase of Inventories		48,566,150.41	24,596,184.10
Grant of Cash Advances		83,286,067.95	105,783,682.40
Prepayments		2,609,465.97	2,178,540.63
Refund of Deposits		3,120,912.63	644,087.18
Remittance of Personnel Benefit Contributions and Mandatory Deductions		283,900,946.34	238,282,201.49
Grant of Financial Assistance/Subsidy		17,547,100.78	4,791,948.84
Release of Inter-Agency Fund Transfers		-	-
Other Disbursements		705,202,329.70	672,055,197.93
Total Cash Outflows	P	<u>2,706,631,253.11</u>	P <u>2,380,104,463.83</u>
Net Cash Provided by (Used In) Operating Activities	P	<u>(85,782,022.33)</u>	P <u>144,402,349.53</u>
Net Cash Used in Investing Activities	P	<u>-</u>	P <u>-</u>
Net Cash Used Financing Activities	P	<u>-</u>	P <u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	P	<u>(85,782,022.33)</u>	P <u>144,402,349.53</u>
Cash and Cash Equivalents, January 1		439,157,004.97	294,754,655.44
Cash and Cash Equivalents, December 31	P	<u>353,374,982.64</u>	P <u>439,157,004.97</u>

(See accompanying Notes to Financial Statements)



Republic of the Philippines
CAGAYAN STATE UNIVERSITY
Tuguegarao City, Cagayan

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
ALL FUNDS

For the year ended December 31, 2023

Particulars	Note	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
A. RECEIPTS	19				
1. Revenue (Subsidy from National Government)	19.1	P 1,328,964,508.79	P 1,343,081,837.79	P 1,334,357,648.79	P 8,724,189.00
Regular Agency Fund - General Fund		1,236,694,000.00	1,250,811,329.00	1,242,087,140.00	8,724,189.00
New General Appropriations		1,177,966,000.00	1,177,966,000.00	1,169,241,811.00	8,724,189.00
Special Purpose Funds		-	5,248,118.00	5,248,118.00	-
Automatic Appropriations		58,728,000.00	67,597,211.00	67,597,211.00	-
Regular 2022 Continuing Appropriations		92,270,508.79	92,270,508.79	92,270,508.79	-
FY 2022 Continuing Appropriations		92,270,508.79	92,270,508.79	92,270,508.79	-
2. Services and Business Income	19.2	680,299,116.35	703,655,490.97	703,655,490.97	-
Internally Generated Income	19.2.1	627,529,316.43	614,220,127.27	614,220,127.27	-
Business Type Income	19.2.2	52,769,799.92	89,435,363.70	89,435,363.70	-
Total Receipts		P 2,009,263,625.14	P 2,046,737,328.76	P 2,038,013,139.76	P 8,724,189.00
B. PAYMENTS					
1. General Fund	19.3	P 1,328,964,508.79	P 1,283,468,054.66	P 1,181,054,055.80	P 102,413,998.86
Regular Agency Fund - General Fund					
Personnel Services		817,804,000.00	861,609,928.96	856,448,631.41	5,161,297.55
Maintenance and Other Operating Expenses		335,630,032.53	295,074,750.77	283,051,138.72	12,023,612.05
Capital Outlays		175,530,476.26	126,783,374.93	41,554,285.67	85,229,089.26
2. Off-Budgetary Fund	19.4	635,241,058.46	481,261,119.52	434,558,793.22	46,702,326.30
Personnel Services		-	-	-	-
Maintenance and Other Operating Expenses		499,621,697.94	407,646,359.50	378,074,770.19	29,571,589.31
Capital Outlays		135,619,360.52	73,614,760.02	56,484,023.03	17,130,736.99
Personnel Services		817,804,000.00	861,609,928.96	856,448,631.41	5,161,297.55
Maintenance and Other Operating Expenses		835,251,730.47	702,721,110.27	661,125,908.91	41,595,201.36
Capital Outlays		311,149,836.78	200,398,134.95	98,038,308.70	102,359,826.25
Total Payments		P 1,964,205,567.25	P 1,764,729,174.18	P 1,615,612,849.02	P 149,116,325.16
NET RECEIPTS/PAYMENT	19.5	P 45,058,057.89	P 282,008,154.58	P 422,400,290.74	P (140,392,136.16)

(See accompanying Notes to Financial Statements)



Republic of the Philippines
CAGAYAN STATE UNIVERSITY
Tuguegarao City, Cagayan

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2023
(All Amounts in Philippine Peso)

Note 1. General Information/Agency Profile

The Financial Statements of Cagayan State University were authorized for issue on February 13, 2024 as shown in the Statement of Management Responsibility for Financial Statements signed by Engr. Arthur G. Ibañez, OIC, Office of the University President.

Cagayan State University is an Educational Entity established on June 11, 1978 by virtue of Presidential Decree 1436. It is mandated by its charter to provide better services in professional and technical training in the arts, sciences, humanities, and technology. The main missions are academic, instruction, research, extension, and production. The purpose of the University is to provide advanced education in the arts and sciences, give professional and technical training; encourage and undertake research, conduct training and extension services; and encourage the application of knowledge. The Agency's registered office is located at Andrews Campus, Caritan, Tuguegarao City.

Note 2. Statement of Compliance and Basis of Preparation of Financial Statements

The Consolidated financial statements have been prepared in accordance with and in compliance with the International Public Sector Accounting Standards (IPSAS) issued by the Commission on Audit per COA Resolution No. 2020-001 dated January 9, 2020.

The Consolidated 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.

Note 3. Summary of Significant Accounting Policies

3.1 Basis of Accounting

- a. The consolidated financial statements are prepared on an accrual basis in accordance with the International Public Sector Accounting Standards. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is on accrual basis except for transactions where accrual basis is impractical or when the law requires other methods.
- b. Notice of Cash Allocation (NCA) is recorded in the Regular Agency (RA) books as well as income/receipts which the University is authorized to use. Collections from tuition fees and other collections are

deposited in a Special Trust Fund pursuant to RA 8292, and separate sets of books of accounts are kept and maintained.

- c. Separate books of accounts are kept and maintained for the following:
 - 1. Regular Agency Fund (Fund Cluster 01)
 - 2. Internally Generated Fund (Fund Cluster 05)
 - 3. Business Related Fund (Fund Cluster 06)
 - 4. Trust Receipts (Fund Cluster 07)
- d. The cash requirements of decentralized Campuses are released thru funding checks.
- e. The Obligation Accounting is modified to simplify procedures in the incurrence and liquidation of obligation and the recording of budgetary accounts (allotments and obligations incurred and liquidated). Separate registries are maintained to control allotments and obligations for each class of allotment.
- f. The cost of ending inventory of office supplies and materials and other inventory items are computed using the Moving Average Method thru the e-NGAS (for Andrews Campus).
- g. Supplies and Materials purchased for inventory purposes are recorded using the Perpetual Inventory System.
- h. Property, Plant and Equipment are carried at cost less accumulated depreciation. Depreciation Expense is being computed automatically by the e-NGAS using the straight-line method.
- i. The automatic depreciation entries were used for booking the depreciation of procured Property, Plant and Equipment.
- j. Payable accounts were recognized and recorded in the books of accounts upon acceptance of the goods/inventory/other assets and rendition of services to the agency.
- k. Accounts were classified to conform with the Chart of Accounts prescribed under the New Government Accounting System, which was implemented effective January 1, 2002 and updated last September 20, 2004 but converted to the Revised Chart of Accounts (RCA) as required in paragraph 2.0 of COA Circular No. 2013- 002 dated January 30, 2013.

3.2 Financial instruments

a Financial Assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 41-Financial Instruments:

Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The Cagayan State University determines the classification of its financial assets at initial recognition.

The Cagayan State University's financial assets include: cash and cash equivalents; and trade and other receivables.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification.

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 taking into account 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 Cagayan State University derecognizes a financial asset or, where applicable, a part of a financial asset or part of a Cagayan State University of similar financial assets when:

- The rights to receive cash flows from the asset have expired or is waived
- The Cagayan State University 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) the Cagayan State University has transferred substantially all the risks and rewards of the asset; or (b) the Cagayan State University has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the

asset.

Impairment of financial assets

The Cagayan State University assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

h. 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 and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Cagayan State University'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.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IPSAS 41.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated 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 cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.4 Inventories

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

acquisition.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Cagayan State University.

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 during 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; and
- The cost or fair value of the item can be measured reliably.

Measurement at Recognition

An item recognized as property, plant, and equipment 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 as at recognition date.

Cost includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- expenditure that is directly attributable to the acquisition of the items; and
- initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement After Recognition

After recognition, all property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Cagayan State University 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.

Depreciation

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.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

Initial Recognition of Depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

Depreciation Method

Depreciation was recorded for the year using the automatic generation of depreciation from the *e*-NGAS.

Estimated Useful Life

The Cagayan State University uses the Schedule on the Estimated Useful Life of PPE by classification in accordance with GAM.

Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable service amount.

Derecognition

The Cagayan State University derecognizes items of property, plant and equipment 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 Intangible Assets

Recognition and Measurement

Intangible assets are recognized when the items 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.

If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless it is capitalized in accordance with the capitalization treatment permitted in IPSAS 5, Borrowing Costs.

Subsequent Measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life is amortized over its 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 indefinite useful lives was not amortized.

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

The amortization period and the amortization method, for an intangible asset with a finite useful life, were reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset were considered to modify the amortization period or method, as appropriate, and were treated as changes in accounting estimates. The amortization expense on 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.

Gains or losses arising from derecognition of an intangible asset were 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.

3.7 Changes in Accounting Estimates

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

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

The Cagayan State University 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.

3.8 Foreign Currency Transactions

Transactions in foreign currencies were initially recognized by applying the spot exchange rate between the function currency and the foreign currency at the transaction.

The rate used by the Cagayan State University for the financial statement ending December 31, 2023 is P55.4180 per US Dollar based on the BSP rate of exchange as of year-end.

At each reporting date:

- Foreign currency monetary items were translated using the closing rate;
- Nonmonetary items that were measured in terms of historical cost in a foreign currency were translated using the exchange rate at the date of the transaction; and
- Nonmonetary items that were measured at fair value in a foreign currency were translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, were recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.9 Revenue from non-exchange transactions

Fees and fines not related to taxes

The Cagayan State University recognizes revenues from fees and fines, except those related to taxes, when earned and the asset recognition criteria were met. Deferred income is recognized instead of revenue if there is a

related condition attached that would give rise to a liability to repay the amount.

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

Gifts and Donations

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

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

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

Transfers

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

Services in-Kind

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities and the related assets were 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 Cagayan State University and can be measured reliably.

3.10 Revenue from Exchange Transactions

Measurement of Revenue

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

Rendering of Services

The Cagayan State University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred were recoverable.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Cagayan State University.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

3.11 Budget Information

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

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) was prepared since the budget and the financial statements were not prepared on comparable basis. The SCBAA was presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

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

3.12 Employee Benefits

The employees of Cagayan State University are member of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

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

3.13 Measurement Uncertainty

The preparation of consolidated 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 consolidated financial statements and the reported amounts of the revenues and expenses during the period.

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

Note 4. Correction of Fundamental Errors

Fundamental errors of prior years are corrected using the Accumulated Surplus/(Deficit) account to comply with COA Circular No. 2013-002 dated January 30, 2013. Errors affecting the current year's operation are charged to the current year's account.

Note 5. Cash and Cash Equivalents

5.1 Cash-Collecting Officer

Cash- Collecting Officer account represents undeposited collections as at December 31, 2023 as follows:

Campus	2023	2022
Andrews	112,343.09	54,926.63
Carig	23,309.00	5,770.00
Piat	-	180.00
Grand Total	135,652.09	60,876.63

5.2 Petty Cash

Petty Cash Funds are maintained by the following employees:

Campus	Fund	2023	2022
Andrews	Fund 06	200,000.00	200,000.00
	Fund 05	3,983.40	-
	Fund 05	15,000.00	-
	Fund 05	2,788.57	-
	Sub-total	221,771.97	200,000.00
Sanchez Mira	Fund 05	15,000.00	15,000.00
	Sub-total	15,000.00	15,000.00
Grand Total		236,771.97	215,000.00

5.3 Cash in Bank – Local Currency, Current Account

Cash in Bank - Local Currency, Current Account consists of the following:

Campus	Fund	Bank/Branch	Account No.	2023	2022
Andrews	Fund 01	PNB-Tuguegarao	488-5988-40-2	44,735.44	44,735.44
	Fund 05	DBP - Carig	0005-0032-5046	-	486,405.23

Campus	Fund	Bank/Branch	Account No.	2023	2022
	Fund 05	LBP-Tuguegarao-Luna	572-200-0970	-	3,848,857.50
	Fund 05	Land Bank of the Philippines	3702-1019-12	91,060,186.21	105,952,341.34
	Fund 06	DBP-Tuguegarao	05055156-06	29,761.77	29,761.77
	Fund 06	LBP - Tuguegarao - Luna	572-200-0643	4,246,466.65	3,824,209.24
	Fund 07	LBP - Tuguegarao - Luna	572-200-0961	40,307,410.29	50,757,128.00
	Fund 07	DBP-Tuguegarao	050557-560-4	211,481.29	211,481.29
	Fund 07	Various Dormant Accounts		499,374.27	499,374.27
			Sub-total	136,399,415.92	165,654,294.08
Aparri	Fund 01	DBP - APARRI	0505031769-30	121,179.56	476,923.31
	Fund 05	DBP - APARRI	0505-031756-030	38,653,653.03	38,805,275.07
	Fund 06	DBP - APARRI	0505-032029-030	4,811,929.96	3,890,541.50
	Fund 07	LBP- APARRI	0862-1052-57	10,171,786.07	2,023,397.92
			Sub-total	53,758,548.62	45,196,137.80
Carig	Fund 05	LBP - Tuguegarao - Calle Comercio	102160000825	48,766,021.34	78,241,652.09
	Fund 06	LBP - Tuguegarao Calle Comercio	102160000655	9,908,387.28	9,265,539.87
	Fund 07	DBP-RGC	504040656030	33,366,644.89	51,013,790.60
			Sub-total	92,041,053.51	138,520,982.56
Gonzaga	Fund 01	DBP	0505-032313-30	1,164,719.97	758,769.05
	Fund 05	DBP	0505-032390-30	2,071,533.99	13,554,192.64
	Fund 06	DBP	0505-032921-30	6,009,817.13	5,047,725.26
	Fund 07	DBP	0505-032923-30	2,944,030.40	6,320,095.46
			Sub-total	12,190,101.49	25,680,782.41
Lasam	Fund 01	DBP	0508-03970D-30	64,747.85	72,519.14
	Fund 01	PNB Aparri	closed account	20,696.50	20,696.50
	Fund 05	DBP	0508-03970E-30	5,903,903.57	4,222,837.26
	Fund 05	PNB Aparri	closed account	51,226.38	51,226.38
	Fund 06	DBP	0508-03970F-30	1,306,121.48	1,260,548.19
	Fund 06	PNB Aparri	closed account	91,851.02	91,851.02
	Fund 07	DBP	0508-03970G-	220,953.69	220,219.20

Campus	Fund	Bank/Branch	Account No.	2023	2022
			30		
			Sub-total	7,659,500.49	5,939,897.69
Lallo	Fund 01	DBP	01-00-0-50003-508-2	50,000.00	50,000.00
	Fund 05	DBP	00-0-50004-508-9	2,904,517.96	9,030,501.15
	Fund 06	DBP	06-00-0-50005-508-1	4,642,169.11	2,264,483.74
	Fund 07	DBP	07-00-0-50006-508-1	1,747,412.61	4,613,437.56
			Sub-total	9,344,099.68	15,958,422.45
Piat	Fund 01	DBP	0560-038018-30	10,000.00	10,555.00
	Fund 05	DBP	00-0-50659-560-1	9,263,572.68	10,561,736.30
	Fund 06	DBP	00-0-50661-560-6	863,271.45	200,070.08
	Fund 07	DBP	00-0-50660-560-0	1,585,844.76	1,848,702.76
	Fund 07	PNB	198-1519-000-15	-	-
			Sub-total	11,722,688.89	12,621,064.14
Sanchez Mira	Fund 01	Land Bank of the Phils.	2262-1025-67	385,049.93	20,000.00
	Fund 05	Land Bank of the Phils.	2262-1019-94	12,479,354.50	15,050,535.86
	Fund 06	Land Bank of the Phils.	2262-1027-45	10,484,658.29	5,873,870.42
	Fund 07	Land Bank of the Phils.	2262-1020-36	1,467,590.24	2,056,350.15
			Sub-total	24,816,652.96	23,000,756.43
			Grand Total	347,932,061.56	432,572,337.56

5.4 Cash in Bank-Local Currency, Savings Account

Cash in Bank - Local Currency, Savings Account consists of the following:

Campus	Fund	Bank	Account No.	2023	2022
Andrews	Fund 01	UCPB-Tuguegarao	10-216-00024-70	1,365,489.15	1,365,489.15
	Fund 01	DBP-Tuguegarao	5000064-01-8	663,481.82	663,481.82
	Fund 05	LBP-Tuguegarao, Luna Branch (Dollar Account)	5724-0000-20	3,041,526.05	4,279,819.81
			Total	5,070,497.02	6,308,790.78

Note 6. Receivables

Receivables consist of the following sub-accounts:

6.1 Accounts Receivable

Accounts Receivable in Fund 05 consists mainly of student balances in the different Campuses.

Campus	Fund	2023	2022
Andrews	Fund 01	556,703.00	573,291.35
	Fund 05	716,546.25	715,596.25
	Fund 06		311,017.97
	Fund 07	235,173.87	235,173.87
	Sub-total	1,508,423.12	1,835,079.44
Carig	Fund 01	3,960.00	35,416.10
	Fund 05	32,920,394.36	22,892,291.52
	Fund 06	1,554,991.68	1,555,001.62
	Fund 07	29,448.56	29,448.56
	Sub-total	34,508,794.60	24,512,157.80
Gonzaga	Fund 01	56,592.50	2,542,057.79
	Fund 05	1,668,724.62	268,427.62
	Fund 06	548,278.00	840,505.50
	Fund 07	1,900.00	-
	Sub-total	2,275,495.12	3,650,990.91
Lallo	Fund 06	-	-
	Fund 07	23,503.17	-
	Sub-total	23,503.17	-
Lasam	Fund 05	96,299.22	96,299.22
	Sub-total	96,299.22	96,299.22
Piat	Fund 01	79,452.74	79,265.44
	Fund 05	23,897.47	9,274.35
	Fund 06	148,900.41	95,942.39
	Fund 07	1,999.45	1,999.45
	Sub-total	254,250.07	186,481.63
Sanchez Mira	Fund 05	4,449.29	4,449.29
	Fund 06	926,918.80	926,918.80
	Sub-total	931,368.09	931,368.09
Grand Total		39,598,133.39	31,212,377.09
Allowance for Impairment – Accounts Receivable		1,041,745.00	1,041,745.00
Accounts Receivable - Net		38,556,388.39	30,170,632.09

6.2 Loans Receivable – Others

Loans Receivable-Others account consists of the following:

Campus	Fund	2023	2022
Lallo	Fund 07	65,150.00	65,150.00
	Sub-total	65,150.00	65,150.00
Sanchez Mira	Fund 06	499,942.81	508,980.31
	Fund 07	80,349.60	80,349.60
	Sub-total	580,292.41	589,329.91
	Grand Total	645,442.41	654,479.91

Loans Receivable – Others account recorded in Fund 07 of Lallo Campus represents loans to students financed by Student Micro Loan Fund (SMLF) as thesis assistance payable before graduation while the balance in Fund 06 of Sanchez Mira Campus represents cash loans granted to various employees under Personal Enhancement Loan Project.

6.3 Inter – Agency Receivables

Inter – Agency Receivables consist of the following:

Account	Campus	Fund	2023	2022
Due from NGAs	Carig	Fund 01	51,512.04	164,886.58
Due from NGAs	Carig	Fund 05	37,233.92	37,600.00
Due from NGAs	Carig	Fund 07	46,734.00	-
	Grand Total		135,479.96	202,486.58

6.4 Intra – Agency Receivables

Intra – Agency Receivables include the following:

Account	Campus	Fund	2023	2022
Due from Operating Units	Andrews	Fund 01	10,412.10	10,412.10
Due from Other Funds	Andrews	Fund 01	1,471,560.67	1,471,560.67
Due from Other Funds	Andrews	Fund 05	647,217.86	586,919.91
Due from Other Funds	Andrews	Fund 06	917,477.65	917,477.65
Due from Other Funds	Andrews	Fund 07	18,385.00	18,385.00
		Sub-total	3,065,053.28	3,004,755.33
Due from Other Funds	Aparri	Fund 05	10,377.60	-
		Sub-total	10,377.60	-
Due from Other Funds	Gonzaga	Fund 01	245,668.20	245,668.20

Account	Campus	Fund	2023	2022
Due from Other Funds	Gonzaga	Fund 06	3,565.25	3,565.25
		Sub-total	249,233.45	249,233.45
Due from Other Funds	Piat	Fund 01	-	1,933.28
Due from Other Funds	Piat	Fund 05	6,610.00	4,320.03
Due from Other Funds	Piat	Fund 06	225,810.06	4,458.00
Due from Other Funds	Piat	Fund 07	-	54,950.00
		Sub-total	232,420.06	65,661.31
		Grand Total	3,557,084.39	3,319,650.09

Due from Other Funds account represents the amount receivable from other funds due to error in the issuance of series of Official Receipts and preparation of check.

6.5 Receivables – Disallowances/Charges

Receivable-Disallowance/Charges account consists of various disallowances with corresponding Notices of Finality of Decision outstanding as at December 31, 2023.

Campus	Fund	2023	2022
Andrews	Fund 01	926,209.28	951,031.40
	Fund 05	5,930,753.71	7,639,450.92
	Fund 06	470,276.82	505,606.71
	Fund 07	9,568.51	
	Sub-total	7,336,808.32	9,096,089.03
Aparri	Fund 01	47,260.00	47,260.00
	Fund 05	4,285,636.55	3,910,946.00
	Fund 06	151,526.25	151,526.25
	Sub-total	4,484,422.80	4,109,732.25
Carig	Fund 05	16,746,567.05	17,878,093.66
	Fund 06	40,444.58	40,444.58
	Sub-total	16,787,011.63	17,918,538.24
Gonzaga	Fund 05	6,017,235.43	6,919,367.46
	Fund 06	7,537.35	7,537.35
	Sub-total	6,024,772.78	6,926,904.81
Lallo	Fund 01	-	-
	Fund 05	5,772,442.14	6,588,164.02
	Fund 06	266,021.66	266,021.66
	Sub-total	6,038,463.80	6,854,185.68

Campus	Fund	2023	2022
Lasam	Fund 05	1,635,950.00	1,954,800.00
	Sub-total	1,635,950.00	1,954,800.00
Piat	Fund 01	26,054.75	26,054.75
	Fund 05	2,759,770.94	3,613,417.14
	Fund 06	604,820.89	801,647.00
	Sub-total	3,390,646.58	4,441,118.89
Sanchez Mira	Fund 01	2,478.00	2,478.00
	Fund 05	4,070,934.01	3,047,183.43
	Fund 06	1,370,711.70	1,746,283.96
	Sub-total	5,444,123.71	4,795,945.39
Total		51,142,199.62	56,097,314.29

6.6 Due from Officers and Employees

Campus	Fund Cluster	2023	2022
Andrews	Fund 05	122,000.00	122,000.00
Carig	Fund 05	100,000.00	100,000.00
	Fund 07	350.00	350.00
Gonzaga	Fund 01	10,077.48	10,077.48
Piat	Fund 01	657,756.29	657,756.29
	Fund 05	759,223.81	786,223.81
	Fund 06	29,240.00	40,801.07
	Total	1,678,647.58	1,717,208.65

6.7 Other Receivables

Other Receivables include the following:

Campus	Fund	2023	2022
Andrews	Fund 01	103,750.00	103,750.00
	Fund 05	1,014,547.98	984,547.98
	Fund 06	1,420.22	1,420.22
	Fund 07	-	9,568.51
	Sub-total	1,119,718.20	1,099,286.71
Carig	Fund 01	817,690.68	1,454,514.73
	Fund 05	1,849,663.75	467,980.00
	Fund 06	3,150.00	3,056,041.26
	Fund 07	3,208,239.17	7,527.00
	Sub-total	5,878,743.60	4,986,062.99
Gonzaga	Fund 01	122,936.59	122,936.59
	Fund 05	39,946.41	36,093.18

Campus	Fund	2023	2022
	Fund 06	3,136.78	445.20
	Fund 07	354.30	354.30
	Sub-total	166,374.08	159,829.27
Sanchez/Mira	Fund 01	2,608,307.73	2,627,507.73
	Fund 05	4,415,841.75	4,564,641.75
	Fund 06	1,243,301.44	1,243,301.44
	Fund 07	73,744.47	73,744.47
	Sub-total	8,341,195.39	8,509,195.39
Lasam	Fund 01	10,953,924.04	10,983,477.73
	Fund 05	126,961.88	126,961.88
	Sub-total	11,080,885.92	11,110,439.61
Solana	Fund 05	98,527.84	-
	Grand Total	26,685,445.03	25,864,813.97

Note 7. Inventories

This account includes the following inventories:

Account	2023	2022
Merchandise Inventory	12,518,834.09	9,815,006.62
Raw Materials Inventory	646,265.89	897,842.74
Work-In Process Inventory	626,600.30	946,703.95
Office Supplies Inventory	98,325.36	98,325.36
Accountable Forms, Plates and Stickers Inventory	804,275.86	970,898.77
Non-Accountable Forms Inventory	19,800.00	19,800.00
Medical, Dental and Laboratory Supplies Inventory	174,654.86	174,654.86
Agricultural & Marine Supplies Inventory	77,112.00	77,112.00
Textbooks and Instructional Materials Inventory	146,752.51	146,752.51
Other Supplies and Materials Inventory	4,804,558.91	4,804,558.91
Semi-Expendable Machinery and Equipment	995,987.94	5,148,343.50
Semi-Expendable Furniture and Books	-	1,404,158.00
Total	20,913,167.72	24,504,157.22

Merchandise Inventory account pertains to school uniforms, department shirts, ID straps, mugs, groceries, coconut seedlings and other items held for sale.

Raw Materials Inventory represents the supplies and materials used in the Printing

and Publication Shop of the Carig Campus.

Work-In Process Inventory account represents materials for school furniture and fixtures and for research, which were not yet determined and reported as completed as at year-end.

Note 8. Other Current Assets

8.1 Advances

Account	2023	2022
Advances	1,592,309.48	1,074,729.05
Prepayments	20,761,376.81	14,423,138.47
Total	22,353,686.29	15,497,867.52

8.1.1 Advances for Payroll

Advances for Payroll represents the amount of cash advances for payroll fund granted to the Cashier of the University unliquidated as at December 31, 2023, as follows:

Campus	Fund	2023	2022
Andrews	Fund 01	43,113.77	20,613.77
	Fund 05	18,332.04	57,010.28
	Fund 07	93,952.05	93,952.04
	Sub-total	155,397.86	171,576.09
Carig	Fund 01	5,000.00	54,790.84
	Fund 05	30,152.45	-
	Sub-total	35,152.45	54,790.84
Sanchez Mira	Fund 01	112,500.00	29,500.00
	Sub-total	112,500.00	29,500.00
	Grand Total	303,050.31	255,866.93

8.1.2 Advances to Special Disbursing Officer

Campus	Fund	2023	2022
Andrews	Fund 05	251,357.65	271,758.12
	Total	251,357.65	271,758.12

8.1.3 Advances to Officers and Employees

Advances to Officers and Employees account represents cash

advances granted to officers and employees unliquidated as of December 31, 2023.

Campus	Fund	2023	2022
Andrews	Fund 01	201,001.27	189,370.27
	Fund 05	191,678.75	208,612.75
	Sub-total	392,680.02	397,983.02
Carig	Fund 05	-	3,600.00
	Sub-total	-	3,600.00
Gonzaga	Fund 05	-	1,464.48
	Sub-total	-	1,464.48
Sanchez Mira	Fund 01	58,411.00	35,236.00
	Fund 05	505,113.00	22,408.00
	Fund 06	24,365.00	24,080.00
	Fund 07	5,200.00	15,200.00
	Sub-total	593,089.00	96,924.00
Piat	Fund 01	19,662.50	19,662.50
	Fund 05	32,470.00	27,470.00
	Sub-total	52,132.50	47,132.50
	Total	1,037,901.52	547,104.00

8.2 Prepayments

This account consists of the following:

Account	Fund	2023	2022
Advances to Contractors	Fund 01	17,754,050.39	12,798,100.29
	Fund 05	1,131,337.63	662,948.00
	Fund 07	-	360,652.50
Sub-total		18,885,388.02	13,821,700.79
Prepaid Insurance	Fund 01	1,684,784.14	368,789.54
	Fund 05	6,968.65	23,680.14
Sub-total		1,691,752.79	392,469.68
Prepaid Subscription	Fund 05	99,036.00	123,768.00
Sub-total		99,036.00	123,768.00
Other Deposits	Fund 01	85,200.00	85,200.00
Sub-total		85,200.00	85,200.00
Grand Total		20,761,376.81	14,423,138.47

Prepaid Insurance pertains to insurance with GSIS for the vehicles of the University while Advances to Contractors represents the balance of mobilization for the infrastructure projects.

Note 9. Property Plant and Equipment, net

9.1 Property, Plant and Equipment, net account consists of the following:

PPE	Account	2023	2022
Land	Land	19,175,136.15	19,175,136.15
	Carrying Amount	19,175,136.15	19,175,136.15
	Sub-Total	19,175,136.15	19,175,136.15
Land Improvements	Other Land Improvements	45,450,978.49	39,784,425.04
	Accumulated Depreciation	(14,477,239.30)	(12,149,538.40)
	Carrying Amount	30,973,739.19	27,634,886.64
	Sub-Total	30,973,739.19	27,634,886.64
Infrastructure Assets	Water Supply System	309,683.00	365,356.00
	Accumulated Depreciation	(278,714.70)	(330,743.86)
	Carrying Amount	30,968.30	34,612.14
	Power Supply System	11,830,671.34	9,322,397.11
	Accumulated Depreciation	(3,542,740.62)	(2,981,684.03)
	Carrying Amount	8,287,930.72	6,340,713.08
	Sub-Total	8,318,899.02	6,375,325.22
Buildings and Other Structures	Buildings	222,806,991.98	188,413,652.35
	Accumulated Depreciation	(50,935,372.71)	(47,766,172.67)
	Carrying Amount	171,871,619.27	140,647,479.68
	School Buildings	789,177,848.38	667,712,222.35
	Accumulated Depreciation	(136,407,237.01)	(119,327,296.54)
	Carrying Amount	652,770,611.37	548,384,925.81
	Other Structures	78,950,375.17	77,134,503.08
	Accumulated Depreciation	(21,259,307.20)	(18,545,046.79)
	Carrying Amount	57,691,067.97	58,589,456.29
	Sub-Total	882,333,298.61	747,621,861.78
Machinery and Equipment	Machinery	5,681,209.61	5,910,524.61
	Accumulated Depreciation	(4,436,840.25)	(4,224,203.77)

PPE	Account	2023	2022
	Carrying Amount	1,244,369.36	1,686,320.84
	Office Equipment	40,075,296.11	46,072,988.93
	Accumulated Depreciation	(20,717,073.35)	(23,042,581.46)
	Carrying Amount	19,358,222.76	23,030,407.47
	ICT Equipment	98,756,203.61	139,787,078.45
	Accumulated Depreciation	(47,039,856.52)	(76,078,845.63)
	Carrying Amount	51,716,347.09	63,708,232.82
	Agricultural and Forestry Equipment	26,994,262.66	27,329,961.06
	Accumulated Depreciation	(16,927,751.04)	(13,809,768.91)
	Carrying Amount	10,066,511.62	13,520,192.15
	Communication Equipment	77,305,900.45	79,831,923.74
	Accumulated Depreciation	(68,035,893.08)	(68,906,521.67)
	Carrying Amount	9,270,007.37	10,925,402.07
	Construction and Heavy Equipment	10,508,186.00	10,508,186.00
	Accumulated Depreciation	(8,053,857.95)	(8,014,578.71)
	Carrying Amount	2,454,328.05	2,493,607.29
	Disaster Response and Rescue Equipment	911,926.50	1,093,620.50
	Accumulated Depreciation	-	(172,609.31)
	Carrying Amount	911,926.50	921,011.19
	Military Police Equipment	-	563,900.00
	Accumulated Depreciation	-	(231,934.20)
	Carrying Amount	-	331,965.80
	Medical Equipment	34,463,487.39	25,660,588.91
	Accumulated Depreciation	(21,867,782.37)	(18,004,444.53)
	Carrying Amount	12,595,705.02	7,656,144.38
	Printing Equipment	112,750.00	112,750.00
	Accumulated Depreciation	(93,024.82)	(64,572.32)
	Carrying Amount	19,725.18	48,177.68
	Sports Equipment	1,419,253.00	2,803,819.08
	Accumulated Depreciation	(851,900.06)	(1,301,787.04)

PPE	Account	2023	2022
	Carrying Amount	567,352.94	1,502,032.04
	Technical and Scientific Equipment	104,885,132.23	103,901,250.73
	Accumulated Depreciation	(52,643,039.25)	(43,303,838.53)
	Carrying Amount	52,242,092.98	60,597,412.20
	Other Machinery and Equipment	67,312,748.06	70,173,804.63
	Accumulated Depreciation	(27,010,318.66)	(24,644,007.97)
	Carrying Amount	40,302,429.40	45,529,796.66
	Sub-Total	200,749,018.27	231,950,702.59
Transportation Equipment	Motor Vehicles	75,652,762.29	61,287,219.29
	Accumulated Depreciation	(44,442,061.29)	(37,646,998.14)
	Carrying Amount	31,210,701.00	23,640,221.15
	Watercrafts	1,795,221.21	1,795,221.21
	Accumulated Depreciation	(1,425,903.94)	(1,411,653.94)
	Carrying Amount	369,317.27	383,567.27
	Other Transportation Equipment	120,000.00	120,000.00
	Accumulated Depreciation	(108,400.00)	(108,400.00)
	Carrying Amount	11,600.00	11,600.00
	Sub-Total	31,591,618.27	24,035,388.42
Furniture and Fixtures	Furniture and Fixtures	30,875,381.01	47,658,124.17
	Accumulated Depreciation	(6,197,881.60)	(16,851,972.48)
	Carrying Amount	24,677,499.41	30,806,151.69
	Books	15,290,636.81	17,801,698.44
	Accumulated Depreciation	(2,517,472.82)	(3,557,135.94)
	Carrying Amount	12,773,163.99	14,244,562.50
	Sub-Total	37,450,663.40	45,050,714.19
Construction In Progress	Construction In Progress - Land Improvements	1,329,689.43	2,516,136.59
	Construction In Progress - Building and Other Structures	279,003,987.48	349,638,653.88
	Sub-Total	280,333,676.91	352,154,790.47
Other PPE	Other PPE	18,530,318.79	21,770,266.90

PPE	Account	2023	2022
	Accumulated Depreciation	(9,506,266.67)	(11,767,171.18)
	Carrying Amount	9,024,052.12	10,003,095.72
	Sub-Total	9,024,052.12	10,003,095.72
	GRAND TOTAL	1,499,950,101.94	1,464,001,901.18

Depreciation was recorded for the year using the automatic generation of depreciation from the e-NGAS.

Management believes that the accounts are not impaired as at December 31, 2023.

9.2 Construction in Progress – Buildings and Other Structures

Construction in Progress – Building includes the following on-going projects of the University:

Campus	Fund	Project	2023	2022
Andrews	Fund 01	4 Storey Academic Building	119,381.00	119,381.00
		COMPLETION OF 5-STOREY CBEA BUILDING	-	17,051,999.99
		CONSTRUCTION OF 4-STOREY ACADEMIC BUILDING (PHASE 1)	27,151,154.89	25,950,734.50
		CONSTRUCTION OF TWO STOREY UNIVERSITY ANALYTICAL LABORATORY BUILDING PHASE I	43,780.00	43,780.00
		Unreconciled Beginning Balance as of 6-30-06	4,287,948.40	4,287,948.40
		Repair/Rehabilitation of College of Law building	-	4,772,248.92
	Fund 05	CONSTRUCTION OF TWO STOREY UNIVERSITY ANALYTICAL LABORATORY BUILDING PHASE I	-	7,486,692.75
		Covered Court (Gym with Stalls)	36,487,491.82	36,487,491.82
		Perimeter Fencing (2 Storey Research Building)	55,497.00	55,497.00
		Power Room	284,114.50	284,114.50
		Road Network/Culvert	1,273,011.80	1,273,011.80
		Student Center	1,720,032.33	1,720,032.33

Campus	Fund	Project	2023	2022
		Two Storey Research Laboratory Building	242,121.00	242,121.00
		Unreconciled Beginning Balance as of 6-30-06	46,876,389.43	46,876,389.43
	Sub-Total 1		118,540,922.17	146,651,443.44
Aparri	Fund 05	Construction of Campus Foodcourt	2,982,160.00	-
	Sub-Total 2		2,982,160.00	-
Carig	Fund 01	2-Storey Information Technology Complex	14,330,529.04	14,330,529.04
		Repair and Rehabilitation Works of Campus Gymnasium caused by STY Lawin aggravated by STY Ompong	-	1,960,718.57
		Repair And Rehabilitation of CMS-New Building caused by STY Lawin Aggravated by Typhoon Ompong"	1,667,110.39	1,667,110.39
		Repair & Rehabilitation Works of CICS Building caused by STY Lawin aggravated by STY Ompong	-	3,844,092.07
		Repair & Rehabilitation Works of ROCO Building caused by STY Lawin aggravated by STY Ompong	-	2,239,283.69
		Repair and Rehabilitation works of Campus Dormitory caused by STY Lawin aggravated by STY Ompong	-	1,778,374.50
		Repair and Rehabilitation Works of CIT Bldg. A Caused by STY LAWIN AGGRAVATED BT STY OMPONG	-	9,588,978.76
		Repair and Rehabilitation Works of Electrical Lines and Perimeter Lightings caused by STY Lawin	-	4,182,230.71
		Completion and Annex of Information Technology Complex	15,228,098.72	15,228,098.72
		Construction of College of Medicine Laboratory Building(PRE-CAST) PHASE I	3,170,628.12	1,407,729.50
		Construction of College of Medicine Laboratory Building PHASE I	35,956,032.79	19,626,144.29
		Construction of Elevated Water Tank and Perimeter Fence	2,540,980.31	-

Campus	Fund	Project	2023	2022
		Construction of the College of Medicine Lab Bldg. Phase 2 Lot 3 "Power House and Transformer Pad"	2,700,886.27	-
		Construction of Smart Campus Development Lot 1 (Smart Data Center Building)	9,455,066.13	-
	Fund 05	CSU Carig Campus Gymnasium (University Gym)	-	28,506,585.13
		Construction of the 2nd Floor of the College of Engineering Bldg. C (Lot 1)	11,424,258.25	11,424,258.25
		Improvement of College of Engineering Building A – Lot 2 (Precast Molding)	470,411.25	-
	Sub-Total 3		96,944,001.27	115,784,133.62
Gonzaga	Fund 01	Academic and Laboratory Building	-	5,719,066.60
	Fund 01	PMO AND TISSUE CULTURE	-	28,723,944.95
	Sub-Total 4		-	34,443,011.55
Lallo	Fund 01	CONSTRUCTION OF 2-STOREY ACADEMIC AND LABORATORY BUILDING (PHASE-1)	7,174,309.17	-
	Sub-Total 5		7,174,309.17	-
Lasam	Fund 01	Major Repair of DARP Buildings	3,490,241.72	3,490,241.72
		Two Storey Academic and Laboratory Building-CSU Lasam	19,221,798.26	19,221,798.26
		Rehabilitation of middle portion of cted building	1,729,796.53	1,729,796.53
	Sub-Total 6		24,441,836.51	24,441,836.51
Piat	Fund 05		602,529.60	-
	Sub-Total 7		602,529.60	-
Sanchez Mira	Fund 05	Construction of CAS Building	16,370,384.88	16,370,384.88
		Construction of CTE Building	6,882,192.80	6,882,192.80
		Construction of COT Building	938,104.37	938,104.37
		Construction of Science Lab Bldg.	421,091.49	421,091.49
		Construction of Vermi Building	23,188.00	23,188.00
		Construction of Tissue Lab Building	110,040.00	110,040.00
		Construction of Fence	12,768.00	12,768.00

Campus	Fund	Project	2023	2022
		Construction of Gate	624,235.50	624,235.50
		Construction of DOST	5,400.00	5,400.00
		Construction of HIP	11,538.00	11,538.00
		Unreconciled	1,971,227.32	1,971,227.32
	Fund 06	Construction of School Canteen Stall	948,058.40	948,058.40
	Sub-Total 8		28,318,228.76	28,318,228.76
	Grand Total		279,003,987.48	349,638,653.88

Note 10. Biological Assets

10.1 Bearer Biological Assets

This account includes the following:

Account	2023	2022
Breeding Stocks	490,000.00	400,000.00
Total	490,000.00	400,000.00

10.2 Consumable Biological Assets

This account includes the following:

Account	2023	2022
Livestock Held for Consumption/Sale/Distribution	4,137,542.50	4,443,603.50
Trees, Plants and Crops Held for Consumption/Sale/Distribution	75,325.99	75,325.99
Total	4,212,868.49	4,518,929.49

Livestock Held for Consumption/Sale/Distribution account includes the value of pigs, carabao, sheep, goat, horse, breed of goats for dairy goat development project, cattle and small ruminants.

Trees, Plants and Crops Held for Consumption/Sale/Distribution account represents the cost allocated to sugarcane area not harvested and cost of coconut hills/seedlings recorded in the books of Piat Campus.

Note 11. Intangible Assets, net

Intangible Assets consists of the following:

Account	2023	2022
Patents/Copyrights	92,082.37	92,082.37

Account	2023	2022
Accumulated Amortization	(31,819.04)	(31,819.04)
Carrying Amount	60,263.33	60,263.33
Computer Software	4,900,479.76	2,205,479.76
Accumulated Amortization	(251,043.35)	(203,934.02)
Carrying Amount	4,649,436.41	2,001,545.74
Total	4,709,699.74	2,061,809.07

Note 12. Other Assets

This account consists of the following balances:

Campus	Fund Cluster	2023	2022
Andrews	Fund 01	348,129.78	348,129.78
	Fund 05	75,232.20	75,232.20
	Sub-total	423,361.98	423,361.98
Piat	Fund 01	165,548.49	165,548.49
	Fund 05	211,367.00	211,367.00
	Fund 07	35,841.20	35,841.20
	Sub-total	412,756.69	412,756.69
	Grand Total	836,118.67	836,118.67

Note 13. Liabilities

13.1 Financial Liabilities

This account consists of the following:

Account	2023	2022
Accounts Payable	23,565,822.57	57,863,257.85
Due to Officers and Employees	127,785.19	99,615.49
Tax Refunds Payable	325,353.27	371,744.11
Grand Total	24,018,961.03	58,334,617.45

Accounts Payable pertains to unpaid salaries, purchases and construction projects as at December 31, 2023.

Due to Officers and Employees pertains to deficiency in cash advances granted to various officers and employees.

13.2 Inter – Agency Payables

This account includes the following accounts:

Account	2023	2022
Due to BIR	8,607,892.36	8,031,930.20
Due to GSIS	4,636,603.35	1,795,248.83
Due to Pag-IBIG	632,770.23	536,839.62
Due to PhilHealth	1,306,367.61	940,755.47
Due to NGAs	81,252,368.69	107,624,992.11
Due to GOCCs	26,649.88	26,649.88
Due to LGUs	4,831,005.77	4,635,520.75
Total	101,293,657.89	123,591,936.86

Due to NGAs pertains to funds received from different National Government Agencies such as the Commission on Higher Education, Department of Science and Technology, and Department of Agriculture for the implementation of various projects.

Due to BIR account includes taxes withheld from employees and suppliers which were unremitted as at December 31, 2023 and are due for remittance in the ensuing year.

13.3 Intra – Agency Payables

This account includes the following:

Account	2023	2022
Due to Operating Units	4,821,748.09	3,444,983.77
Due to Other Funds	4,980,791.37	3,153,633.12
Total	9,802,539.46	6,598,616.89

13.4 Trust Liabilities

This account includes the following:

Account	2023	2022
Trust Liabilities	53,681,334.55	-
Guaranty/Security Deposits Payable	7,646,112.49	5,702,876.31
Customers' Deposit Payable	5,588,469.57	9,413,579.04
Trust Liabilities - Disallowances/Charges	800,351.76	135,289.94
Total	67,716,268.37	15,251,745.29

13.4.1 Trust Liabilities account includes Regular Trust Funds held in trust for a school organization such as University Student Council

Federation (USCF), Campus Student Council, Student Publication and the like. It also includes Alumni Fee, LSG/Moot Court, Student Mutual Aide Fund (SMAF) and other funds held in trust.

Account	2023	2022
ANDREWS		
<i>Regular Trust Fund</i>		
Alumni Fee	354,500.00	-
BAR-OPS	113,294.70	-
Campus Student Council	630,800.05	-
Graduate Student Government	14,198.00	-
Legal Aide Fee	61,070.00	-
LSG/Mootcourt	71,136.77	-
Student Mutual Aide Fund (SMAF)	8,977,798.91	-
Student Publication	1,128,624.10	-
University Student Council Federation	1,516,937.14	-
<i>Other Trust Liabilities</i>		
Unidentified Direct Deposit - Fund 05	611,260.47	-
Unidentified Direct Deposit - Fund 06	339,455.25	-
Unidentified Direct Deposit - Fund 07	383,759.62	-
Sub-total 1	14,202,835.01	-
APARRI		
<i>Regular Trust Fund</i>		
Alumni Fee	801,070.00	-
Campus Student Council	657,031.41	-
Student Mutual Aide Fund (SMAF)	753,653.66	-
Student Publication	2,817,823.21	-
University Student Council Federation	302,759.25	-
Year Book	184,600.60	-
NSTP/ROTC 70%	396,801.96	-
Sub-total 2	5,913,740.09	-
CARIG		
<i>Regular Trust Fund</i>		
Alumni Fee	130,657.64	-
Campus Student Council	3,090,369.45	-
Graduate Student Government	58,065.00	-
Student Publication	4,157,156.13	-
University Student Council Federation	213,065.00	-
<i>Other Trust Liabilities</i>		
Unidentified Direct Deposit - Fund 05	2,220,255.94	-
Sub-total 3	9,869,569.16	-
GONZAGA		
<i>Regular Trust Fund</i>		

Account	2023	2022
Alumni Fee	94,182.50	-
Campus Student Council	367,331.83	-
Student Mutual Aide Fund (SMAF)	610.00	-
Student Publication	391,888.14	-
University Student Council Federation	279,630.50	-
Affiliation Fee	37,606.00	-
NSTP/ROTC 70%	189,597.24	-
Accreditation Fee	1,031.25	-
LET Review Fee	63,861.88	-
CCJA Review Fee	325,360.43	-
BSA Review Fee	27,000.00	-
Petition Fee	628,498.80	-
FALP	10,524.00	-
Sub-total 4	2,417,122.57	-
LAL-LO		
Regular Trust Fund		
Alumni Fee	17,950.00	-
Campus Student Council	425,687.26	-
Student Mutual Aide Fund (SMAF)	300.00	-
Student Publication	554,989.16	-
University Student Council Federation	1,075.00	-
NSTP/ROTC 70%	302,768.50	-
Computer Literacy	29,000.00	-
PTCA-Death Aide	158,680.00	-
SCUAA	3,370.00	-
Sub-total 5	1,493,819.92	-
LASAM		
Regular Trust Fund		
Campus Student Council	33,249.55	-
Student Publication	324,460.90	-
Year Book	117,600.00	-
Sub-total 6	475,310.45	-
PIAT		
Regular Trust Fund		
Alumni Fee	27,025.00	-
Campus Student Council	291,043.95	-
Student Mutual Aide Fund (SMAF)	2,710.00	-
Student Publication	367,708.08	-
University Student Council Federation	1,160.00	-
NSTP/ROTC	256,447.24	-
Sub-total 6	946,094.27	-
SANCHEZ MIRA		

Account	2023	2022
Regular Trust Fund		
Alumni Fee	31,623.97	-
Campus Student Council	667,839.77	-
Graduate Student Government	316,988.77	-
Student Mutual Aide Fund (SMAF)	6,610.00	-
Student Publication	1,205,854.97	-
University Student Council Federation	24,417.50	-
For Verification	16,010,980.26	-
Sub-total 7	18,264,315.24	-
SOLANA		
Regular Trust Fund		
Campus Student Council	35,828.30	-
Student Publication	62,699.54	-
Sub-total 7	98,527.84	-
Grand Total	53,681,334.55	-

In addition, Trust Liabilities account includes deposits made by unknown depositors to the University's bank account, which are still subject for verification.

13.5 Deferred Credits/Unearned Income

This account includes the following:

Account	Campus	2023	2022
Deferred Credits	Gonzaga	63,426.88	63,426.88
	Andrews	377,392.06	1,765,790.03
	Total	440,818.94	1,829,216.91

Other Deferred Credits includes uniforms and ID straps already paid by UNIFAST but not yet claimed by students and rental deposits of canteen and space lessees.

13.6 Other Payables

This account includes the following:

Campus	2023	2022
Andrews	5,414,903.87	25,099,991.68
Aparri	181,612.38	5,238,827.55
Carig	2,358,860.15	16,402,741.77
Gonzaga	130,018.75	2,564,526.02
Lal-lo	52,195.00	2,356,607.07

Campus	2023	2022
Lasam	63,830.00	870,976.92
Piat	881,156.84	1,726,795.50
Sanchez Mira	2,593,537.19	20,838,434.13
Total	11,676,114.18	75,098,900.64

Other Payables account consists of amounts due to private organizations for the remittances of loans/premiums of regular employees, scholarship funds from private associations and the like.

The decrease in the account balance is due to the reclassification of regular trust funds to Trust Liabilities.

Note 14. Revenue

14.1 Service Income

This account represents income from tuition fees and miscellaneous fees:

Account	2023	2022
Clearance and Certification Fees	503,540.00	649,962.05
Fines and Penalties - Service Income	45,986.50	955,218.56
Other Service Income	897,255.28	1,297,254.61
Grand Total	1,446,781.78	2,902,435.22

14.2 Business Income

This account includes the following:

Account	2023	2022
School Fees	280,337,703.36	354,726,356.32
Affiliation Fees	2,780,059.00	3,585,350.00
Seminar/Training Fees	3,552,626.20	2,333,332.00
Rent/Lease Income	8,273,878.19	4,133,827.76
Income from Hostels/Dormitories and other like facilities	564,856.10	227,840.00
Sales Revenue, net of Cost of Sales	7,293,127.19	6,285,970.90
Grand Total	302,802,250.04	371,292,676.98

14.3 Other Income

This account includes the following:

Account	2023	2022
Interest Income	225,264.95	198,848.44
Fines and Penalties - Business Income	85,306.64	53,346.27
Other Business Income	42,216,340.99	27,900,753.73
Grand Total	42,526,912.58	28,152,948.44

Service income, business income and other income are net of direct costs from operation.

14.4 Shares, Grants and Donations

This account includes the following:

Account	2023	2022
Income from Grants and Donations in Cash	259,779.04	36,716.00
Income from Grants and Donations in Kind	34,591,268.74	1,058,137.00
Total	34,851,047.78	1,094,853.00

Note 15. Operating Expenses

15.1 Personnel Services

This account includes the following:

Account	2023	2022
Salaries and Wages	578,520,171.40	467,035,747.63
Other Compensation	186,029,994.96	175,879,240.33
Personnel Benefit Contributions	80,452,577.76	67,634,351.31
Other Personnel Benefits	21,775,760.53	13,341,843.53
Total Personnel Services	866,778,504.65	723,891,182.80

15.2 Maintenance and Other Operating Expenses

This account includes the following expenses:

Account	2023	2022
Traveling Expenses	17,443,805.37	11,609,202.34
Training and Scholarship Expenses	8,143,719.58	6,968,438.61
Supplies and Materials Expenses	109,721,356.38	68,445,638.71

Account	2023	2022
Utility Expenses	37,683,128.35	34,525,135.30
Communication Expenses	14,601,779.03	14,238,929.09
Awards/Rewards, Prizes and Indemnities	2,983,853.44	1,341,271.16
Confidential, Intelligence and Extraordinary Expenses	208,614.90	201,031.00
Professional Services	139,785,978.61	112,616,496.79
General Services	15,451,362.24	14,768,629.54
Repairs and Maintenance	13,260,044.61	13,512,746.66
Taxes, Insurance Premiums and Other Fees	2,357,545.46	2,439,971.84
Labor and Wages	9,844,893.98	10,136,542.12
Other Maintenance and Operating Expenses	63,816,789.01	49,779,681.62
Total Maintenance and Other Operating Expenses	435,302,870.96	340,583,714.78

15.3 Financial Expenses

Account	2023	2022
Bank Charges	62,483.00	59,678.00
Total Financial Expenses	62,483.00	59,678.00

15.4 Non-cash Expenses

This account consists of the following:

Account	2023	2022
Depreciation - Land Improvements	2,100,607.85	1,948,162.22
Depreciation - Infrastructure Assets	301,234.18	2,825,118.12
Depreciation - Buildings and Other Structures	23,528,216.57	22,215,129.90
Depreciation - Machinery Equipment	27,986,552.34	22,319,073.23
Depreciation - Transportation Equipment	4,698,078.02	4,103,332.24
Depreciation - Fixtures and Books	836,587.64	1,287,159.14
Depreciation - Other Property, Plant and Equipment	1,912,889.93	465,801.41
Amortization - Intangible Assets	47,109.33	27,712.96
Total	61,411,275.86	55,191,489.22

Note 16. Net Financial Assistance/Subsidy

Account	2023	2022
Financial Assistance/Subsidy from LGUs, GOCCs, NGOs/POs		
Subsidy from National Government	1,253,306,900.39	1,095,530,116.76
Subsidy from Other National Government Agencies	741,721,273.18	593,091,007.52
Subsidy from Other Funds	20,000.00	-
Total	1,995,048,173.78	1,688,621,124.28
Less:		
Financial Assistance/Subsidy to LGUs, GOCCs, NGOs/POs		
Financial Assistance to NGAs	740,184,851.82	593,011,007.52
Subsidies - Others	195,705,000.00	195,375,000.00
Total	1,059,158,321.75	900,235,116.76

Note 17. Non-Operating Income, Gains or Losses**17.1 Other Non-Operating Income/Gains**

Account	2023	2022
Gain on Forex Exchange (Forex)	-	341,163.50
Gain on Initial Recognition of Biological Assets	144,000.00	109,900.00
Gain from Changes in Fair Value Less Cost to Sell of Biological Assets Due to Physical Change	222,600.00	1,212,100.00
Sale of Unserviceable Property	28,480.00	-
Total	395,080.00	1,663,163.50

17.2 Other Non-Operating Losses

Account	2023	2022
Loss on Foreign Exchange	76,668.18	-
Other Losses	1,594,461.00	141,647.02
Total	1,671,129.18	141,647.02

Note 18. Operating Accounts

18.1 Operating Activities – Cash Inflow includes the collections, receipts and adjustments for operating activities of the University with the following breakdown:

Particulars	2023	2022
Receipt of Notice of Cash Allocation (NCA)	1,195,932,496.00	1,042,891,447.00
Receipt of Assistance and Subsidy from Other NGAs, LGUs and GOCCs	729,125,450.82	591,283,818.81
Collection of Income/Revenues	486,473,491.56	644,390,945.12
Collection of Receivables	8,112,764.64	10,703,949.43
Receipt of Intra-Agency Fund Transfer	3,447,777.53	4,537,020.81
Receipt of Trust Liabilities	131,856,373.18	151,399,176.08
Other Receipts	65,900,877.05	79,300,456.11
Total Cash Inflow	2,620,849,230.78	2,524,506,813.36

Subsidy Income from National Government is inclusive of amount of withholding taxes remitted thru Tax Remittance Advice. Amount of Subsidy Income from National Government as per Cash flow is inclusive of NCA releases.

18.2 Operating Activities – Cash Outflow

Operating Activities – Cash Outflow includes expenses, subsidies to operating activities of the University with the following breakdown:

Particulars	2023	2022
Payment of Expenses	1,562,398,279.33	1,331,772,621.26
Purchase of Inventories	48,566,150.41	24,596,184.10
Grant of Cash Advance	83,286,067.95	105,783,682.40
Prepayments	2,609,465.97	2,178,540.63
Refund of Deposits	3,120,912.63	644,087.18
Remittance of Personnel Benefit Contributions & mandatory deductions	283,900,946.34	238,282,201.49
Grant of Financial Assistance Subsidy	17,547,100.78	4,791,948.84
Release of Inter-Agency Fund Transfer	-	-
Other Disbursements	705,202,329.70	672,055,197.93
Total Cash Outflows	2,706,631,253.11	2,380,104,463.83

Note 19. Statement of Comparison of Budget and Actual Amount

The SCBAA was prepared on the budget basis. The original budgeted amount for receipts is based on the approved estimated revenue from subsidy from the national government and income collection of the university. Except for Trust Receipts, the initial amount is based on Table G of the Budget of Expenditures and Sources of Financing (BESF) for the period of fiscal years (FYs) 2022 – 2024. Under the receipt portion, the final budgeted amount contained the appropriated amount under RA 11936 or the FY 2023 General Appropriations Act effecting the adjustments from continuing appropriations, additional releases and modification of allotment for the period January 1 to December 31, 2023, and the receipts collected from tuition and other school fees and business. Reflected in the actual amount is the total adjusted allotment and income for FY 2023.

The payment portion contained the various funds classified to allotment classes. The initial amount also indicates the allocation of expenses based on the BESF. The final budgeted amount column represents the total obligations incurred from the General Fund and utilization from the university income. The actual amount column contains the actual expenditures or disbursements on comparable basis to determine the total unpaid obligations and utilizations.

Table 1. Summary of Final Budgeted Amount for Receipts and Expenditures

Fund Sources	Final Budgeted Amount	PAYMENT				Balance
		PS	MOOE	CO	Total	
General Fund	1,343,081,837.79	861,609,928.96	295,074,750.77	126,783,374.93	1,283,468,054.66	59,613,783.13
Off-Budgetary Fund	703,655,490.97	-	407,646,359.50	73,614,760.02	481,261,119.52	222,394,371.45
Total	2,046,737,328.76	861,609,928.96	702,721,110.27	200,398,134.95	1,764,729,174.18	282,008,154.58

Table 2. Summary of Final Budgeted Amount and Actual Amount for Receipts

Particulars	Final Budgeted Amount	Actual Amount	Difference
Subsidy from National Government	1,343,081,837.79	1,334,357,648.79	8,724,189.00
Services and Business Income	703,655,490.97	703,655,490.97	-
Total	2,046,737,328.76	2,038,013,139.76	8,724,189.00

Table 3. Summary of Final Budgeted and Actual Amount on Payment

Fund Sources	Final Budgeted Amount	PAYMENT				Balance
		PS	MOOE	CO	Total	
General Fund	1,283,468,054.66	856,448,631.41	283,051,138.72	41,554,285.67	1,181,054,055.80	102,413,998.86
Off-Budgetary Fund	481,261,119.52		378,074,770.19	56,484,023.03	434,558,793.22	46,702,326.30
Total	1,764,729,174.18	856,448,631.41	661,125,908.91	98,038,308.70	1,615,612,849.02	149,116,325.16

A. RECEIPTS

The total receipt is collected from three different sources:

1. The subsidy from the National Government through the General Appropriations Act (GAA) as the released document and Automatic Appropriations for GSIS Life and Retirement Insurance Premiums; and
2. Internally Generated Income collected from students and other business income from sales and rent.

19.1 Subsidy from the National Government

The total original budgeted amount was **P1,236,694,000.00** covering the funds as programmed under the FY 2023 General Appropriations Act. The final budgeted amount was **P1,343,081,837.79**. These includes receipts derived from the Pension and Gratuity Fund, and the allotment for FY 2022 Continuing Appropriations.

A balance of **P8,724,189.00** from the specific budget of the agency is derived from the unreleased appropriations from the Lumpsum-for Filling of Positions amounting to **P3,724,189.00** and the Tulong-Dunong Subsidy Program amounting to **P5,000,000.00**.

Table 1. The table below provides the sources of fund, its cluster and the corresponding appropriations and allotment received from the National Government

Fund Source and Cluster	Original Amount	Final Amount	Actual Amount	Difference of Final and Actual Amount
New General Appropriations				
Specific Budget of the Agency	1,177,966,000.00	1,177,966,000.00	1,169,241,811.00	8,724,189.00
Pension and Gratuity Fund		5,248,118.00	5,248,118.00	
ZZZZ	58,728,000.00	67,597,211.00	67,597,211.00	
FY 2022 Continuing Appropriations		92,270,508.79	92,270,508.79	
Total	1,236,694,000.00	1,343,081,837.79	1,334,357,648.79	8,724,189.00

19.2 Service and Business Income

The internally generated income collected from students was certified by the

Accountant for supplemental budget. The original amount is based on the approved Statement of Receipts and Expenditures (SRE) for FY 2023. Business type income were collected from book sales, rent income, sales of animals/meat and dairy had taken as part of Income Generating Project or Revolving Fund. The original budget for the revolving fund is based on the actual receipts.

19.2.1 Internally Generated Income

Table 2. Breakdown of the original budget

Nature of Receipts	Original Amount
Cash Balance as of December 31, 2022	284,128,316.43
Tuition Fees	206,456,000.00
Income Collected from Students	83,967,000.00
Other School Fees	32,618,000.00
Other Business Income	20,360,000.00
Total	627,529,316.43

The final and actual receipts was derived from the actual collections in FY 2023.

Table 3. Breakdown of final budget and actual amount

Nature of Receipts	Final Amount	Actual Amount	Difference of Final and Actual Amount
Cash Balance as of December 31, 2022	284,128,316.43	284,128,316.43	-
Tuition Fees	152,359,040.35	152,359,040.35	-
Income Collected from Students	101,642,266.63	101,642,266.63	-
Other School Fees	34,311,071.22	34,311,071.22	-
Other Business Income	41,779,432.64	41,779,432.64	-
Total	614,220,127.27	614,220,127.27	-

19.2.2 Business Type Income

Table 4. Sources of the original budgeted amount for Revolving Fund

Nature of Receipts	Original Amount
Cash Balance as of December 31, 2022	31,977,799.92
Book Sales	1,258,000.00
Sales of Animals/Meat & Dairy	2,014,000.00
Other Sales	3,975,000.00
Rent/Lease Income	
Other Business Income	13,545,000.00
Total	52,769,799.92

Table 5. Details of Final Budget for Income Generating Project

Nature of Receipts	Final Budgeted Amount	Actual Amount	Difference of Final and Actual Amount
Cash Balance as of December 31, 2022	31,977,799.92	31,977,799.92	-
Book Sales	194,280.00	194,280.00	-
Sales of Animals/Meat & Dairy	1,458,084.05	1,458,084.05	-
Other Sales	42,530,661.60	42,530,661.60	-
Rent/Lease Income	3,980,493.13	3,980,493.13	-
Other Business Income	9,294,045.00	9,294,045.00	-
Total	89,435,363.70	89,435,363.70	-

B. PAYMENTS

19.3 General Fund

The original amount represents the original appropriations authorized under General Appropriations Act (RA 11936) and automatic appropriations. The final budgeted amount includes payment under pension and gratuity fund and FY 2022 Continuing Allotment.

Table 6. Details of Payment - General Fund

Funding Source and Allotment Class	Original Amount	Final Amount	Disbursements (Actual Payment)	Difference of Final and Actual Amount
New General Appropriations				
Personnel Services	759,076,000.00	788,964,263.46	785,851,668.91	3,112,594.55
MOOE	323,890,000.00	283,643,130.77	275,598,818.72	8,044,312.05
Capital Outlay	95,000,000.00	46,464,316.55	11,919,969.61	34,544,346.94
Sub-total	1,177,966,000.00	1,119,071,710.78	1,073,370,457.24	45,701,253.54
Pension and Gratuity Fund				
Terminal Leave Benefits				
Personnel Services		5,248,118.00	3,199,415.00	2,048,703.00
Sub-total		5,248,118.00	3,199,415.00	2,048,703.00
Automatic Appropriations				
Personnel Services	58,728,000.00	67,397,547.50	67,397,547.50	
Sub-total	58,728,000.00	67,397,547.50	67,397,547.50	
FY 2022 Continuing Appropriations				
MOOE	11,740,032.53	11,431,620.00	7,452,320.00	3,979,300.00
CO	80,530,476.26	80,319,058.38	29,634,316.06	50,684,742.32
Sub-total	92,270,508.79	91,750,678.38	37,086,636.06	54,664,042.32
Total Current Appropriations	1,328,964,508.79	1,283,468,054.66	1,181,054,055.80	102,413,998.86

19.4 Off-Budgetary Fund

The total expenditures for Retained Income and Revolving Fund was P434,558,793.22. It comprised the fund approved for Special Trust, Fiduciary and Business Type Income (IGP).

Table 7. Details of payment – Off Budgetary Fund

Particulars	Original Amount	Final Amount	Actual Payment	Difference of Final and Actual Amount
Retained Income Fund				
MOOE	423,742,297.24	345,652,164.13	328,441,698.19	17,210,465.94
CO	122,063,397.52	60,058,797.02	49,243,552.03	10,815,244.99
Sub-total	545,805,694.76	405,710,961.15	377,685,250.22	28,025,710.93
Revolving Fund				
MOOE	75,879,400.70	61,994,195.37	49,633,072.00	12,361,123.37
CO	13,555,963.00	13,555,963.00	7,240,471.00	6,315,492.00
Sub-total	89,435,363.70	75,550,158.37	56,873,543.00	18,676,615.37
Total	635,241,058.46	481,261,119.52	434,558,793.22	46,702,326.30

19.5 Net Receipts and Payments

Table 8. Details of the Differences of Actual Receipts from the Actual Payment

Particulars	Differences
General Fund	
Unobligated Allotment	
Current Appropriations	50,369,763.72
Continuing Appropriations	519,830.41
Sub-total	50,889,594.13
Unpaid Obligations	
Current Appropriations	47,749,956.54
Continuing Appropriations	54,664,042.32
Sub-total	102,413,998.86
Total	153,303,592.99
Retained Income Fund	
Unutilized Budget	140,094,733.61
Unpaid Utilizations	28,025,710.93
Unappropriated Income	68,414,432.51
Total	236,534,877.05
Revolving Fund	
Unutilized Budget	13,885,205.33
Unpaid Utilization	18,676,615.37
Total	32,561,820.70
Grand Total	422,400,290.74

**PART II – OBSERVATIONS AND
RECOMMENDATIONS**

OBSERVATIONS AND RECOMMENDATIONS

A. Financial Audit

Various accounts of the Cagayan State University's financial statements as at December 31, 2023 under the Assets, Liabilities, and Equity have misstatements totaling P39.256 million on account of errors, omissions, and improper accounting treatment of transactions that are considered as departures from the International Public Sector Accounting Standards (IPSASs). The total misstatements of P19.62 Million are material to modify auditor's opinion based on the overall planning materiality threshold.

Paragraph 27 of the International Public Sector Accounting Standards (IPSASs) 1 provides that *"Financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in IPSASs."*

Moreover, Section 112 of PD No. 1445 provides that each government agency shall record its financial transactions and operations conformably with generally accepted accounting principles and in accordance with pertinent laws and regulations.

Our audit of the CSU's financial statements disclosed misstatements totaling P39,256,241.00 in absolute value as follows:

Account	Asset	Liability	Equity	Total
Cash-in-Bank-LCCA	P 539,258.25	P -	P -	P 539,258.25
Accounts Payable		64,617.25		64,617.25
Trust Liabilities		77,066.00		77,066.00
Due to NGAS		409,375.00		409,375.00
Construction in Progress-Buildings and Other Structures	16,644,296.22			16,644,296.22
School Buildings	16,644,296.22			16,644,296.22
Due to BIR		2,432,766.03		2,432,766.03
Accumulated Surplus (Deficit)			2,444,566.03	2,444,566.03
Total:	P 33,827,850.69	P 2,983,824.28	P2,444,566.03	P 39,256,241.00

As a result, the following accounts in the financial statements of the University were misstated as follows:

Account	Understatement	Overstatement	Observation No.
Cash-in-Bank-LCCA	P 539,258.25	P -	1
Accounts Payable	64,617.25		
Trust Liabilities	77,066.00		
Due to NGAS	409,375.00		
Construction in Progress-Buildings and Other Structures		16,644,296.22	5
School Buildings	16,644,296.22		
Due to BIR	2,432,766.03		6
Accumulated Surplus (Deficit)		2,444,566.03	
Total:	P 20,167,378.75	P 19,088,862.25	

Details of the uncorrected misstatements in the financial statements and various accounting deficiencies as at December 31, 2023 are presented in the succeeding paragraphs.

Unreconciled Cash-In-Bank – LCCA

1. The total reconciling items of P0.481 million in the Bank Reconciliation Statements remained unadjusted at year-end, thus, casting doubt on the validity, reliability, and accuracy of Cash in Bank – Local Currency, Current Account.

1.1 Chapter 21 of the Government Accounting Manual (GAM) for the National Government Agencies (NGAs), Volume I provides the policies and guidelines in the preparation of Bank Reconciliation Statement (BRS). It requires that the Chief Accountant/Designated Staff shall prepare Journal Entry Voucher (JEV) to recognize all reconciling items that require adjustment and correction in the books of accounts.

1.2 Review of the Bank Reconciliation Statements submitted by the Campus Accountants as at December 31, 2023 revealed discrepancies totaling P481,296.25 between the balance per book and per bank, summarized as follows:

	Nature of Discrepancies	Amount
1	Unadjusted Bank Reconciling Items	P (67,332.50)
2	Unadjusted Book Reconciling Items	474,641.00

3	Stale Checks	73,987.75
	Total	P 481,296.25

1.3 The Audit Team noted the following details of the reconciling items, viz:

1.4 The unadjusted bank reconciling items noted are as follows:

Campus	Fund	Account Number	Amount
Andrews	7	LBP Tuguegarao 572-200-0961	P 14,681.69
Gonzaga	1	DBP 0505-032313-30	50.00
	5	DBP 0505-032390-30	(60.00)
	6	DBP 0505-032921-30	(40.00)
	7	DBP 0505-032923-30	(295.00)
Lasam	5	DBP 0505-031960-030	(0.03)
Piat	5	DBP 00-0-50659-560-1	(0.40)
Lallo	1	DBP 01-00-0-5003-508-2	135,600.00
	5	DBP 00-0-50004-508-9	(67,800.00)
Sanchez Mira	1	LBP 2262-1025-67	(149,468.76)
		Total	P (67,332.50)

1.5 The bank error of P135,600.00 under the account of CSU Lallo Campus was due to erroneous clearing of transaction amounting to P67,800.00 twice under Fund 01 instead of deducting the same from Fund 05. The bank, however, corrected the error by only deducting P67,800.00 from Fund 05 and did not add back the amount of P135,600.00 to Fund 01 account.

1.6 Lastly, the reconciling items under Andrews, Gonzaga, Lasam and Piat Campuses were due to misposting and errors committed by the bank in recording the check amounts in previous years.

1.7 The Audit Team noted the following unadjusted book reconciling items, viz:

Campus	Fund	Account Number	Amount
Sanchez Mira	1	LBP 2262-1025-67	P (366,849.93)
	5	LBP 2262-1019-94	350,249.93
	6	LBP 2262-1027-45	81,866.00
	7	LBP 2262-1020-36	409,375.00
		Total	P 474,641.00

1.8 The unadjusted book errors aggregating P474,641.00 in the books of Sanchez Mira Campus were due to inaccuracies in the recording of transactions, unrecorded fees of check booklet reorder, and unrecorded fund transfers which are still subject for verification.

1.9 The Audit Team noted the following stale checks, viz:

Campus	Fund	Account Number	Amounts
Aparri	5	LBP 0505-031756-030	P 582.00
Gonzaga	1	DBP 0505-032313-30	7,007.00
Lasam	1	DBP 0505-031959-030	21,371.56
Piat	5	DBP 00-0-50659-560-1	35,656.69
Total:			P 64,617.25

1.10 Ten (10) checks totaling P64,617.25 had been outstanding for more than six (6) months from the date of issue and remained unadjusted in the books of the Campuses as at year-end. The payees or holders thereof have not presented the checks to the Accounting Office for replacement.

1.11 As a result of the non-adjustment of the aforementioned reconciling items, the validity, accuracy, and reliability of the reported balance of CIB – LCCA as at December 31, 2023 could not be ascertained.

1.12 We recommended and the Management agreed to:

1.12.1 Direct the Accountant of Sanchez Mira Campus to make representations with the concerned bank to effect necessary adjustments and prepare the necessary journal entries to recognize the unadjusted book errors in the amount of P474,641.00, as follows:

Fund 01:

Accumulated Surplus (Deficit)	3,000.00	
Cash In Bank - LCCA		3,000.00
<i>To recognize debit memo for unrecorded check booklet reorder</i>		

Accumulated Surplus (Deficit)	363,849.93	
Cash In Bank - LCCA		363,849.93
<i>To correct the entry made on the payment of electricity expenses (replenished from Fund 01 to Fund 05)</i>		

Fund 05:

Accumulated Surplus (Deficit)	3,600.00	
Cash In Bank - LCCA		3,600.00
<i>To recognize debit memo for unrecorded check booklet reorder</i>		

Cash In Bank - LCCA	363,849.93	
Accumulated Surplus (Deficit)		363,849.93
<i>To correct the entry made on the payment of electricity expenses (replenished from Fund 01 to Fund 05)</i>		

Accumulated Surplus (Deficit)	10,000.00	
Cash In Bank – LCCA		10,000.00
<i>To set-up entry on the payment of service fee of Mr. Tabaga</i>		

Fund 06:

Cash in Bank – LCCA	4,800.00	
Accumulated Surplus (Deficit)		4,800.00
<i>To record collection of income (Lodging of DTI-ATI)</i>		
Cash In Bank – LCCA	77,066.00	
Trust Liabilities		77,066.00
<i>To record unidentified deposits from prior years</i>		

Fund 07:

	Debit	Credit
Cash In Bank – LCCA	399,375.00	
Due to NGAS		399,375.00
<i>To adjust unrecorded fund transfers from CHED RO2</i>		
Cash In Bank – LCCA	10,000.00	
Due to NGAS		10,000.00
<i>To correct the erroneous entry made on the payment of service fee of Mr. Tabaga</i>		

- 1.12.2 Provide measures such as speedy and timely reconciliation of balances to eliminate the occurrence of book errors for accurate and fair presentation of Cash in Bank accounts;
 - 1.12.3 Advise the concerned Accountants to issue a written notice to the bank, copy furnished the Audit Team, together with the necessary supporting documents on the identified bank errors, to make necessary corrections and adjustments to their records; and
 - 1.12.4 Strictly monitor the status of all outstanding checks and require the concerned Accountants to make the necessary adjustment for the stale checks amounting to P64,617.25 by debiting Cash in Bank-LCCA and crediting Accounts Payable. Further, promptly coordinate with the payees of stale checks so that proper measures and actions will be adopted.
- 1.13 During the exit conference, Management informed that, as regards the identified bank reconciling items, written representations to the concerned depository banks were already made.

Non-preparation of Bank Reconciliation Statements

2. **Bank Reconciliation Statements were not prepared for the Cash in Bank account reported in the financial statements of Andrews and Lasam Campuses totaling P2.978 million, in non-compliance with Section 74 of Presidential Decree No. 1445, thus, the validity, accuracy and existence of said accounts could not be relied upon. Moreover, verification revealed that there were discrepancies noted in the Cash in Bank balances per bank and per book.**
- 2.1 Section 74 of Presidential Decree (PD) No.1445 states that *"At the close of each month, depositories shall report to the agency head, in such form as he may direct, the condition of the agency account standing on their books. The head of the agency shall see to it that a reconciliation is made between the balance shown in the reports and the balance found in the books of the agency. "*
- 2.2 The reconciliation of Cash in Bank account balances with bank records provides a periodic determination of the validity of cash balances appearing in the books of the agency concerned. It also determines the completeness of reported bank accounts of the agency.
- 2.3 Review and monitoring of the submission of Bank Reconciliation Statements showed that BRS were not prepared for the following Cash in Bank accounts of CSU Andrews and Lasam Campuses totaling P2,978,097.64, thus, casting doubt on the validity, accuracy, and existence of cash balances, as follows:

Campus	Fund	Bank Account No.	Balance per books as of Dec 31, 2023
Andrews			
Current	01	PNB-Tuguegarao 488-5988-40-2	P 44,735.44
	06	DBP-Tuguegarao 05055156-06	29,761.77
	07	DBP-Tuguegarao 050557-560-4	211,481.29
	07	Various Dormant Accounts	499,374.27
		Subtotal:	P 785,352.77
Savings	01	UCPB-Tuguegarao (Now LBP) 10-216-00024-70	P 1,365,489.15
	01	DBP- Tuguegarao 5000064-01-8	663,481.82
		Subtotal:	P 2,028,970.97
Lasam			
Current	01	PNB Aparri (unspecified account no.) 192043100022	P 20,696.50
	05	PNB Aparri (unspecified account no.) 192043200026	51,226.38

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Campus	Fund	Bank Account No.	Balance per books as of Dec 31, 2023
	06	PNB Aparri (unspecified account no.) 4148 70100029	91,851.02
		Subtotal:	P 163,773.90
		Grand total:	P 2,978,097.64

- 2.4 Confirmation letters were sent to the depository banks to verify the existence and completeness of bank balances reported in the books of the University. Of the 13 confirmation letters sent, 11 banks have replied.
- 2.5 Verification of bank confirmation replies disclosed variances between the cash balance per bank and per book. The Audit Team interviewed the Accountants, Cashier and Staff-in-Charge in the preparation of the BRS and noted the following:

Fund	Bank/ Branch	Balance as at December 31, 2023	Confirmed Balances by the Bank	Variance	Remarks
Andrews Campus					
CURRENT ACCOUNT					
Fund 01	PNB- Tuguegarao 488-5988-40- 2	P 44,735.44	-	P 44,735.44	No reply received from the bank confirming the balance as at December 31, 2023. The balance exists in the books but no available records/ documents to support the same. The unreconciled balance occurred during the migration of manual bookkeeping to e-NGAS.
Fund 06	DBP- Tuguegarao 05055156-06	29,761.77	-	29,761.77	This account was confirmed by the bank as closed account. This is a forwarded balance during the migration of manual bookkeeping to e-NGAS and no

Fund	Bank/ Branch	Balance as at December 31, 2023	Confirmed Balances by the Bank	Variance	Remarks
					documents to support and facilitate the tracing and validation of the same. In the previous year, the Accounting Office claimed that the balance represents IGP fund that was transferred to UCPB account but not taken up in the books.
Fund 07	DBP- Tuguegarao 050557-560-4	211,481.29	103,454.94	108,026.35	This account has been dormant since CY 2018. Interview disclosed that no bank statements were turned over to the staff-in-charge, thus, BRS was not prepared.
Fund 07	Various Dormant Accounts	499,374.27	-	499,374.27	Confirmation of balances cannot be made due to unspecified bank accounts. Management is still in the process of identifying and recovering records to ascertain the account numbers of the individual trust accounts.
Subtotal:		P 785,352.77	P 103,454.94	P 681,897.83	
SAVINGS ACCOUNT					

Fund	Bank/ Branch	Balance as at December 31, 2023	Confirmed Balances by the Bank	Variance	Remarks
Fund 01	UCPB- Tuguegarao (Now LBP) 10-216- 00024-70	1,365,489.15	-	1,365,489.15	The account was not included as existing in the LBP confirmation reply. This Peso Savings account at UCPB pertains to payroll account of the University. Verification disclosed that the passbook presented by the cashier showed a balance of P293,122.79 as at September 30, 2016 but the same was transferred to UCPB Account No. 10-216-00067-00 on November 7, 2016. as evidenced by JEV No. 2018-12-004710. The latter account was the main account used for transactions of Special Trust Fund under Fund 05 but later converted to LBP account under LBP CA No. 572-200-0970 on October 2022, due to merger of LBP and UCPB on March 1, 2022. Moreover, LBP CA No. 572-200-0970 was already closed as at December 31, 2023. The remaining balance was transferred to LBP Capitol Branch Account No. 3702101912 (existing) under

Fund	Bank/ Branch	Balance as at December 31, 2023	Confirmed Balances by the Bank	Variance	Remarks
					Fund 05, per Board Resolution No. 60 dated April 12, 2023.
Fund 01	DBP- Tuguegarao 5000064-01-8	663,481.82	-	663,481.82	This is a forwarded balance during the migration from the old accounting system to e-NGAS. There are also no supporting documents to facilitate the tracing of the accounts.
	Subtotal:	P2,028,970.97	P0.00	P2,028,970.97	
LASAM CAMPUS					
CURRENT ACCOUNT					
Fund 01	PNB – Aparri	P 20,696.50	-	20,696.50	The Audit Team did not receive any bank confirmation reply to ascertain the balances as of Dec 31, 2023.
	PNB – Aparri	51,226.38	-	51,226.38	However, in the previous year, the bank confirmed that these accounts were closed and has zero balance.
	PNB – Aparri	91,851.02	-	91,851.02	The balances reflected therein could not be verified and remained unadjusted as there was no trail of documents to support thereof.
	Subtotal:	P 163,773.90	P0.00	P 163,773.90	
	Grand Total:	P2,978,097.64	P103,454.94	P2,874,642.70	

- 2.6 Non-monitoring of discrepancies and non-preparation of bank reconciliation statement of the aforementioned accounts of the University resulted in the difficulty of ascertaining the accuracy and existence of Cash in Bank balance as at year-end.
- 2.7 This audit observation has been consistently brought to the attention of Management in previous years and continued to occur in the current year, hence, it is reiterated herein.
- 2.8 **We recommended that the Management:**
 - 2.8.1 **Direct the personnel-in-charge to request for a copy of the monthly bank statements of DBP Account no. 050557-560-4 under Fund 07 of Andrews Campus, to facilitate the preparation of Bank Reconciliation Statement; and**
 - 2.8.2 **Assign personnel, particularly those who have knowledge of the previous transactions of the subject bank accounts, for the retrieval of records and reconciliation process, except for those who may be held accountable for the unaccounted amount.**
- 2.9 Management agreed to comply with the recommendations. They likewise submitted the Bank Reconciliation Statement for DBP Account No. 050557-560-4 under Fund 07 as of December 31, 2023, which shall be evaluated by the Audit Team.

Unliquidated cash advances – P1.592 million

3. **Cash advances granted to officers and employees totaling P1.592 million were not liquidated within the prescribed period, contrary to COA Circular No. 97-002, thus, exposing the funds to possible loss and misuse. Moreover, the validity and reliability of the year-end balance of Other Assets account are doubtful due to the unreconciled beginning balance amounting to P 0.133 million and P 0.234 million under Advances for Payroll and Advances for Special Disbursing Officer, respectively, and the existence of dormant accounts amounting to P0.412 million under Advances to Officers and Employees account.**

Non-liquidation of cash advances within the prescribed period

- 3.1 Item 5.1 of COA Circular No. 97-002 dated February 10, 1997 provides the general guidelines for liquidating cash advances. It states that:

"5.1 The AO shall liquidate his cash advance as follows:

5.1.1 Salaries, Wages, etc. - within five (5) days after each fifteen (15) day/end of the month pay period.

5.1.2 Petty Operating Expenses and Field Operating Expenses - within twenty (20) days after the end of the year; subject to replenishment as frequently as necessary during the year.

5.1.3 Official Travel - within sixty (60) days after return to the Philippines in the case of foreign travel or within thirty (30) days after return to his permanent official station in the case of local travel, as provided for in EO 248 and COA Circular No. 96-004.

Failure of the AO to liquidate his cash advance within the prescribed period shall constitute a valid cause for the withholding of his salary and the instruction of other sanctions as provided for under paragraphs 9.2 and 9.3 hereof."

- 3.2 A review of the Statement of Financial Position showed that cash advances of P1,592,309.48 has been outstanding in the books as at December 31, 2023, broken down as follows:

Campus	Account Title			Total
	Advances for Payroll	Advances to Special Disbursing Officer	Advances to Officers and Employees	
Andrews	155,397.86	251,357.65	392,680.02	P799,435.53
Carig	35,152.45	0.00	0.00	35,152.45
Sanchez Mira	112,500.00	0.00	593,089.00	705,589.00
Piat	0.00	0.00	52,132.50	52,132.50
Total	P303,050.31	P251,357.65	P1,037,901.52	P1,592,309.48

- 3.3 Verification disclosed that the year-end balance of the Advances for Payroll account represents unliquidated cash advances for scholarships under TDP-SUCs, payment of gratuity pay to non-tenured faculty and administrative staff, compensation of medical doctors and support staff during the conduct of REVALIDA, and prizes for the team building games during the campus year-end performance review.
- 3.4 On the other hand, the balance of Advances to Special Disbursing Officer represents the previous year's unliquidated cash advances of certain employees

for local travel and expenses for CSU Raniag activity, respectively. Similarly, the year-end balance of Advances to Officers and Employees pertains to unliquidated cash advances for local and foreign travels.

- 3.5 The non-liquidation of the cash advances within the prescribed period is not in accord with the aforementioned provisions of COA Circular No. 97-002 and exposes any unused balance thereof to the risk of loss and misuse.

Accounting errors in the recording of cash advances and liquidation

- 3.6 Paragraph 27 of IPSAS 1 – Presentation of Financial Statements, provides that it shall present fairly the financial position which requires faithful representation of the effects of the transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets.
- 3.7 A review of the Advances for Payroll, Advances to Special Disbursing Officer and Advances to Officers and Employees submitted by the Accounting Office showed a net discrepancy of P26,200.43 between the balance per book and the submitted quarterly monitoring of cash advances supported by liquidation reports and official receipts, as follows:

3.8 Advances for Payroll

Fund Source	Campus	Particulars	Amount
Fund 05	Andrews	Liquidation erroneously taken up in Advances for Payroll that should be recorded under Advances to Special Disbursing Officer (Return of Excess Cash Advance)	
		OR # 1359312	P 3,088.50
		OR # 1365984	2,310.00
		OR # 1370430	5,280.00
		TOTAL	P 10,678.50

3.9 Advances to Special Disbursing Officer

Fund Source	Campus	Particulars	Amount
Fund 05	Andrews	Over recording of liquidation	P 45.57
		Liquidation erroneously taken up in Advances for Payroll that should be recorded under Advances to Special	

Fund Source	Campus	Particulars	Amount
		Disbursing Officer (Return of Excess Cash Advance)	
		OR # 1359312	(3,088.50)
		OR # 1365984	(2,310.00)
		OR # 1370430	(5,280.00)
		TOTAL	P (10,632.93)

3.10 Advances to Officers and Employees

Fund Source	Campus	Particulars	Amount
Fund 01	Andrews	Liquidation erroneously taken up in Fund 05	P (25,000.00)
	Sanchez Mira	Under recording of cash advance under check no. 728363 (recorded as P23,175.00, should be P23,675.00)	500.00
Fund 05	Andrews	Liquidation erroneously taken up in Fund 05 which should be recorded in Fund 01	25,000.00
		Liquidation erroneously recorded in Due to Officers and Employees account	(3,996.00)
		Unrecorded liquidation:	
		Liquidation Report no. 052023-12-0208	(15,000.00)
		Liquidation Report no. 052023-11-0194	(23,700.00)
		Unrecorded Cash Advance- Check No. 591756	15,700.00
		Over recording of liquidation (OR amount is 1,780.00, but recorded in SL is 2,030.00)	250.00
	TOTAL		P (26,246.00)

3.11 In view of the aforementioned errors, the balances of Advances for Payroll, Advances to Special Disbursing Officers, and Advances to Officers and Employees were misstated as at year-end, affecting the fair presentation of accounts in the financial statements.

3.12 Moreover, audit of Advances for Payroll disclosed that the account includes unreconciled prior period balances amounting to P132,897.86. The accounting personnel of Andrews Campus claimed that this pertains to UCPB Payroll account balance and unmonitored disbursements in CY 2014.

- 3.13 Likewise, audit of Advances to Special Disbursing Officer account disclosed that it includes unreconciled beginning balance of P234,278.12, which according to the Accountant was unliquidated cash advances pertaining to travel in prior years.

Existence of dormant unliquidated cash advance

- 3.14 COA Circular No. 2023-008 dated August 17, 2023 prescribed the guidelines and procedures on the proper disposition of dormant accounts of National Government Agencies (NGAs) and instrumentalities, Local Government Units (LGUs) and Government Corporations (GCs), amending COA Circular No. 2016-005 dated December 19, 2016. The guidelines and procedures cover all dormant receivables arising from regular trade and business transactions, claims from entities' officers and employees and other dormant receivable accounts, dormant unliquidated cash advances for operating expenses, payroll, special purpose/time-bound activities or undertakings and travel.
- 3.15 Item 5.8 of said Circular defines Dormant Unliquidated Cash Advances as *"advances granted to disbursing officers, agency officers and employees which remained non-moving for ten (10) years or more and where settlement/collectability could no longer be ascertained."*
- 3.16 Moreover, Item 8.2 of the same Circular states that *"Within one (1) year from the effectivity of the Circular, the Head of Accounting Unit through the HoA shall file with/through the ATL and/or RSA/SA, depending on the jurisdictional amount, a request for the approval of COA to write-off/derecognize from the books the dormant accounts pursuant to the provisions of this Circular."*
- 3.17 Moreover, audit revealed that, of the total unliquidated balance of P1,011,655.52 (net of would be adjustments) of Advances to Officers and Employees account, 40.75% or P412,160.52 has been long outstanding in the books for 10 to 24 years and the sufficient and relevant data to support their existence are no longer available.
- 3.18 The Audit Team was informed that demand letters were already sent to the concerned accountable officers. As of report date, however, no request for write-off has been filed by Management.
- 3.19 The discrepancies noted and the absence of complete documentation to substantiate the account balance as well as the existence of dormant unliquidated cash advances rendered the validity, accuracy, and existence of Advances for Payroll and Advances to Officers and Employees accounts doubtful.

3.20 This observation with the corresponding recommendation was also communicated to Management thru Audit Observation Memorandum in CY 2022, and the matter was the subject of the 2022 Annual Audit Report.

3.21 We recommended that the Management:

3.21.1 **Require the concerned accountable officers to liquidate the cash advances granted to them within the prescribed period, otherwise withhold their salaries pursuant to Item 5.1 of COA Circular No. 97-002;**

3.21.2 **Observe proper diligence in recording transactions in the books to avoid errors and adopt as practice the monthly reconciliation of balances between the books and records available pertaining to cash advances;**

3.21.3 **Make the necessary adjustments to correct the accounting errors noted;**

3.21.4 **Advise the concerned Accountant to account for the unreconciled beginning balance of Advances for Payroll and Advances to Special Disbursing Officer accounts, and prepare the necessary adjusting entries. The personnel who have knowledge of the previous transactions on the subject cash advances should be involved in the reconciliation process; and**

3.21.5 **Request for authority to write-off dormant receivable accounts where settlement is no longer possible, to be supported with the documentary requirements prescribed under COA Circular No. 2023-008.**

3.22 Management commented that all cash advances granted in CY 2023 were already liquidated in CY 2024 and Bookkeepers were already mentored on proper monitoring of reports and reconciliation of subsidiary ledgers. Likewise, the concerned Accountants were instructed to reconcile all beginning balances based on available documents.

Unreliable balance of PPE accounts – P1.068 billion

4. **The existence, accuracy, and reliability of the year-end balance of Property, Plant and Equipment accounts are uncertain due to a variance of P1.068 billion between the balances per books and per Report on the Physical Count of Property, Plant and Equipment (RPCPPE), contrary to the provisions of the Government Accounting Manual for National Government Agencies, Volume I**

and COA Circular Nos. 2020-006 and 2022-004, thus, affecting the fair presentation of the affected accounts in the financial statements.

- 4.1 Section 38, Chapter 10 of the GAM for NGAS, Volume I states that *"The entity shall have periodic physical count of PPE, which shall be done annually and presented on the Report on the Physical Count of Property, Plant and Equipment (RPCPPE) (Appendix 73) as at December 31 of each year. This shall be submitted to the Auditor concerned not later than January 31 of the following year. Equipment found at station and losses discovered during the physical count shall be reported to the Accounting Division/Unit for proper accounting/recording."*
- 4.2 COA Circular No. 2020-006 dated January 31, 2020 provides the guidelines and procedures in the conduct of physical count of PPE, recognition of PPE items found at station, and disposition for non-existing/missing PPE items, for the one-time cleansing of PPE account balances of government agencies.
- 4.3 Item 6.3 of the same Circular states that the Property and Accounting Units shall undertake collaborative procedures to ensure that all PPEs included in the RPCPPE are duly recorded in their respective records and that the Property Cards (PCs) and PPE Ledger Cards (PPELCs) maintained by the Property Unit and Accounting Unit, respectively, are reconciled. The reconciliation shall be completed within ten (10) days from rendition of the RPCPPE by the Inventory Committee.
- 4.4 Reconciliation of PPE balances between the financial statements and RPCPPE showed a difference of P1,067,500,093.41, broken down as follows:

Campus	per FS	per RPCPPE	Variance *	
Andrews	P 854,885,403.01	P 109,010,639.11	P745,874,763.90	(a)
Aparri	203,038,148.01	205,566,909.71	2,528,761.70	(b)
Carig	368,836,558.26	100,387,352.22	268,449,206.04	(c)
Gonzaga	147,680,442.19	149,578,441.84	1,897,999.65	(d)
Lallo	39,415,331.54	22,424,617.67	16,990,713.87	(e)
Lasam	5,376,944.26	19,560,077.26	14,183,133.00	(f)
Piat	105,173,368.43	104,148,094.49	1,025,273.94	(g)
Sanchez Mira	51,139,364.54	34,589,123.23	16,550,241.31	(h)
Solana	2,846,800.00	2,846,800.00	0.00	
Total			1,067,500,093.41	

**in absolute amount*

- 4.5 The preceding table shows that Andrews Campus accounted for a significant portion of the variance. Management explained that discrepancies were due to numerous unreconciled balances during the decentralization of records from

CSU Central Administration to respective Campuses, and shifting from manual bookkeeping to e-NGAS.

- 4.6 Verification of records also revealed the following inconsistencies in each Campus:

Andrews Campus

- 4.7 Our review of the RPCPPE revealed that infrastructures such as buildings, school buildings and other structures were not included therein. Upon request, the Supply Officer submitted a list of buildings and other structures that were physically counted but inadvertently not included in the RPCPPE. However, comparison with the financial statements disclosed a discrepancy amounting to P278,640,700.15, as follows:

per Financial Statement	per Supply Records	Variance
504,709,636.50	226,068,936.35	278,640,700.15

Aparri Campus

- 4.8 Details of the variance are as follows:

Fund	per FS	per RPCPPE	Variance
01	96,166,075.41	96,235,251.41	(69,176.00)
05	91,852,275.44	92,033,860.44	(181,585.00)
06	80,000.00	80,000.00	0.00
07	14,939,797.16	17,217,797.86	(2,278,000.70)
Total	203,038,148.01	205,566,909.71	2,528,761.70

- 4.9 Our verification disclosed that a large amount of the variance is attributed to various unrecorded medical, dental and laboratory equipment in the books of account of the Campus.

Carig Campus

- 4.10 Details of the variance are as follows:

Fund	per FS	per RPCPPE	Variance
01	85,345,674.36	13,277,229.73	72,068,444.63
05	260,816,181.07	71,328,216.79	189,487,964.28
06	6,648,865.00	6,648,865.00	0.00
07	16,025,837.83	9,133,040.70	6,892,797.13

Total	368,836,558.26	100,387,352.22	268,449,206.04
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- 4.11 Verification disclosed that bulk of the variance are attributed to non-inclusion of land improvements, power supply systems, buildings, school buildings and other structure in the RPCPPE and unrecorded repair cost of motor vehicle.

Gonzaga Campus

- 4.12 Review of the RPCPPE revealed that the report was not prepared per fund cluster and per type of PPE. It was also noted that Land amounting to P145,000.00 was not accounted per supply records.

Lallo Campus

- 4.13 Details of the variance are as follows:

Fund	per FS	per RPCPPE	Variance
01	16,531,241.21	10,642,612.32	5,888,628.89
05	16,182,743.77	4,602,661.69	11,580,082.08
06	2,857,679.90	3,288,627.00	(430,947.10)
07	3,843,666.66	3,890,716.66	(47,050.00)
Total	39,415,331.54	22,424,617.67	16,990,713.87

- 4.14 Review of the RPCPPE revealed that the report was not prepared per type of PPE. It was also noted that infrastructures such as buildings, school buildings and other structures were not reported therein.

Lasam Campus

- 4.15 The RPCPPE was not prepared per fund cluster and per type of PPE. It was also noted that building and other structures totaling P14,868,178.50 reported in the RPCPPE were not recorded in the books.

Piat Campus

- 4.16 The RPCPPE was not prepared per fund cluster and per type of PPE. The same was not also prepared in accordance with the forms prescribed under Appendix 73 of GAM for NGAs, Volume II.

Sanchez Mira Campus

- 4.17 Details of the variance are as follows:

Fund	per FS	per RPCPPE	Variance
01	27,632,907.23	26,459,883.23	1,173,024.00
05	21,006,870.31	5,780,728.00	15,226,142.31
06	1,989,720.00	1,850,505.00	139,215.00
07	509,867.00	498,007.00	11,860.00
Total	51,139,364.54	34,589,123.23	16,550,241.31

- 4.18 Verification disclosed that bulk of the variance are attributed to unaccounted land improvements, power supply systems and buildings per RPCPPE.
- 4.19 Management explained that the concerned offices are constantly working together in identifying and adjusting the reconciling items. However, some discrepancies remained unadjusted due to lack of necessary documents for recognition/ cancellation in the books of accounts.
- 4.20 The significant variance between the two records casts doubts on the existence, accuracy and reliability of the recorded PPE balances as at year-end.
- 4.21 We recommended that the Management:
- 4.21.1 Direct the Inventory Committee to continue the reconciliation of University records and adjust the books of accounts and/or property records, as warranted, once the results have been established;
- 4.21.2 Instruct the Inventory Committee of Gonzaga, Lallo, Lasam and Piat Campuses to prepare the RPCPPE in conformity with Appendix 74 of GAM for NGAs, Volume II; and
- 4.21.3 Comply with the one-time cleansing of PPE account balances provided for under COA Circular No. 2020-006.
- 4.27 The Management agreed to comply with the recommendations. On-going reconciliation is being undertaken by the respective Campus Accountants and Campus Supply Officers.

Non-reclassification of completed infrastructure projects to the proper asset accounts – P16.644 million

5. Completed infrastructure projects totaling P16.644 million were not reclassified to the proper asset accounts, contrary to Section 8.g, Chapter 10 of the

Government Accounting Manual for National Government Agencies, Volume I. Moreover, the validity and reliability of the year-end balance of the Construction in Progress account is doubtful due to the unreconciled beginning balances and non-moving balances amounting to P53.136 million and P66.572 million, respectively.

Non-reclassification of Completed Infrastructure Projects

- 5.1 Section 8.g, Chapter 10 of the GAM for NGAs, Volume 1 provides, among others, that *“during the construction period, all expenses incurred in relation to the construction of the PPE shall be taken up in the books as Construction in Progress (CIP) with the appropriate asset classification. As soon as the construction is completed, the “Construction in Progress” account shall be reclassified to the proper asset account”*.
- 5.2 Review and verification of the status of infrastructure projects undertaken by administration and by contract as at December 31, 2023 disclosed that completed projects totaling P16,644,296.22 are still included in the Construction in Progress-Buildings and Other Structures account. Details are as follows:

Project	Amount	Location	Status
1. Construction of 2 nd Floor of College of Engineering Bldg. C (Lot 1)	P11,424,258.25	CSU-Carig	Completed as of February 2023 with certificate of completion and acceptance
2. Rehabilitation of Middle Portion of CTED building	1,729,796.25	CSU-Lasam	Completed as of May 18, 2022*
3. Major Repair of DARP Buildings (OCD Funded Project)	3,490,241.72	CSU-Lasam	Completed as of March 15, 2021, with certificate of completion and acceptance dated April 16, 2021
Total	P16,644,296.22		

**Based on submitted Statement of Time Elapsed as of May 18, 2022*

- 5.3 The non-reclassification of the afore-listed completed projects from CIP - Buildings and Other Structure to School Buildings account resulted in the misstatement of the aforementioned PPE accounts and the non-recognition of depreciation.
- 5.4 Upon inquiry, the Campus Accountants informed the Audit Team of the following reasons for the non-reclassification of accounts:

5.4.1 The respective Campus Accounting Department of CSU Carig and CSU Lasam are still waiting for the final billings of Construction of 2nd Floor of College of Engineering Bldg. C (Lot 1) and Rehabilitation of Middle Portion of CTED building, respectively.

5.4.2 Supporting documents such as certificate of completion and acceptance for Major Repair of DARP Buildings at CSU-Lasam were not yet furnished by the Infrastructure Office to the Campus Accountant.

Existence of unreconciled beginning balances and non-moving balances

5.5 Section 111 of P.D. 1445 provides that:

"(1) The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.

(2) The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information."

5.6 Moreover, Paragraph 27 of IPSAS 1 – Presentation of Financial Statements, provides that it shall present fairly the financial position which requires faithful representation of the effects of the transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets.

5.7 A review of the year-end balance of Construction in Progress-Buildings and Other Structures account submitted by the Accounting department showed an unreconciled beginning balance of P53,135,565.15, broken down as follows:

Campus	Fund Source	Amount
Andrews Campus	Fund 01	4,287,948.40
Andrews Campus	Fund 05	46,876,389.43
Sanchez Mira Campus	Fund 05	1,971,227.32
Total		P 53,135,565.15

5.8 Moreover, non-moving balances of the subject account amounting to P66,572,430.89 were also noted by the Team, as follows:

Campus	Fund Source	Project Name	Amount
Andrews Campus	Fund 01	4 Storey Academic Building	P 119,381.00
		Construction of Two Storey University Analytical Laboratory Building Phase I	43,780.00
	Fund 05	Covered Court (Gym with Stalls)	36,487,491.82
		Perimeter Fencing (2 Storey Research Building)	55,497.00
		Power Room	284,114.50
		Road Network/Culvert	1,273,011.80
		Student Center	1,720,032.33
		Two Storey Research Laboratory Building	242,121.00
Sanchez Mira Campus	Fund 05	Construction of CAS Building	16,370,384.88
		Construction of CTE Building	6,882,192.80
		Construction of COT Building	938,104.37
		Construction of Science Lab Building	421,091.49
		Construction of Vermi Building	23,188.00
		Construction of Tissue Lab Building	110,040.00
		Construction of Fence	12,768.00
		Construction of Gate	624,235.50
		Construction of DOST	5,400.00
		Construction of HIP	11,538.00
	Fund 06	Construction of School Canteen Stall	948,058.40
Total			P66,572,430.89

- 5.9 The Audit Team was informed that the unreconciled balances existed since June 2006 when the Manual Accounting System of recording financial transactions migrated to Electronic New Government Accounting System (e-NGAS).
- 5.10 Meanwhile, inquiry revealed that all non-moving balances were from constructions undertaken by Administration in previous years. Further inquiry revealed that these projects are already being used by the management. However, due to lack of supporting documents from the Infrastructure Office, the same cannot be reclassified by the respective Campus Accountants to the proper asset accounts.
- 5.11 Due to the discrepancies noted, the validity, reliability, and accuracy of the year-end balance of Construction in Progress-Buildings and Other Structure account could not be ascertained.

5.12 We recommended that the Management:

- 5.12.1 Advise the Infrastructure Office to submit the necessary documents of the Major Repair of DARP Buildings at CSU-Lasam Campus to substantiate the recording thereof to proper asset account;**
 - 5.12.2 Direct the concerned Accountants to record all completed projects to their respective asset account and prepare the necessary correcting entries by debiting the School Buildings account by P16,644,296.22 and crediting the CIP-Buildings and Other Structures account by the same amount; and**
 - 5.12.3 Require the Accounting Office to exert diligent efforts to reconcile the beginning balances and non-moving balances of the CIP-Buildings and Other Structures of Andrews and Sanchez Mira Campuses.**
- 5.13 Henceforth, we recommended that the Accounting and Infrastructure Offices/Units concerned reconcile regularly the Construction in Progress account by identifying the completed and on-going infrastructure projects, and effect promptly the necessary adjustments in the books of accounts, in accordance with the aforementioned provisions of the GAM for NGAs.**
- 5.14 The Management agreed to comply with the recommendation and informed that proper adjusting entry was already made. However, the Audit Team is still waiting for the submission of supporting documents for evaluation.**

Unreconciled Balances of Inter-Agency Payable

- 6. The reliability and accuracy of the balances of the Due to BIR, Due to GSIS, Due to PhilHealth, and Due to Pag-IBIG accounts are doubtful due to unreconciled/unaccounted balances amounting to P0.985 million, P2.011 million, P0.825 million and P0.165 million, respectively. Moreover, remittance of taxes of P2.433 million thru Tax Remittance Advice was not properly and timely recorded, thus, affecting the faithful presentation of accounts in the financial statement as at year-end.**
- 6.1 Section 111 of PD 1445 on the keeping of accounts provides that, "(1) The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government; and (2) The highest standards of honesty, objectivity and consistency shall be observed in the**

keeping of accounts to safeguard against inaccurate or misleading information."

- 6.2 Also, Section 112 of the same Decree states that *"each government agency shall record its financial transactions and operations conformably with generally accepted accounting principles and in accordance with pertinent laws and regulations."*
- 6.3 Review and analysis of the year-end balances of Due to BIR, Due to GSIS, Due to PhilHealth, and Due to Pag-IBIG accounts showed a balance of P8,632,066.06, P4,636,603.35, P1,306,367.61, and P632,770.23, respectively.
- 6.4 Verification disclosed that, of the total balances at year-end, the amount of P985,384.05, P2,010,562.00, P825,245.35, and P164,841.08, respectively, remained unremitted. Details are as follows:

Campus	Fund	D U E T O			
		BIR	GSIS	PhilHealth	Pag-IBIG
Andrews	1	P 90,285.67	P 1,900,903.12	P 324,827.18	P (202,447.52)
	5	550,699.92	-	314,324.33	149,311.14
	6	11,891.94	-	33,170.37	12,212.96
	7	111,783.01	-	7,669.61	6,900.00
Sub Total		764,660.54	1,900,903.12	679,991.49	(34,023.42)
Carig	1	66,108.48	(6,881.64)	(1,146.94)	-
	5	(7,050.16)	-	-	-
	7	(0.05)	-	-	-
Sub Total		59,058.27	(6,881.64)	(1,146.94)	-
Gonzaga	1	-	43,708.22	67,517.62	35,739.76
	5	-	-	38,247.94	11,925.22
	6	-	-	1,028.89	1,926.13
	7	0.23	-	1,734.42	604.03
Sub Total		0.23	43,708.22	108,528.87	50,195.14
Lasam	1	60,699.60	7,941.93	1,455.24	5,350.68
	5	9,943.32	-	5,998.83	5,561.36
Sub Total		70,642.92	7,941.93	7,454.07	10,912.04
Sanchez	1	(416,339.67)	35,530.22	12,195.47	6,080.95
Mira	5	503,053.23	29,360.15	15,488.62	131,479.76
	6	4,036.02	-	2,733.77	196.61

Campus	Fund	D U E T O			
		BIR	GSIS	PhilHealth	Pag-IBIG
	7	272.51	-	-	-
Sub Total		91,022.09	64,890.37	30,417.86	137,757.32
TOTAL		P985,384.05	P 2,010,562.00	P825,245.35	P164,841.08

- 6.5 It was noted that the unremitted amounts were not supported with reliable breakdown/ schedules showing the details of the balances, hence, the difficulty in determining the amount not yet remitted to GSIS, PhilHealth, and Pag-IBIG as well as taxes withheld from each employee and supplier.
- 6.6 Management informed that substantial portion of the aforementioned accounts are beginning balances, which already existed at the time of system migration from manual to e-NGAS in 2006, and transition from centralized to decentralized recording of transactions, i.e from the books of CSU – Central Administration to the books of the respective Campuses. They informed, however, that they are exerting efforts to verify the unreconciled amounts.
- 6.7 The foregoing audit observation had been brought to the attention of Management in previous years and continued to occur in the current year, hence, it is reiterated herein.
- 6.8 Likewise, review and verification of the Tax Remittance Advice (TRA) of CSU Aparri, Gonzaga, Piat and Lallo Campuses disclosed that taxes withheld in December 2023 totaling P2,432,766.03 were remitted in January 2024 but were inadvertently recorded as remittance in December 2023, thus, understating the Due to BIR account and overstating the Subsidy Income from National Government account by the same amount at year-end, viz:

Campus	Fund	Amount	Tax Type (BIR Form)	Date Filed/Remitted
Aparri	01	30,152.19	1600	January 8, 2024
		719,420.24	1601C	January 8, 2024
		7,402.62	1601E	January 8, 20 24
Subtotal		756,975.05		
Gonzaga	01	29,487.88	1601EQ	January 8, 2024
		408,734.04	1601C	January 9, 2024
		123,681.41	1600	January 8, 2024
Subtotal		561,903.33		
Piat	01	26,253.56	1600	January 10, 2024
		558,626.40	1601C	January 10, 2024
		8,953.73	1601EQ	January 10, 2024
Subtotal		593,833.69		
Lal-lo	01	483,518.23	1601C	January 10, 2024

Campus	Fund	Amount	Tax Type (BIR Form)	Date Filed/Remitted
		29,318.52	1600	January 10, 2024
		7,217.21	1601EQ	January 10, 2024
Subtotal		520,053.96		
Grand Total		P 2,432,766.03		

6.9 We recommended that the Management:

6.9.1 Direct the University/Campus Accountants to undertake retrieval of documents and reconciliation of balances of the subject accounts, remit immediately the taxes withheld/contributions found to be unremitted to BIR, GSIS, PhilHealth, and Pag-IBIG, and make the necessary adjustments, if warranted; and

6.9.2 Direct the Campus Accountants of Aparri, Gonzaga, Piat and Lallo Campuses to make the necessary adjustment to correct the erroneous recording of January 2024 tax remittance of P2,432,766.03 in December 2023 by debiting Accumulated Surplus (Deficit) and crediting Due to BIR account.

6.10 Management commented that steps were already taken to determine the breakdown of the balances and any unremitted amounts will be remitted to the respective agencies. Further, reconciliation between the Andrews Campus and other Campuses will be done to properly effect the necessary adjustments.

Unreconciled balance of Due to NGAs – P47.215 million

7. The year-end balance of the Due to NGAs account could not be relied upon due to the inclusion of (a) unreconciled balance totaling P47.215 million between the University books and that of the Source Agencies (SA); (b) 22 projects aggregating P1.611 Million which remained dormant ranging from 8 to 17 years; and (c) presence of negative balances of P2.195 million and unverified balance of P0.768 million, contrary to Section 111 of P.D. No. 1445 and COA Circular No. 94-013.

7.1 Section 111 of P.D. No. 1445 requires the highest standards of honesty, objectivity and consistency in the keeping of accounts of an agency to safeguard against inaccurate or misleading information.

7.2 COA Circular No. 94-013 dated December 13, 1994 provides the Rules and Regulations in the Grant, Utilization and Liquidation of Funds transferred to Implementing Agencies. It provides, among others, that within 10 days after

the end of each month/end of the agreed period for the Project, the Implementing Agency shall submit the Report of Checks Issued (RCI) and the Report of Disbursement (RD) to report the utilization of funds.

- 7.3 The account Due to NGAs represents funds received by the University from the different NGAs such as the Department of Agriculture (DA), Provincial Environment and Natural Resources Office (PENRO), Department of Science and Technology (DOST) and the Commission on Higher Education (CHED) for the implementation of various projects.

Unreconciled balance totaling P47,214,603.49 between the University books and that of the Source Agencies

- 7.4 Verification of the subsidiary ledgers and the replies of the University/Campus Accountants to SA's confirmation letters on fund transfers showed a discrepancy amounting to P47,214,603.49 between the University records and that of the SAs, thus, rendering the Due to NGAs account balance as at year-end unreliable. The summary is shown below:

Source Agency	Balance per books of the University	Balance per books of the Source Agency	Difference *	Cut Off Date
DOST-PCAARRD	12,573,112.32	19,910,603.38	7,337,491.06	As at 09/30/2023
DOST RO2	3,800,594.75	8,896,870.77	5,096,276.02	As at 12/31/2023
CHED RO2	11,944,462.09	46,725,298.50	34,780,836.41	As at 12/31/2023
Total	P 28,318,169.16	P 75,532,772.65	P 47,214,603.49	

**Difference is in absolute amount*

- 7.5 Results of the confirmation replies submitted by the Campus Accountants disclosed that the non-reconciliation of fund transfer balances between the books of the University and the source agencies are attributable to the following, viz:

7.5.1 Late recording of liquidation by the SAs and/or the late submission of liquidation documents by the University; and

7.5.2 There were no available records and/or supporting documents to substantiate the balances being confirmed by SAs.

Twenty-two (22) projects aggregating P1,611,261.62 remained dormant ranging from 8 to 17 years

7.6 Review of the schedule of Due to NGAs account as at December 31, 2023 showed subsidiary ledger balances with no changes or movement in the balances totaling P1,611,261.62.

7.7 The details of the transfers and status of the projects are shown as follows:

Campus	Source Agency	Project Title	Date of Fund Transfer	Balance as of December 31, 2023	Status
Andrews	DOST-PCAARD	Techno Gabay – FITS OPA	2011	P 66,272.00	dormant
	DOST-PCAARD	Techno Gabay – FITS PMA	2011	75,000.00	dormant
	DOST-PCAARD	Techno Gabay	2009	67,500.00	dormant
	DOST	Food Processing - Piat	January 2006 beg. Bal	7,745.50	dormant
	DOST	Food Processing - Lallo	January 2006 beg. Bal	16,166.00	dormant
	DOST	Food Processing - Gonzaga	January 2006 beg. Bal	19,855.00	dormant
	DOST	Food Processing – Sanchez Mira	January 2006 beg. Bal	42,841.50	dormant
	DEPED	DEPED TIP	2011	73,789.00	dormant
	DEPED	Summer Term Certificate for Non Specialist Teachers	2009	230,588.58	dormant
	CHED	COM TECH	January 2006 beg. Bal	234,591.54	dormant
	CHED	Waste Management Project	2011	210,621.68	dormant
	CHED	Ludong Fish Conservation & Protection Project	2011	303,623.24	dormant
	CHED	Graduate Tracer Study	January 2006 beg. Bal	31,800.00	dormant
		CSU Biotech Income	January 2006 beg. Bal	83,466.14	dormant
		LAYUS	2008	2,000.00	dormant
		Local History Writing	2012	1,160.00	dormant
		MDG-Faces	2009	19,990.00	dormant
		POPCOM	2006	4,927.50	dormant

Campus	Source Agency	Project Title	Date of Fund Transfer	Balance as of December 31, 2023	Status
		Space Environment Research Center	January 2006 beg. Bal	52,200.00	dormant
		UPOU	January 2006 beg. Bal	16,967.80	dormant
		Tax refund 2010		19,440.49	dormant
Piat	DA-RF02	Fund transfer - production of organically grown phil. Native pig & chicken	January 2015 beg. Bal	30,715.65	dormant
TOTAL				P 1,611,261.62	

7.8 These projects with non-moving balances pertain to the beginning balances during the migration of manual bookkeeping to e-NGAS in 2006. Further, no reconciliation had been made by management since there are no available records/documents related thereto to facilitate tracing of liquidation reports and/or personnel responsible for the project.

7.9 The non-implementation of inactive/idle projects might result in the non-attainment of the goals and objectives for which these funds were granted. This also precludes the SAs in utilizing the funds for other vital projects had these been remitted back to them.

Presence of negative balances of P2,194,684.97 and unverified balance of P767,755.37

7.10 Further review of the schedule of the Due to NGAs disclosed that some subsidiary ledger accounts had abnormal/negative and unverified balances as at December 31, 2023 amounting to P2,194,684.97 and P767,755.37, respectively, viz:

Campus	Description	Amount
Andrews	Butil Scholarship	P 21,000.00
	CHED RO2-Kabayan Partylist/Cong. Harry Roque	6,000.00
	Nasal Carriage and Characterization of Methicilin	63,380.49
	The Effectivity of Theobroma Cacao L. Seed	83,389.88
	Status and Performance of the Disease Surveillance System in the LGU of Cagayan RO2	0.03
	Variety Trials Organic Vegetable	9,398.63

Campus	Description	Amount
	Impact: Technology Transfer of Commercialization	2,000,000.00
Aparri	Compliance of Licensed Health Facilities in Cagayan Valley to DOH Regulatory Standards and Requirements	3,971.49
Gonzaga	DA ACEF	155.00
	NIPA	7,389.45
	TOTAL	P2,194,684.97

- 7.11 It was disclosed that a substantial amount of the afore-listed negative balances was due to erroneous posting and/or improper categorization of subsidiary ledger of a project, to wit:

SL Code	Description	Amount
20201050-00-07-13	Impact: Establishment for the Tech-Transfer Commercialization Mgt System of CSU	P2,000,000.00
20201050-00-14-03	Impact: Technology Transfer of Commercialization	(2,000,000.00)

- 7.12 The existence of negative balances, irrespective of amount, is indicative of improper recording of transactions in the e-NGAS which, if undiscovered, will remain unadjusted in the books of the University.

- 7.13 The Subsidiary Ledger of Sanchez Mira Campus also includes balances that are still for verification as at year-end amounting to P767,755.37. The summary is shown below:

Description	Balance
CHED	P 1,376.00
COMGUILD	41,800.00
DA-ACEF	76,146.50
DA-BAR	106,296.27
DAR -PARO	1,489.00
DMMMSU	856.35
DOST	205,683.68
FITS	3,009.84
NEDA	79,255.40
OTHERS	248,562.33
PGA	3,280.00
TOTAL	P 767,755.37

- 7.14 It was informed that afore-listed balances were already in the books of accounts when the Accountant assumed office and there are no available records or sufficient documents to support the same.
- 7.15 The foregoing audit observations had been brought to the attention of Management in the previous years and continued to occur in the current year, hence, it is reiterated herein.
- 7.16 The non-reconciliation of balances with the SAs and the existence of abnormal/negative and unverified balances are not in keeping with Section 111 of PD No. 1445, thus, rendered the account balances unreliable.
- 7.17 **We recommended that the Management:**
- 7.17.1 **Direct the University/Campus Accountants to undertake reconciliation of all funds received with the Source Agency Accountants to determine the amount still due for liquidation;**
 - 7.17.2 **Evaluate the inactive/dormant projects included in the Due to NGAs account. Should the funds be established to be no longer needed, it should be remitted to the source agencies in strict compliance with COA Circular No. 94-013.**
 - 7.17.3 **Direct the University/Campus Accountants to conduct regular monitoring and reconciliation of projects to avoid accumulation of unexpended funds;**
 - 7.17.4 **Require the Accounting Section of the respective Campuses to revisit the identified negative balances and prepare the necessary adjustments;**
 - 7.17.5 **Require the Accountant of Sanchez Mira Campus to reconcile and cause the retrieval of records of the unverified beginning balances and effect necessary adjustment, if warranted; and**
 - 7.17.6 **Henceforth, strictly adhere to the provisions of COA Circular No. 94-013, particularly in the proper accounting and reporting of fund transfers.**
- 7.18 Management commented that the unreconciled balances are caused by timing differences in the recording of disbursements and will be eliminated upon reconciliation of balances with the concerned source agencies. Further, they

committed to look into the balances and prepare reconciliations and adjustments as necessary.

Non-reconciliation of balances of fund transfers between the University and CHED Regional Office No. II

- 8. The reliability and accuracy of Due to NGAs account as at December 31, 2023 cannot be relied upon due to unaccounted/unreconciled balances of fund transfers between the University's books and that of the CHED Regional Office No. II, relative to various scholarship programs and SAFE loan program amounting to P34.781 million and P1.273 million, respectively, contrary to Section 111 of P.D. No. 1445 and COA Circular No. 94-013.**
- 8.1 Section 111, Chapter 2 of Presidential Decree No. 1445 provides that "(1) *The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.* (2) *The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information.*"
- 8.2 COA Circular No. 94-013 dated December 13, 1994 provides the rules and regulations in the grant, utilization and liquidation of funds transferred to implementing agencies. Item 4.5 states that a separate subsidiary record for each account shall be maintained by the implementing agency whether or not a separate bank account is opened.
- 8.3 Section 7.1 of UNIFAST Memorandum Circular No. 1 series of 2022 states that the SUCs shall prepare and submit to CHED Regional Offices liquidation reports and other required documents as enumerated therein within 90 days after the end of 2nd semester of the academic calendar.
- 8.4 The account Due to NGAs represents balances of funds received by the University from various agencies, among others, the Commission on Higher Education Regional Office No. II (CHEDRO II) for the implementation of various Student Financial Assistance Programs (StuFAPS) which include Scholarships, Grant In Aid (Tulong Dunong), Tertiary Education Subsidy, Sugarcane Industry Development Act (SIDA), Medical Scholarship Return Service (MSRS), and Agricultural Competitiveness Enhancement Fund – Grant In Aid in Higher Education Program (ACEF-GIAHEP).

On Various Scholarship Programs

- 8.5 Comparison of balances between the subsidiary ledgers maintained by the University and the replies of Campus Accountants to CHEDRO II Auditor's

confirmation letters on fund transfers showed a discrepancy of P34,780,836.41 as at year end. The summary is shown below:

Campus	Per CHED ROI	Per University books	Discrepancy
Andrews	P 22,102,170.00	P 8,949,610.09	P 13,152,559.91
Calayan	705,000.00	-	705,000.00
Aparri	310,380.00	90,770.00	219,610.00
Carig	19,111,677.50	1,566,363.50	17,545,314.00
Gonzaga	1,559,823.50	1,213,778.50	346,045.00
Lallo	1,033,370.00	41,195.00	992,175.00
Lasam	84,317.50	26,055.00	58,262.50
Piat	1,161,335.00	2,690.00	1,158,645.00
Sanchez Mira	657,225.00	54,000.00	603,225.00
Total:	P 46,725,298.50	P 11,944,462.09	P 34,780,836.41

- 8.6 Review of the records and/or supporting ledgers/documents including interview with the Accountants and Personnel-in-Charge disclosed the following observations:

Balance of Fund Transfers outstanding per CHED but liquidated per CSU books

- 8.7 Fund transfers totaling P12,301,162.50 representing various CHED scholarship programs were disbursed and released to grantees during the year. However, per confirmation letter, such transfers were still outstanding in the books of CHED due to late and non-submission of liquidation documents by the University, as follows:

Campus	Program	Amount
Aparri	TDP-TES	P 209,595.00
Carig	TES	1,125,000.00
	MSRS	6,516,940.00
	ACEF	1,782,000.00
Gonzaga	TDP-TES	142,602.50
	ACEF	135,155.00
Lallo	TDP-TES	392,175.00
	TES	303,000.00
	ACEF	297,000.00
Lasam	STUFAPS	30,000.00
	TES	5,200.00
Piat	TDP-TES	815,175.00
	SIDA	5,810.00
	ACEF	337,660.00
Sanchez Mira	TDP-TES	203,850.00
Total		P 12,301,162.50

Fund transfers recorded in the books of CHED but were not reported/recorded in the University books.

8.8 Analysis of the balances showed that fund transfers from CHED to the University in the amount of P3,153,787.50 were not reported/recorded in the books of the University.

8.9 Interview with the concerned Accountants and review of University records revealed that the discrepancies were due to the following:

8.9.1 Fund transfers totaling P705,000.00 granted by CHED in the years 2015 to 2016 to Calayan Campus were not recorded in the books of the University due to the absence of records and/or any supporting documents to substantiate the amount;

8.9.2 Fund transfers in the amount of P1,953,000.00 were not recorded in the books of Carig Campus. Details are presented below:

1	Student Assistance Fund for Education (SAFE) Scholarships granted on July 22, 2008 and December 28, 2009	P1,806,000.00.
2	Unrecorded fund transfers on: December 22, 2020 June 28, 2021	51,000.00 96,000.00
	Total	P1,953,000.00

8.9.3 There were unrecorded fund transfers dated September 21, 2023 and December 27, 2023 as payment for operational costs for SIDA program amounting to P5,062.50;

8.9.4 There were unrecorded fund transfers under TDP-TES program amounting to P68,287.50 and P23,062.50 in the books of Gonzaga and Lasam Campuses, respectively; and

8.9.5 Fund transfers in December 2023 of P75,375.00 and P324,000.00 under TDP-TES and ACEF-GIAHEP programs, respectively, were not recorded in the books of Sanchez Mira Campus. According to the Accountant, said transfers were not booked up due to absence of supporting documents such as payroll of grantees from CHED.

Other unreconciled discrepancies totaling P19,325,286.41

- 8.10 Comparison of schedules/subsidiary ledgers of the University and CHEDRO II balances as at year-end disclosed unreconciled amounts on various scholarship programs, as follows:

Campus	Program	Balance per CHED RO II	Balance per University books	Discrepancy
Andrews	STUFAPS	P11,753,560.00	P 4,924,140.00	P 6,829,420.00
	TDP-TES	3,899,362.50	3,558,887.50	340,475.00
	TES	1,701,685.00	436,582.59	1,265,102.41
	SIDA	687.50	-	687.50
	FUND 03/STUFAPS	4,746,875.00	30,000.00	4,716,875.00
	Subtotal:	P22,102,170.00	P 8,949,610.09	P13,152,559.91
Aparri	TES	41,535.00	32,120.00	9,415.00
	Subtotal:	P 41,535.00	32,120.00	P 9,415.00
Carig	TDP-TES	6,546,487.50	354,676.00	6,191,811.50
	STUFAPS	-	28,500.00	(28,500.00)
	Subtotal:	P 6,546,487.50	383,176.00	P 6,163,311.50
Grand Total:		P28,690,192.50	P 9,364,906.09	P19,325,286.41

**On Student Assistance Fund for Education for Loan (SAFE Loan)
Program**

- 8.11 CHED Memorandum Order No. 25, series of 2008 provides that SAFE loan program is an interest-free student loan program that caters to the financially needy students who are enrolled in CHED priority courses.
- 8.12 The Audit Team noted the following discrepancies on balances pertaining to the program, viz:

Campus	Per CHED ROII	Per University books	Discrepancy
Carig	P 1,214,500.00	P -	P 1,214,500.00
Aparri	16,500.00	-	16,500.00
Gonzaga	25,500.00	3,500.00	22,000.00
Lasam	9,000.00	-	9,000.00
Piat	12,000.00	12,000.00	-
Sanchez Mira	10,500.00	-	10,500.00
Subtotal:	P 1,288,000.00	P 15,500.00	P 1,272,500.00

- 8.13 Inquiry with the Campus Accountants revealed that the discrepancies listed above are due to the following:

- 8.13.1 The total fund transfers of P1,214,500.00 in 2008 was not recorded in the books of Carig Campus because the Accounting Office claimed that such was recorded in CSU Central Office books. However, verification of records in the books of Andrews Campus disclosed that there was no

balance relating thereto due to absence and/or inadequate documents;
and

- 8.13.2 There were no recorded balances of SAFE Loan in the books of Aparri, Gonzaga, Lasam, Piat, and Sanchez Mira Campuses due to absence and/or inadequate records/documents to substantiate the same.
- 8.14 The non-reconciliation of balances and the absence of supporting documents cast doubt on the accuracy and validity of the reported balance of Due to NGAs account as at year-end.
- 8.15 We recommended and Management agreed to:
 - 8.15.1 Direct the University/Campus Accountants to conduct reconciliation of records to ascertain causes of variances, effect adjustments to recognize unrecorded fund transfers, if necessary, and determine the amount still due for liquidation, if any; and
 - 8.15.2 Exert extra efforts to locate the liquidation reports and/or supporting documents on SAFE loan program and submit the same to CHED ROII for proper liquidation. Should the transferred funds be proven to be no longer needed, it should be remitted to the source agency as required under existing rules and regulations.

B. Compliance Audit

Non-preparation of complete set of ledgers and financial statements for Internally Generated Projects

- 9. The complete set of ledgers and financial statements for each Internally Generated Project (IGP) was not prepared contrary to Chapter III, Part I, paragraph F of the University's IGP Manual of Operations. Moreover, it was noted that there were no Board of Regents (BOR) approved Manuals of Operations for CSU Hotel at CSU Andrews, Eco Tourism Park at CSU Piat, and Printing and Photography at CSU Carig.

Non-preparation of complete set of ledgers and non-submission of Financial Statements

- 9.1 Chapter III, Part I, Paragraph F of the University's IGP Manual of Operations requires that:

"F. Recording

1. All financial transactions shall be recorded and accounted by the Campus Bookkeeper and/or Accountant. He/She shall maintain a separate book of accounts for each project and submit a set of Monthly Financial Reports every 5th day of the succeeding month to the following offices:

Copy 1 – Office of the President thru University Business Director

Copy 2 – File Copy

Copy 3 – Office of the Finance Director

Note: In addition to the copy of the Monthly Financial Reports to be submitted to the Office of Finance Director are other reports and documents in compliance with the reportorial requirements prescribed by the Commission on Audit.

2. The Monthly Financial Reports referred to in the preceding item shall comprise the following:

From the Campus Accounting Office:

- Income Statement – CSU IGP Report 1
- Statement of Financial Position
- Cash Flow Statement – CSU IGP Report 2
- Trial Balance

From the Campus Cashier's Office:

- Report of Collection – CSU IGP Report 4
- Report of Checks Issued – CSU IGP Report 5

From the Project Manager:

- Monthly Inventory Reports
- Sales Report (Summary of Delivery Slips Issued) or Loan Releases
- Delivered Purchases
- Schedule of Accounts Receivable
- Schedule of Accounts Payables
- Other as may be required by this manual."

- 9.2 In the course of evaluation, it was discovered that except for CSU Gonzaga, other Campus Accountants did not prepare the complete set of financial statements and ledgers for each IGP. The Campus Accountants only maintain a separate subsidiary ledgers of their respective campus IGPs for purposes of monitoring and tracking of expenses, and of arriving at a Net Income.

- 9.3 Inquiry with the Campus Accountants revealed that, as early as mid-2023, the Internal Audit Service Department of the University had already instructed

them to prepare a separate financial statement for each IGP, however, other Campus Accountants find it difficult to comply for lack of manpower. According to them, they have already raised this concern to the Management but such issue was not yet addressed.

- 9.4 While the Accounting Unit of each Campus prepares financial statements for Business Related Funds (Fund 06) and maintains separate subsidiary ledgers for each project, these are not considered full compliance with the foregoing requirements, which provide that a separate books of accounts and financial statements for each IGP must be maintained.

No BOR Approved Manual of Operations

- 9.5 Section 123 of PD 1445 provides the definition of internal control. It states that: *"Internal control is the plan of organization and all the coordinate methods and measures adopted within an organization or agency to safeguard its assets, check the accuracy and reliability of its accounting data, and encourage adherence to prescribed managerial policies."*
- 9.6 Moreover, Section 124 of the same Decree provides that: *"It shall be the direct responsibility of the agency head to install, implement, and monitor a sound system of internal control."*
- 9.7 Throughout the years, the University was able to establish different IGPs that were able to augment the University's resources for its operations. Moreover, these IGPs also played a crucial part in the enhancement of student skills by providing avenues for practical learning. In line with the establishment of Internally Generated Projects, an IGP manual of operations was crafted and approved by the Board of Regents in CY 2013. Pursuant to said manual, the University's established IGPs are the following:

Agriculture	Merchandise Business	Services
Large Animals, Small Ruminants and Piggery	Uniforms and Books	Stall/Space Rentals
Poultry	Consignment	Rentals of Facilities
Fishery and Agriculture	Grocery Business	Loans
Crops	Sale of Appliances and Other Items	Concession

- 9.8 Perusal of the current Manual of Operations also revealed that separate guidelines were provided for each project. However, based on the list of IGPs submitted to the Audit Team, there were new projects that were not covered by the existing Manual, and these are the following:

A CSU Hotel at CSU Andrews

- B. Eco Tourism Park at CSU Piat
- C. Printing and Photography at CSU Carig

- 9.9 Nevertheless, despite the absence of specific provisions for the aforementioned projects in the existing Manual of Operations, the Audit Team, upon inquiry, was informed that for both CSU Hotel at CSU Andrews and Printing and Photography at CSU Carig, draft manuals of operations were already prepared and are subject for approval by the Board of Regents. As for the Eco Tourism Park at CSU Piat, the Campus is using the current IGP Manual of Operations as its guide.
- 9.10 The absence of approved Manual of Operations that provides uniform procedures in an entrepreneurial program on income generation, organization and management, operations, records and recording system, and financial management denotes weakness in the University's internal control that may hamper the respective IGPs operations.
- 9.11 **We recommended that the Management:**
- 9.11.1 **Require the Campus Accountants to maintain a separate book of accounts for each project and submit a set of Monthly Financial Reports as required by Chapter III-Part I, paragraph F of the University's Internally Generated Projects Manual of Operations; and**
 - 9.11.2 **Consider updating the existing University Internally Generated Manual of Operations to include the existing IGPs that were not covered by the current manual and have them approved by the Board of Regents.**
- 9.12 Management commented that they are in the process of revising the University's IGP Manual of Operations. They also informed that, in the revised manual, maintaining a separate book of accounts for each project is no longer required. Rather, the new Manual will require the preparation of separate subsidiary ledgers and statement of financial performance showing the net income for each project.

Technical Defects in Infrastructure Projects

10. **Technical inspection and evaluation of two (2) infrastructure projects of Carig Campus disclosed several deficiencies and irregularities resulting in overpayment to the contractor totaling P0.156 million.**

- 10.1 Section 2 of Presidential Decree No. 1445 states that *"It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned."*
- 10.2 Section 62.2.3.2 of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) states that the warranty against Structural Defects and Failures for concrete/asphalt roads is five (5) years from final acceptance of the project.
- 10.3 The Audit Team requested for the technical inspection and evaluation of the following projects at Carig Campus, viz:
- 10.3.1 Repair and Rehabilitation Works of Campus Library and Museum Building Caused by STY Lawin Aggravated by STY Ompong
- 10.3.2 Road Construction and Development from CHK to CVM Building and Portion along Palm Avenue
- 10.4 Inspection of both projects and evaluation of contracts disclosed the following:
- 10.5 On Repair and Rehabilitation Works of Campus Library and Museum Building Caused by STY Lawin Aggravated by STY Ompong:
- 10.5.1 There was an overpayment of P96,043.85 made to the contractor due to lesser number of sheets installed. The actual corrugation lapping of the roofing sheet installed was only 1 1/2" (1.05m effective width) instead of the programmed 2 1/2" corrugation (0.9m effective width).
- 10.5.2 The Notice to Proceed dated May 19, 2020 was issued beyond the prescribed period of seven (7) calendar days from the date of the approval of the contract, which in this case is March 5, 2020.
- 10.5.3 The date of receipt of the Notice to Proceed by the contractor (May 9, 2020) was earlier than the date of the issued Notice to Proceed (May 19, 2020).
- 10.5.4 The supposed lapping of 2 1/2" corrugation was not followed. Instead, only 1 1/2" corrugation was implemented. This is one of the possible reasons of the leaks that occur every time the rain pours. Aside from this, it was also found that some setscrews were slanted and silicon was used as sealant instead of vulcaseal.

10.6 On Road Construction and Development from CHK to CVM Building and Portion along Palm Avenue

10.6.1 The actual volume measured is only 416.2 cu.m. which fall short of the programmed volume of 419 cu.m. by 2.8 cu.m. Hence, a deficiency amounting to P13,782.19 (2.8 cu.m. x P4,922.21/cu.m.).

10.6.2 Severe scaling and multiple cracks were noted. The contractor should undertake the repair works at his own expense pursuant to Section 62.2.2.1 of R.A. 9184, from Sta. 0+055.7 to 0+062.5 (Severe Scaling R/S) and from Sta. 0+069.55 to 0+074.05 (Multiple Cracks R/S). The repair works should be done through R&R (Remove and Replace), otherwise the amount of P33,471.03 and P13,289.97, respectively, become deficiencies.

10.6.3 The contract incurred a delay of 27 days subject to liquidated damages. The issued/approved time extension of 20 days dated October 1, 2022 was not considered because the date is beyond the revised contract duration and the contract already expired on September 4, 2022, computed as follows:

A. Contract Duration

Original Contract Duration (120 CDs) March 23 2022 to July 20, 2022

Approved Time Extensions:

1. May 27, 2022 (21 CDs) July 21 to August 10, 2022

2. August 19, 2022 (25 CDs) August 11, 2022 to September 4, 2022

Revised contract duration (166 CDs) March 23, 2022 to September 4, 2022

B. Completion Date

October 1, 2022

C. Number of Days Delayed (120 CDs) March 23 2022 to July 20, 2022

10.6.4 The amount of liquidated damages could not be determined as of report date pending submission by the Campus Infrastructure Office of the SWA as of September 4, 2022.

10.7 We recommended that the Management:

10.7.1 On Repair and Rehabilitation Works of Campus Library and Museum Building Caused by STY Lawin Aggravated by STY Ompong

10.7.1.1 Require the contractor to repair the leaking roofs or refund the cost deficiency totaling P96,043.85; and

10.9.2 On Road Construction and Development from CHK to CVM Building and Portion along Palm Avenue

10.9.2.1 Management replied that they will forward a letter to the contractor requiring him to facilitate the necessary repairs of road structural defects and deficiency and/or refund the cost deficiency amounting to P60,543.19 plus the amount of computed liquidated damages. The Statement of Work accomplished as of September 4, 2022 was submitted on April 4, 2024.

Non-termination of contracts of delayed and abandoned infrastructure projects

11. The implementation of seven (7) infrastructure projects with a total cost of P83.870 million, was significantly delayed, thus, depriving the University of the timely use of the projects. Moreover, two (2) infrastructure projects totaling P31.559 million were abandoned by the contractors warranting the termination of the contracts and the imposition of appropriate sanctions in accordance with Annexes "E" and "T" of the 2016 Revised IRR of R.A No. 9184.

11.1 The timely completion of infrastructure projects is one of the foremost considerations of the government in entering into a contract so that the intended benefits derived therefrom may be enjoyed by the beneficiaries. As such, the contracting parties are bound to adhere faithfully to the agreed terms and conditions of the contract.

11.2 Pertinent provisions of the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) 9184 provide that:

"Section 17.6 - No bidding and award of contract for Infrastructure Projects shall be made unless the detailed engineering investigations, surveys and designs, for the project have been sufficiently carried out and duly approved in accordance with the standards and specifications prescribed by the HoPE concerned or his duly authorized representative, pursuant to the recommendation of the end-user or implementing unit and in accordance with the provisions of Annex "A" of this IRR."

11.3 Item 9.1 Annex "E"- Once the contract duration expires, including any time extension duly granted, and the contractor refuses or fails to satisfactorily complete the work, the Procuring Entity shall impose upon the contractor in default liquidated damages. Liquidated damage is an amount equal to at least one tenth (1/10) of one (1) percent of the cost of the unperformed portion of the works for every day of delay

- 11.4 Item 9.4 Annex "E" - In case the total sum of liquidated damages reaches ten percent (10%) of the total contract price, the Procuring Entity has the following options:

"9.4.1 Terminate the contract pursuant to the Guidelines on Termination of Contract and forfeit the erring contractor's performance security. After termination, the Procuring Entity may either (i) take over the contract; or (ii) resort to any of other alternative methods of procurement provided under R.A. No. 9184 and its 2016 revised rules and regulations; or

9.4.2 Allow the contractor to continue the works without prejudice to the continued imposition of liquidated damages until the works have been completed. This does not, however, preclude the Procuring Entity in resorting to Termination of Contract under Annex I of the 2016 revised IRR of RA No. 9184."

- 11.5 Section A.2, Item III of Annex "I" of the same RIRR also provides that:

"The Procuring Entity shall terminate a contract for default when any of the following conditions attend its implementation:

x x x

c. The Contractor (i) abandons the contract works, refuses or fails to comply with a valid instruction of the Procuring Entity or fails to proceed expeditiously and without delay despite a written notice by the Procuring Entity; xxx"

- 11.6 Review of the submitted Report on Government Projects/Programs/Activities (GPPA) as at December 31, 2023, disclosed that seven (7) on-going projects of the University, with a total contract cost of P83,870,480.68, were not completed within the specific contract time or target completion dates, thus, depriving the University of the timely use of these projects. Details are presented below:

Project/Program/Activity Name	Location	Total Cost	Date Started	Target Completion Date	% of Completion as of December 31, 2023
Construction of 4-Storey Academic Building (Phase 1)	CSU-Andrews, Tuguegarao City	P28,832,237.61	June 14, 2021	May 25, 2023	94.00%

Project/Program/Activity Name	Location	Total Cost	Date Started	Target Completion Date	% of Completion as of December 31, 2023
Repair and Rehabilitation Works of CMS New Building Caused by STY Lawin aggravated by STY Ompong	CSU-Carig, Tuguegarao City	1,960,898.17	July 7, 2020	March 19, 2021	85.02%
Construction of College of Medicine Laboratory Building Phase 1: Lot 2-Precast	CSU-Carig, Tuguegarao City	7,038,647.48	February 9, 2022	May 23, 2023	45.00%
Construction of College of Medicine Laboratory Building Phase 1: Construction of Elevated Water Tank & Perimeter Fence	CSU-Carig, Tuguegarao City	5,841,815.10	December 16, 2022	September 10, 2023	45.00%
Construction of College of Medicine Laboratory Building Phase 2 Lot 3: Powerhouse and Transformer Pad (Establishment and/or Support to College of Medicine)	CSU-Carig, Tuguegarao City	8,398,479.72	March 10, 2023	September 23, 2023	34.00%
Construction of College of Medicine Laboratory Building Phase 2 Lot 2: Precast Moulding	CSU-Carig, Tuguegarao City	2,200,000.00	March 14, 2023	July 12, 2023	0%
Construction Two-Storey Academic and Laboratory Building	CSU-Lasam, Lasam, Cagayan	29,598,402.60	June 2, 2019	June 7, 2021	65.03%

Project/Program/Activity Name	Location	Total Cost	Date Started	Target Completion Date	% of Completion as of December 31, 2023
Total		P83,870,480.68			

- 11.7 Based on the submitted information by management, the following were identified as cause/s of delay in the implementation of the projects, viz:

No.	Project/Program/Activity Name	Reasons for Delay
1	Construction of 4-Storey Academic Building (Phase 1)	The Contractor is still conducting corrective works.
2	Repair and Rehabilitation Works of CMS New Building Caused by STY Lawin aggravated by STY Ompong	The contractor abandoned this project. However, as of report date, no notice of termination was forwarded by Management to the contractor.
3	Construction of College of Medicine Laboratory Building Phase 1: Lot 2-Precast	This project was awarded to the contractor while the Construction of College of Medicine Laboratory Building Phase 1: Lot 1-Building is still on-going. The contractor for the project (Lot 2) requested that works be suspended while waiting for the completion of Lot 1 which is scheduled to be completed on April 20, 2024.
4	Construction of College of Medicine Laboratory Building Phase 1: Construction of Elevated Water Tank & Perimeter Fence	Management encountered a problem with the NGCP regarding construction of projects near electric poles with high tension wires.
5	Construction of College of Medicine Laboratory Building Phase 2 Lot 3: Powerhouse and Transformer Pad (Establishment and/or Support to College of Medicine)	Consultation with the electrical utility company was not made by management during the planning stage of the project so as to determine the specific safe distances for construction near a high voltage area. The contractor requested for contract suspension in order to ensure the safety of workers.
6	Construction of College Medicine Laboratory Building Phase 2 Lot 2: Precast Molding	This project was awarded to the contractor while the <i>Construction of College of Medicine Laboratory Building Phase 2 Lot 1: Building and Ground Improvements</i> is still on-going.

No.	Project/Program/Activity Name	Reasons for Delay
		Work is suspended until the completion of Lot 1 (Building) project.
7	Construction of Two-Storey Academic and Laboratory Building	This project was already abandoned by the contractor. No warning was given by Management at the time the contract incurred negative slippages. Inquiry revealed that Management is now in the process of finalizing the order of termination to be sent out to the contractor.

11.8 It can be inferred from the foregoing information that the causes of delay reflect the inadequacy of planning, supervision, and monitoring of management relative to project implementation. Notwithstanding the aforementioned reasons/causes, the intended beneficiaries were deprived of their immediate use.

11.9 We recommended and Management agreed to:

11.9.1 Adhere strictly to the provisions of Section 17.6 of RA No. 9184 that no bidding and awarding of contract for infrastructure projects are made unless detailed engineering investigations, surveys and designs are duly complied with and approved to ensure that all contracts are efficiently carried out to avoid delays in the implementation of the projects;

11.9.2 Strictly impose liquidated damages to the defaulting contractor and terminate or rescind contracts of projects with negative slippages of more than 10 percent resulting from the contractor's fault or negligence; and

11.9.3 Initiate the termination of the contract on Construction of Two-Storey Academic and Laboratory Building and Repair and Rehabilitation Works of CMS New Building Caused by STY Lawin aggravated by STY Ompong, forfeiture of the contractor's performance security, takeover the contract or resort to any of other alternative methods of procurement provided under RA No. 9184 and its 2016 Revised Rules and Regulations. Institute also blacklisting processes against the erring contractor.

Payment of Collective Negotiation Agreement (CNA) Incentives

12. Payment of Collective Negotiation Agreement (CNA) Incentives for CY 2023 totaling P31.622 million was not supported with the necessary documents to

establish the validity thereof, contrary to Section 81 of Republic Act (RA) 11936 and DBM Budget Circular No. 2023-001.

12.1 Section 4 of PD 1445 provides the fundamental principles that govern the financial transactions and operations of any government agency, among others:

“xxx

(6) *Claims against government funds shall be supported with complete documentation.*

(7) *All laws and regulations applicable to financial transactions shall be faithfully adhered to.”*

12.2 Moreover, Section 81 of the General Provisions of RA 11936, otherwise known as the General Appropriations Act (GAA) for FY 2023 provides the basis for the grant of CNA Incentive. It states that:

Sec. 81. Rules in the Grant of Collective Negotiation Agreement Incentive. *Departments, bureaus, and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy and SUCs may grant collective negotiation agreement (CNA) Incentive sourced from the allowable MOOE allotments identified by the DBM, subject to the following:*

(a) xxx

(b) *The one-time annual payment of CNA Incentive shall be made through a written resolution signed by agency representatives from both labor and management, and approved by the agency head; (emphasis supplied)*

xxx

12.3 Accordingly, DBM Budget Circular No. 2023-001 dated November 10, 2023 was issued to provide policy and procedural guidelines on the grant of CNA Incentive for FY 2023, pursuant to the laws and executive issuances. Section 4.1.1 thereof states that:

(a) *There should be a valid and subsisting CNA executed between the representatives of the management and the employees' organization accredited by the CSC as the sole and exclusive negotiating agent for the purpose of collective negotiations with the management of a department, line bureau, attached agency, Constitutional Office, suc, GOCC, LWD, or LGU.*

In accordance with PSLMC Resolution No. 9, s. 2023, the registration by the employees' organization of its CNA with the CSC shall be a condition precedent for the grant of the CNA Incentive. For this purpose, a Certificate of Registration shall be secured from the CSC. (underscoring supplied)

xxx

12.4 Moreover, Item 5.16 of COA Circular No. 2012-001 provides the documentary requirements for the claim of CNA Incentives, as follows:

- (a) Resolution signed by both parties incorporating the guidelines/criteria for granting CNA Incentive
- (b) Comparative statement of DBM approved level of operating expenses and actual operating expenses
- (c) xxx
- (d) Copy of CNA
- (e) Certificate issued by Head of the Agency on the total amount of unencumbered savings generated from cost-cutting measures identified in the CNA which resulted from the joint efforts of labor and management and system/productivity/income improvement
Proof of planned programs/activities/projects have been implemented and completed in accordance with targets for the year.

12.5 Post-audit of the submitted payroll vouchers revealed that CNA incentives totaling P31,622,113.64 was granted to employees without the necessary supporting documents to establish the validity of the claim. The only documents attached were General Payroll, Obligation Request and Status, copy of CNA, and guidelines for the grant of collective negotiation agreement incentive for FY 2023. Details of the claims are as follows:

Campus	Date	ADA/Check no.	DV no.	Amount
Andrews	12/14/2023	2023-12-0640-2	2023-12-0640-2	P5,570,118.48
	12/14/2023	2023-12-0640-4	2023-12-1714	270,000.00
	12/14/2023	2023-12-0640-6	2023-12-1723	3,840,872.04
	12/15/2023	2023-12-0641-2	2023-12-1716	2,856,626.79
	12/15/2023	2023-12-0641-3	2023-12-1720	2,158,204.97
	12/15/2023	2023-12-0642	2023-12-1718	8,291,926.43
	12/19/2023	2023-12-0644-4	2023-12-1727	1,983,983.86
	12/19/2023	2023-12-0644-8	2023-12-1734	1,208,000.00
	12/19/2023	2023-12-0644-10	2023-12-1731	3,011,640.20
	12/19/2023	2023-12-0645-1	2023-12-1735	2,283,139.67
	12/22/2023	2023-12-0660-2	2023-12-1766	60,000.00
Carig	12/21/2023	87689167	012023-12-1127	30,000.00
	12/21/2023	87689168	012023-12-1128	27,601.20
Aparri	12/21/2023	86900912	2023-12-594	30,000.00
TOTAL				P 31,622,113.64

- 12.6 It was noted that the guidelines for the grant of CNA attached in the submitted vouchers was not in the form of resolution signed by agency representatives from both labor and management as required by Section 81 of R.A. 11936.
- 12.7 It was further noted that, despite the submission of the copy of CNA, such was not supported by a Certificate of Registration of CNA issued by the Civil Service Commission (CSC), which is a condition precedent for the grant of CNA as stated in Section 4.1.1(a) of DBM Budget Circular No. 2023-01 series of 2023.
- 12.8 Due to the absence of the required documentary requirements such as: (a) Resolution signed by both parties incorporating the guidelines/criteria for granting CNA Incentive; (b) Comparative statement of DBM approved level of operating expenses and actual operating expenses; (c) Certificate issued by Head of the Agency on the total amount of unencumbered savings generated from cost-cutting measures identified in the CNA which resulted from the joint efforts of labor and management and system/productivity/income improvement; (d) Proof of planned programs/activities/projects have been implemented and completed in accordance with targets for the year; and (e) Certificate of Registration of CNA issued by CSC to support the grant of CNA Incentives, the compliance of management to all policy guidelines laid down by pertinent rules, laws and circulars could not be verified, hence, the validity and legality of said incentive cannot be established and, thus, could be disallowed in audit.
- 12.9 We recommended that the Management submit the lacking supporting documents as required in Section 5.16 of COA Circular No. 2012-001, Section 81 of RA No. 11936, and DBM Budget Circular No. 2023-001.
- 12.10 Henceforth, Management shall ensure that payments of CNA Incentive are supported with complete documentation in compliance with Section 4(6) of PD 1445.
- 12.11 Management submitted the following documents on April 8, 2024, as partial compliance with the documentary requirements, which shall be evaluated by the Audit Team, viz:
- 12.11.1 Certification of the physical accomplishment rate as of September 30, 2023;
 - 12.11.2 Certification of savings allowable for CNA Incentives; and
 - 12.11.3 Report on Payment of CNA Incentives

Payment of Representation and Transportation Allowances (RATA)

13. Representation and Transportation Allowances (RATA) amounting to P2.796 million were granted to the University officials who are not entitled thereof, contrary to Section 64 of the General Provisions of the General Appropriations Act for Fiscal Year 2023, DBM National Budget Circular (NBC) No. 404 and 548, and Chapter 7 of DBM Circular Letter No. 2007-6, resulting in the incurrence of irregular expenditures. Moreover, payment of RATA amounting to P3.895 million and P29,986 was sourced from the Special Trust Fund and Business Related Fund of the University, respectively, contrary to Section 4(d) of Republic Act (RA) No. 8292.

13.1 Section 64 of the General Provisions of RA No. 11936 provides that:

"Government officials with the following ranks and their equivalent, as determined by the DBM or by the GCG for GOCC/GFIs covered by RA No. 10149, while in the actual performance of their respective functions, are hereby authorized monthly commutable representation and transportation allowances, at rates indicated below, for each type of allowance:

- (a) P14,000 for Department Secretaries;*
- (b) P11,000 for Department Undersecretaries;*
- (c) P10,000 for Department Assistant Secretaries;*
- (d) P9,000 for Bureau Directors and Department Regional Directors;*
- (e) P8,500 for Assistant Bureau Directors, Department Assistant Regional Directors, Bureau Regional Directors, and Department Service Chiefs;*
- (f) P7,500 for Assistant Bureau Regional Directors; and*
- (g) P5,000 for Chief of Divisions, identified as such in the Personnel Services Itemization and Plantilla of Personnel.*

The grant of representation and transportation allowances, shall be subject to the following:

(a) xxx

(d) The pertinent provisions of N.B.C No. 548 and Local Budget Circular No. 103, both dated May 15, 2013, and such other guidelines issued by the DBM." (emphasis supplied)

13.2 The entitlement of SUC officials to RATA is governed by DBM NBC No. 404 dated March 29, 1989. It states, among others, the following:

4.0 General Guidelines

The following personnel/officials of state universities and colleges are hereby entitled to receive the monthly commutable transportation and representation allowances equivalent to chiefs of divisions:

- 4.1 Designated head of an approved Research Functions reflected in the GAA, provided the amount appropriated for the function should at least be P500,000.00. In case there is no authorized Research Function in the GAA, designated head of research projects, provided the SUC has at least 10 research projects with a total cost of P500,000.00 per annum;*
- 4.2 Designated head of authorized Extension Service Function in the GAA provided the amount appropriated for the same should at least be P500,000.00. In case there is no authorized Extension services, provided the SUC has at least 10 extension services projects with a total cost of P500,000.00 per annum.*
- 4.3 Designated head of Auxiliary Services Function authorized in the GAA, provided the SUC has a yearly income from its operations of at least Sixty Thousand Pesos P60,000.00 and at least seven (7) personnel involved in these income-generating projects.*
- 4.4 Designated head of each satellite campus branch center/institute, duly mandated by law, provided each campus/branch/center/institute has a complete administrative support staff, i.e., at least a budget officer, an accountant/bookkeeper, an administrative officer/administrative assistant, a supply officer/property custodian, a cashier/disbursing officer, and security guards and at least 1,000 students in the tertiary level (higher, graduate, tech).*
- 4.5 Designated head of Administrative and Financial Service/s:*
 - 4.5.1 Administrative unit of a state university or a regional flagship college, provided the unit has at least seven (7) personnel occupying regular items in the PSI.*
 - 4.5.2 Financial service of a state university or a regional flagship college, provided the unit has at least seven (7) personnel occupying regular items in the PSI.*
 - 4.5.3 Administrative and Financial Services unit of a state college (other than the regional flagship) provided the unit has at least seven (7) personnel occupying regular items in the PSI*
- 4.6 Designated head of Student Affairs Services for SUCs with at least 4,000 collegiate students.*

4.7 *The designated Deans of the Graduate Program and the Highest Education Program could be equated to positions higher than chiefs of division. Department Heads (also by designation and equivalent to chiefs of divisions) may be allowed provided a SUC has different department/colleges, each one having at least four degree programs with each program differentiated from each other by 33% (the distinction of the programs to be certified to the DECS Bureau of Higher Education). "*

13.3 On the other hand, Chapter 7 of the Manual on Position Classification and Compensation (PCC) published through DBM Circular Letter No. 2007-6 dated February 19, 2007, specifically Item 7.13.2 on Representation and Transportation Allowance, reads:

"Faculty members who are designated as Vice-Presidents/Deans/Directors/ Department Heads are authorized RATA based on their rank equivalence at the rates provided in the annual General Appropriations Act (GAA).

x x x

7.13.2.2 Deans equivalent to Assistant Bureau Regional Director

7.13.2.2.1 *Designated Dean of the Graduate School with at least a Master of Arts/Master of Science Program with 15 faculty members.*

7.13.2.2.2 *Designated Deans of Colleges with at least four (4) degree programs and a teaching complement of 40 full-time faculty members.*

In case the SUC cannot meet the minimum number of programs required, it may still be entitled to a Dean, if it meets the following:

No. of Programs	No. of Full-Time Faculty Members
4	40
3	50
2	60
1	70

7.13.2.3 Directors/Department Heads equivalent to Chiefs of Division

7.13.2.3.1 *Designated Director of Research Services, xxx*

7.13.2.3.2 *Designated Director of Extension Services, xxx*

7.13.2.3.3 *Designated Director of Auxiliary Services, xxx.*

7.13.2.3.4 *Designated Director of each satellite campus/branch/center/ institute, xxx*

7.13.2.3.5 *Designated Director of Student Affairs Services
xxx*

7.13.2.3.6 *Designated Department Heads of different departments/ colleges, xxx" (emphasis supplied)*

- 13.4 During the year, the Cagayan State University granted RATA to University and Campus designated officials in the total amount of P5,450,657.45, as shown below:

Fund Source	Amount
Fund 01 – General Fund	P 1,525,249.00
Fund 05 – Special trust Fund	3,895,422.45
Fund 06 – Business Related Fund	29,896.00
TOTAL	P 5,450,657.45

- 13.5 However, our verification of the propriety of the grant revealed that the amount of P4,522,518.45 was irregular as discussed below:

Grant of RATA to officials who are not entitled in the amount of P2,795,422.45

- 13.6 During the year, the University granted Representation and Transportation Allowances to designated officials who are not among those entitled to receive RATA under DBM NBC No. 404 and DBM Circular Letter No. 2007-6. This resulted in an irregular disbursement amounting to P2,795,622.45, as shown below:

Campus	Designation	Total Payments Made during the year	Remarks
FUND-01			
UNIVERSITY DESIGNATED DIRECTORS			
Andrews	Director, KTM/Coordinator International Faculty Mobilization	30,000.00	Not among the positions enumerated in DBM NBC No. 404 and Chapter 7, DBM Circular Letter No. 2007-6
CAMPUS DEANS			

Campus	Designation	Total Payments Made during the year	Remarks
Aparri	Dean, College of Teacher Education	25,000.00	Did not meet the criteria under Section 4.7 NBC No. 404 dated March 19, 1989, and Section 7.13.2.3.6 of Chapter 7, DBM Circular Letter No. 2007-6
	Dean, College of Hospitality Management	20,000.00	
	Dean, College of Business, Entrepreneurship and Accountancy	25,000.00	
	Dean, College of Fisheries and Aquatic Resources	25,000.00	
	Dean, College of Criminal Justice Education	20,000.00	
	Dean, Graduate School	15,000.00	
	Dean, College of Industrial Technology	20,000.00	
	Dean, College of Information and Computing Sciences	30,000.00	
Carig	Dean, College of Medicine	15,000.00	
Gonzaga	Dean, College of Business, Entrepreneurship and Accountancy	10,000.00	
	Dean, College of Hospitality Management	20,000.00	
	Dean, College of Information and Computing Sciences	15,000.00	
	Dean, College of Criminal Justice Education	10,000.00	
	Dean, College of Agriculture	15,000.00	
	Dean, College of Business, Entrepreneurship and Accountancy	5,000.00	
	Dean, College of Criminal Justice Education	10,000.00	
	Dean, College of Teacher Education	20,000.00	
Lal-lo	Dean, College of Agriculture	50,000.00	
	Dean, College of Teacher Education	50,000.00	
	Dean, College of Information and Computing Sciences	50,000.00	
	Dean, College of Hospitality Management	30,000.00	
	Sanchez Mira	Dean, College of Criminal Justice Education	
Dean, College of Industrial Technology		10,000.00	
Dean, College of Teacher Education		10,000.00	
Dean, Graduate School		10,000.00	
Dean, College of Business, Entrepreneurship and Accountancy		10,000.00	
Dean, College of Information and Computing Sciences		10,000.00	
Dean, College of Agriculture		10,000.00	
Dean, College of Hospitality Management		10,000.00	
Dean, College of Engineering		7,200.00	
SUB-TOTAL FUND 01		597,200.00	
FUND 05			
CAMPUS EXECUTIVE OFFICERS			
Andrews	Campus Executive Office-Andrews	50,000.00	Not entitled to RATA because their
	Campus	40,000.00	

Campus	Designation	Total Payments Made during the year	Remarks
	Campus Executive Officer-Solana Campus	100,000.00	campuses have no complete administrative staff as cited under Item 4.0 of DBM NBC No. 404 and Item 7.13.2.3.4 of Chapter 7 of the DBM Circular Letter No 2007-6. Moreover, Fund Source was in contravention with Section 13.1.1 of NBC No. 548 and Section 4(d) of RA 8292
UNIVERSITY DESIGNATED DIRECTORS			
Andrews	Director for Guidance and Counselling and Admissions	34,500.00	Not entitled to RATA, not one of the cited positions under Item 4.0 of DBM NBC No. 404 and Item 7.13.2.3 of Chapter 7 of the DBM Circular Letter No 2007-6. Moreover, Fund Source was in contravention with Section 13.1.1 of NBC No. 548 and Section 4(d) of RA 8292
	Director for Instructions	55,000.00	
	Director for Knowledge and Technological Materials	25,000.00	
	University Instructure of COVID-19 related projects Director	55,000.00	
	Director, Domestic and International Partnership and University GAD Focal Person	50,000.00	
	University Infrastructure Director	25,679.29	
	Director for Socio-Cultural Affairs	40,000.00	
	AACUP Focal Person	40,000.00	
	University Planning Officer	23,750.00	
	University Information Officer	55,000.00	
	University MIS Director	25,000.00	
	University Sports Director	10,000.00	
	Director for Alumni Relations and Placement Services	60,000.00	
CAMPUS DESIGNATED DIRECTORS			
Carig	Campus Director for Academic Affairs	45,000.00	Not entitled to RATA not one of the cited positions under Item 4.0 of DBM NBC No. 404 and Item 7.13.2.3 of Chapter 7 of the DBM Circular Letter No 2007-6. Moreover, Fund Source was in contravention with Section 13.1.1 of NBC No. 548 and Section 4(d) of RA 8292
UNIVERSITY DEANS			
Piat	University Dean, College of Criminal Justice Education	50,000.00	Did not meet the required number of programs and number of full-time faculty under Section 4.7 NBC No. 404 dated
Carig	University Dean, College of Industrial Technology	55,000.00	

Campus	Designation	Total Payments Made during the year	Remarks
			March 19, 1989, and Section 7.13.2.2.2 of Chapter 7 of the DBM Circular Letter No 2007-6. Moreover, Fund Source was in contravention with Section 13.1.1 of NBC No. 548 and Section 4(d) of RA 8292
CAMPUS DEANS (STAND-ALONE COURSES)			
Andrews	Dean, College of Law	32,910.00	Did not meet the required number of programs and number of full-time faculty under Section 4.7 NBC No. 404 dated March 19, 1989, and Section 7.13.2.2.2 of Chapter 7 of the DBM Circular Letter No 2007-6. Moreover, Fund Source was in contravention with Section 13.1.1 of NBC No. 548 and Section 4(d) of RA 8292
Carig		20,000.00	
Aparri	Dean, College of Fisheries and Aquatic Resources	35,000.00	
Carig	Dean, College of Human Kinetics	55,000.00	
	Dean, College of Medicine	35,000.00	
	Dean, College of Public Administration, Graduate School and ETEEAP Coordinator	54,183.16	
	Dean, College of Veterinary Medicine	40,000.00	
CAMPUS DEANS			
Andrews	Dean, College of Hospitality Management	55,000.00	Did not meet the required number of programs and number of full-time faculty under Section 4.7 NBC No. 404 dated March 19, 1989, and Section 7.13.2.2.2 of Chapter 7 of the DBM Circular Letter No 2007-6. Moreover, fund source was in contravention with Section 13.1.1 of NBC No. 548 and Section 4(d) of RA 8292
Aparri	Dean, College of Business, Entrepreneurship and Accountancy	35,000.00	
	Dean, College of Criminal Justice Education	40,000.00	
	Dean, College of Hospitality Management	40,000.00	
	Dean, College of Industrial Technology	40,000.00	
	Dean, College of Information and Computing Sciences	30,000.00	
	Dean, College of Teacher Education	35,000.00	
	Dean, Graduate School	45,000.00	
Gonzaga	Dean, College of Agriculture	15,000.00	
	Dean, College of Business, Entrepreneurship and Accountancy	15,000.00	
	Dean, College of Criminal Justice Education	15,000.00	
	Dean, College of Hospitality Management	15,000.00	
	Dean, College of Information and Computing Sciences	20,000.00	
	Dean, College of Teacher Education	15,000.00	
Lal-lo	Dean, College of Agriculture	10,000.00	
	Dean, College of Information and Computing Sciences	10,000.00	

Campus	Designation	Total Payments Made during the year	Remarks
Piat	Dean, College of Teacher Education	10,000.00	
	Dean, College of Hospitality Management	30,000.00	
	Dean, College of Agriculture	60,000.00	
	Dean, College of Education	60,000.00	
	Dean, College of Information and Computing Sciences	60,000.00	
Sanchez Mira	Dean, College of Agriculture	50,000.00	
	Dean, College of Business, Entrepreneurship and Accountancy	50,000.00	
	Dean, College of Criminal Justice Education	50,000.00	
	Dean, College of Engineering	14,400.00	
	Dean, College of Engineering	18,000.00	
	Dean, College of Hospitality Management	50,000.00	
	Dean, College of Industrial Technology	50,000.00	
	Dean, College of Information and Computing Sciences	50,000.00	
	Dean, College of Teacher of Education	50,000.00	
	Dean, Graduate School	50,000.00	
	SUB-TOTAL FUND 05	2,198,422.45	
	GRAND TOTAL	2,795,622.45	

Funded under Internally Generated Income (Special Trust Fund) amounting to P3,895,422.45

- 13.7 Our audit revealed that payments of RATA to the University Designated Officials, Campus Deans and other Campus Heads were charged to the Campuses' respective Special Trust Funds (STF), contrary to Section 4(d) of Republic Act No. 8292, to wit:

"Section 4. Powers and duties of Governing Boards – xxx

- (d) to fix the tuition fees and other necessary school charges, such as but not limited to matriculation fees, graduation fees and laboratory fees, as their respective boards may deem proper to impose after due consultations with the involved sectors.*

Such fees and charges, including government subsidies and other income generated by the university or college, shall constitute special trust funds and shall be deposited in any authorized government depository bank, and all interests shall accrue therefrom shall form part of the same fund for the use of the university or college xxx.

Any provision of existing laws, rules and regulations to the contrary notwithstanding, any income generated by the university or college from tuition fees and other charges, as well as from the operation of auxiliary services and land grants, shall be retained by the university or college, and may be disbursed by the Board of Regents/Trustees for instruction, research, extension, or other programs/projects of the university or college xxx." (underscoring supplied)

- 13.8 Based from the foregoing provision, the payment of RATA cannot be charged against STF because such disbursement is not directly related to instruction, research, extension, or other programs of CSU. This practice also violates Section 13.1.1 of DBM National Budget Circular No. 548 which states that *"The amounts required for the grant of commutable and reimbursable RATA to incumbents or OICs of regular positions and to designated officials in SUCs shall be charged to the respective agency appropriations/budgets for the purpose. In case of deficiencies, the same shall be charged against agency savings."* (underscoring supplied)
- 13.9 As such, the RATA payments to the University designated officials, Campus Deans and other Campus Heads amounting to P3,895,422.45 were irregularly charged against STF.
- 13.10 Interview with the Management revealed that it has long been the practice of the University to include in the approval of the Special Budget for Fund 05 (Special Trust Fund) a provision for Representation and Transportation Allowance (RATA). A budget for this expense can be found under the category of Other MOOE, particularly under Other Professional Services.
- 13.11 It is opined that allotting budget for RATA in the guise of Other Professional Services should be avoided as RATA has a different nature from that of Other Professional Services.
- 13.12 RATA as defined in Section 3.1 of NBC 548 states that *"RATA is a collective term for two distinct but complementary allowances: Representation Allowance (RA) and Transportation Allowance (TA). Both allowances are provided to select government officials to cover related expenses incidental to and in connection with the actual performance of their respective functions."*
- 13.13 On the other hand, Other Professional Services as defined in Volume III of the Government Accounting Manual states that *"This account is used to recognize the cost of other professional services contracted by the agency not otherwise classified under any of the specific professional services accounts. This account shall be closed to the Revenue and Expense Summary account."*

13.14 Also, it was noted in audit that RATA granted to the University Director for Business Affairs amounting to P29,896.00 was charged under the Business-Related Funds (Fund 06), which is contrary to Section 13.1 of NBC 548.

13.15 Thus, payment of RATA should only be done in accordance with the aforementioned rules and regulations.

13.16 We recommended and the Management agreed to:

13.16.1 Stop the grant of RATA to officials not covered under DBM NBC No. 404 and Chapter 7 of the DBM Circular Letter No. 2007-6; and

13.16.2 Stop the payment of RATA out of the Special Trust Fund and Fund 06 pursuant to Section 4(d) of RA 8292.

Non-enforcement of COA Orders of Execution

14. Enforcement of COA Orders of Execution (COEs) totaling P2.491 Million issued by the Regional Director of COA Regional Office No. II remained not imposed by the Management contrary to the pertinent provisions of COA Circular No. 2009-006, hence, the persons responsible therefor may be held liable. Further, settlement through installment payments of Notices of Disallowance (NDs) covered by COEs totaling P50.312 Million was not in accord with COA Resolution No. 2017-021.

14.1 COA Circular No. 2009-006 dated September 15, 2009 on Prescribing the Use of the Rules and Regulations on Settlement of Accounts, provides the following:

A. Notice of Finality of Decision (NFD) shall be issued to inform the agency head that a decision of the Commission or its authorized representatives has been final and executory, which shall be the basis for recording the disallowance/charge in the agency's books of accounts.

B. COA Order of Execution (COE) shall be issued to enforce the settlement of audit disallowance/charge, whenever the persons liable refuse or fail to settle the same after the decision has become final and executory.

14.2 Section 7 of the same Circular states, among others, the responsibility of the Agency Head, as follows:

"Responsibility of the Agency Head

7.1.1 The head of the agency, who is primarily responsible for all government funds and property pertaining to his/her agency, shall ensure that (a) the required financial and other reports and statements are submitted by the concerned agency officials in such form and within the period prescribed by the Commission; (b) the settlement of disallowances and charges is made within the prescribed period; (c) the requirements of transactions suspended in audit are complied with; and (d) appropriate actions are taken on the deficiencies noted as contained in the AOM.

7.1.2 The head of the Agency shall initiate the necessary administrative and/or criminal action in case of unjustified failure/refusal to effect compliance with the foregoing requirements by subordinate officials. Gross negligence in disciplining subordinates who are the subject of repeated adverse audit findings shall subject the officials concerned to disciplinary action by the proper authorities as the evidence may warrant.

7.1.3 He shall enforce the COA Order of Execution (COE) by requiring the withholding of salaries or other compensation due the person liable in satisfaction of the disallowance or charge. (underscoring ours)

7.1.4 *He shall ensure that all employees who are retiring or transferring to other agencies shall first settle the disallowances and charges for which they are liable.* (emphasis supplied)

14.3 The Regional Director of COA Regional Office No. II issued various COEs to CSU to enforce the settlement of NDs totaling P78,916,296.78 that became final and executory as of December 31, 2023, as summarized below.

Campus	Amount
Andrews	P 22,607,602.60
Aparri	6,025,606.79
Carig	20,086,894.46
Gonzaga	6,915,162.60
Lallo	7,784,914.32
Lasam	2,538,200.00
Piat	5,986,000.00
Sanchez Mira	6,971,916.01
Total	P 78,916,296.78

14.4 The Audit Team monitored the settlements of the above-mentioned NDs and noted that disallowance with an aggregate amount of P2,490,558.16 has not

been totally enforced as there were no settlements/payments made as of December 31, 2023. Details are presented below.

CSU Campus	Date of COE	ND Date	ND No.	Disallowed Amount
Andrews	2/3/2020	12/10/2012	2012-164-002	P 89,112.90
	6/16/2020	12/10/2012	2012-164-003	10,000.00
	6/16/2020	12/10/2012	2012-164-005	10,000.00
	2/3/2020	12/10/2012	2012-164-006	281,191.59
	2/3/2020	12/10/2012	2012-164-007	55,000.00
	2/3/2020	12/10/2012	2012-164-008	303,351.56
	2/3/2020	12/10/2012	2012-164-009	247,144.25
	2/3/2020	12/10/2012	2012-164-010	60,430.54
	2/3/2020	12/10/2012	2012-164-011	147,708.25
	2/3/2020	12/10/2012	2012-164-013	50,000.00
	12/9/2020	12/10/2012	2012-164-014	50,000.00
	12/9/2020	12/10/2012	2012-164-015	50,000.00
	12/9/2020	12/10/2012	2012-164-016	50,000.00
	2/3/2020	12/10/2012	2012-164-017	50,000.00
	12/9/2020	12/10/2012	2012-164-018	50,000.00
	12/9/2020	12/10/2012	2012-164-019	50,000.00
	2/3/2020	12/10/2012	2012-164-021	50,000.00
	2/3/2020	12/10/2012	2012-164-022	50,000.00
	6/16/2020	5/24/2013	2013-001-164 (12)	25,000.00
	6/16/2020	5/24/2013	2013-002-164 (12)	25,000.00
	2/3/2020	6/10/2014	2014-004-164-(13)	39,854.38
	7/16/2018	5/18/2015	15-002-101/164-(14)	33,624.80
	6/19/2018	5/18/2015	15-005-164-(14)	160,000.00
	6/16/2020	1/18/2016	2016-001-161(15)	7,451.00
	2/3/2020	8/22/2016	16-003-164(15)	18,000.00
	2/3/2020	8/22/2016	16-006-164(15)	27,000.00
	2/3/2020	8/22/2016	16-008-164(15)	34,200.00
	2/3/2020	8/22/2016	16-010-164(15)	7,200.00
	2/3/2020	8/22/2016	16-011-164(15)	12,150.00
	10/13/2022	5/13/2021	21-001-01(20)	89,250.00
Carig	6/19/2018	12/10/2012	2012-164-002	357,888.89
			Total	P 2,490,558.16

14.5 The COE is a written instruction to withhold payment of salary and other money due to the persons liable for the settlement of their liability. In the COEs, the Head of Agency and the Cashier were reminded that payment of salaries or any money due the persons liable in violation of the instruction will be disallowed in audit and they shall be held liable therefor.

14.6 It is noted further that, in the monitoring of the enforcement of COEs, installment payments totaling P7,057,605.93 were made on NDs with an

aggregate amount of P50,312,517.53 without written authority to pay in such manner, thus, inconsistent with COA Resolution No. 2017-021 dated November 3, 2017, which provides that installment payments may be made directly by persons liable only upon the grant of written authority by the COA Prosecution and Litigation Office (PLO), Legal Service Sector (LSS).

- 14.7 The same Resolution states that persons liable who are already separated from the service for whatever reason, upon finality of the COA Decision or Notice of Disallowance, or upon issuance of Notice of Finality of Decision or COA Order of Execution, shall settle their liabilities in full to the agency cashier.
- 14.8 In CY 2023, the COA PLO-LSS approved the requests made by persons liable from CSU-Lasam Campus to settle through installment payment the following NDs, viz:

ND No.	Nature of Disallowance	Disallowed Amount
2012-001-164-(2011)	Payment of CNA Incentive	P 1,478,200.00
2014-002-164-(12)	Payment of Medical Allowance	330,000.00
15-001-164-(14)	Payment of year-end incentive	730,000.00
	Total	P 2,538,200.00

- 14.9 Additional requests for installment payments from employees of CSU Gonzaga Campus were received during the year and such are still subject for evaluation by the Audit Team.
- 14.10 Meanwhile, the evaluation of the requests for installment payments of various employees from CSU Carig Campus could not be made due to lacking information/ requirements, such as, among others: specific ND/s to be settled, latest payslips, and service records of requesting employees. Further, it was observed that some employees requesting for installment payments are no longer connected in service, hence, the need to demand for the immediate settlement of NDs to the agency cashier.
- 14.11 It must be clarified, however, that the grant of authority to settle through installment payment does not remove the solidary nature of the liability of persons liable. Hence, those who did not join in the installment request, their liabilities shall be demandable immediately and in full, unless they subsequently submit their written request.
- 14.12 The President, being the Head of Agency, is responsible in enforcing the COEs not only by withholding the salaries and other compensation due them, but also to exhaust available legal remedies to recover the disallowed amount, including the filing of a collection suit pursuant to Section 35 of P.D. No. 1445. The mere separation of the persons liable from the agency does not divest the agency from the responsibilities of enforcing settlement of audit liabilities. Furthermore, the

President should ensure that appointive officials and employees who shall be separated from the service for whatever reason shall not be cleared from money and property accountabilities by her or her authorized representative and shall not be issued the corresponding clearances unless their audit disallowances have been settled as provided under Item 6 of COA Resolution No. 2017-021.

- 14.13 Management is reminded that any delay in complying or refusal to comply with the order or decision of the Commission shall constitute a ground for contempt, and/or administrative disciplinary action against the officer or employee concerned as provided in the 2009 Revised Rules of Procedure of the Commission on Audit. As a matter of procedure, if these COEs were disregarded and ignored, the COA shall disallow in audit all payment of salaries or any money due from the persons liable and hold the Head of Agency and the Cashier liable thereof. In addition, for the non-settlement of COEs, COA shall refer the matter to the General Counsel for appropriate action, including referral to the Office of the Solicitor General and the Ombudsman.
- 14.14 It may be recalled that, in the audit of CY 2022 accounts and operations of CSU, the same observation was noted and the matter was the subject of the 2022 Annual Audit Report.
- 14.15 **We recommended and Management agreed to:**
 - 14.15.1 **Continuously exert efforts to strictly enforce the settlement of remaining disallowances covered by the COEs to avoid:**
 - 14.15.1.1 **Disallowance in audit of all payments of salaries or any money due from the persons liable in the Notices of Disallowance and hold the Head of Agency and Cashier liable; and**
 - 14.15.1.2 **Referral to the proper authority for appropriate action;**
 - 14.15.2 **Ensure adherence to the procedures provided in COA Resolution No. 2017-021 on the settlement of audit disallowances, should they opt to pay in installment;**
 - 14.15.3 **Require the concerned employees from CSU Carig Campus, who requested for an installment payment, to immediately submit an updated request letters, including supporting documents, to facilitate the evaluation and endorsement thereof to COA-PLO-LSS for approval;**

- 14.15.4 Demand from the officials and employees who are about to retire or separate from the service the immediate full settlement of their disallowances, otherwise, they will not be cleared from their respective money and property accountabilities; and
- 14.15.5 Demand from the officials and employees who are no longer connected in the service the immediate full settlement of their disallowances.

C. Compliance with Tax Laws

The Management is fully compliant with tax laws for CY 2023.

D. Remittance of GSIS, PhilHealth and Pag-IBIG Premium Contributions

All premium contributions for GSIS, PhilHealth and Pag-IBIG for CY 2023 were remitted to the respective agencies.

E. Gender and Development

The GAD Plan and Budget (GPB) of the University for CY 2023 was reviewed and endorsed by the Philippine Commission on Women (PCW).

The Management has allocated P56,821,000.00 or 5% of the University's 2023 total appropriation of P1,058,916,000.00 for the implementation of its Gender and Development (GAD) activities for the year under audit. The University was able to achieve its planned GAD programs/ activities for CY 2023 with a total expenditure of P53,100,097.00.

**PART III - STATUS OF IMPLEMENTATION
OF PRIOR YEARS' AUDIT
RECOMMENDATIONS**

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the 50 audit recommendations, 19 were implemented and 31 were not implemented. Some of the unimplemented audit recommendations are restated in Part II of this Report.

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
AAR 2022, Observation No. 1, Page 54	The validity, reliability, and accuracy of the year-end balance of Cash in Bank – Local Currency, Current Account could not be ascertained due to reconciling items of P2.460 million between the balance per book and per bank, which remained unadjusted at year-end.		Bookkeepers made the necessary adjustments on unidentified deposits.	
	We recommended and Management agreed to:		The online facility on electronic collection system is now operational.	
	1. Require the Accountant of Andrews Campus to prepare the necessary journal entries to recognize the unadjusted book errors, and advise the Accountant of Sanchez Mira Campus to trace, analyze, and verify the prior year's unreconciled balance to determine the adjusting entries to be made;	Not Implemented		Lack of supporting documents
	2. Advise the concerned Accountants to issue a written notice to the bank, copy	Implemented		

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	furnished the Audit Team, together with the necessary supporting documents on the identified bank errors, to make necessary corrections and adjustments to their records; 3. Record all unidentified deposits to Trust Liability account, pending submission of proof of deposits or other documents showing information of bank deposit details, and reclassify the same as income of the University if remained unidentified/unverified; 4. Advise depositors/students whose statements of accounts were not updated to promptly reconcile all payments made through banks by submitting the proof of payment to the Cashier's Office, to support the recording thereof in the books; 5. Review the existing electronic collection system of the University for payments made through online gateways, and update	Implemented Implemented Implemented		

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	if necessary, to enable the updating of transactions or ledger cards without issuing printed Official Receipts; or adopt other modes of online collection that meet the needs of the University in identifying deposits, as guided by COA Circular No. 2021-014; and 6. Coordinate with the payees of stale checks so that proper measures and actions will be adopted.	Not Implemented		The management encountered a difficulty in locating the payees. Reiterated in Observation No. 2 of this Report.
AAR 2022, Observation No. 2, Page 57	Bank Reconciliation Statements were not prepared for Cash in Bank reported in the Financial Statements of the University totaling P2.978 million, thus, the validity, accuracy and existence of said account could not be relied upon. Moreover, two (2) bank accounts were maintained for the same fund, making it difficult to control and monitor the Cash in Bank account balance. We recommended and		The Cashier was directed to provide all available documents/ records/ reports needed for the review and reconciliation process. Land Bank Account No. 5722-000-970 was closed on December 22, 2023, remaining funds was transferred to LBP Account No. 3702-101-912	

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	Management agreed to direct the Personnel-in-Charge to: 7. request for a copy of the monthly bank statements of DBP Account No. 050557-560-4 to facilitate the preparation of Bank Reconciliation Statement; 8. Exert best effort to reconcile the Cash in Bank balance. The personnel who have knowledge of the previous transactions on the subject bank accounts should be involved in the reconciliation process, except for those who may be held accountable for the unaccounted amount; and 9. Maintain one/single account for every fund to facilitate control and monitoring of the balance of Cash in Bank account.	Implemented Not Implemented Implemented		Lack of data/information and supporting documents.
AAR 2022, Observation No. 3, Page 62	The balance of Inventory accounts as at December 31, 2022 is unreliable due to (a) unrecorded issuance of semi-expendable properties of P4.171		The necessary journal entries recommended by COA was prepared.	

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	million to end-users; and (b) absence of prescribed property records, forms and reports, contrary to pertinent provisions of the Government Accounting Manual for National Government Agencies, Volume I, thus, affecting the fair presentation thereof in the financial statements. We recommended and Management agreed to: 10. Direct the Accountant of Andrews Campus to correct the adjusting entries made on January 3, 2023 on the issuance of semi-expendable inventories, with the following journal entry: (dr.) Accumulated Surplus/ (Deficit) P4,141,724.50 (cr.) Related Semi-Expendable Properties-Expense P4,141,724.50 11. Direct the Supply Officer of Lasam Campus to prepare and submit the RSMIs with	Implemented Implemented		

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	approved RIS to the Accounting Office to support the recording of the issuance of semi-expendable properties of P28,954.00, and require the Accountant to maintain supplies ledger cards for all inventory accounts to support the recorded balances.			
AAR 2022, Observation No. 4, Page 65	The existence, accuracy and reliability of the year-end balance of Property, Plant and Equipment accounts are uncertain due to (a) variance of P518.373 million between the balances per books and the Report on the Physical Count of Property, Plant and Equipment (RPCPPE); (b) incomplete submission of RPCPPE and partial conduct of physical count; and (c) inclusion of semi-expendable properties of P8.380 million below the capitalization threshold of P50,000, contrary to GAM for NGAs, Volume I and COA Circular Nos. 2020-006 and 2022-004, thus, affecting the fair presentation of the affected accounts in the		A Memorandum was issued by the University President for the implementation of COA Circular 2020-006. The Accounting Office: (1) Provided the Supplies Office a copy of semi-expendable items and PPE which are transferred to other Campuses based on the University records, for them to prepare necessary documents and confirmation needed for the dropping in the books. (2) Coordinated with the Infrastructure Office and inquired on infrastructure projects established within the	

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	financial statements. We recommended that the Management:		University.	
	12. Consider the guidelines and procedures in the conduct of physical count, for the one-time cleansing of PPE account balances prescribed under COA Circular No. 2020-006;	Not Implemented	(3) Identified semi-expendable items which are not yet reclassified to PPE accounts	The Management through the Accounting and Supply Office are currently conducting Reconciliation of PPE balances, in order to facilitate the request for one time cleansing.
	13. Require the Inventory Committee and Accountant of Sanchez Mira Campus to submit the RPCPPE and lapsing schedule, respectively;	Implemented		
	14. Require the Inventory Committee of Lasam Campus to conduct complete physical count of all types of PPEs and submit thereafter the RPCPPE;	Not Implemented		The University President has instructed the Lasam Campus to form a Committee. The physical count of PPE is currently ongoing.
	15. Direct the concerned Accountant of Gonzaga Campus to immediately draw JEVs to reclassify the semi-	Implemented		

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	expendable items with the following entry: (dr.) Accumulated Surplus/ (Deficit) P16,155.80 (dr.) Accumulated Depreciation P2,343.20 (cr.) PPE accounts P18,499.00 16. Thereafter, observe the P50,000.00 threshold when classifying/ recording a tangible item as PPE, pursuant to COA Circular No. 2022-004.	Implemented		
AAR 2022, Observation No. 5, Page 68	The validity and reliability of the Construction in Progress-Buildings and Other Structure account as at December 31, 2022 could not be ascertained due to the non-reclassification of completed infrastructure projects totaling P78.775 million to the proper asset accounts, contrary to Section 8.g, Chapter 10 of the GAM for NGAs, Volume I. We recommended and Management agreed to		The Accounting Office made the necessary journal entries to comply with the recommendation dated March 31, 2023. All completed Projects were already re-classified to their respective asset account.	

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	direct the concerned Accountants to: 17. Adjust the entry made in recording the project deficiency by debiting CIP-Buildings and Other Structures account by P84,848.00 and crediting Miscellaneous Income by the same amount; 18. Record the completed projects to their respective asset account and prepare the necessary correcting entries by debiting the related asset account by P78,774,582.14 and crediting CIP-Buildings and Other Structures by the same amount; and 19. Advise the Infrastructure Office to submit the necessary documents to the Accounting Office to substantiate the recording of CSU Carig Campus Gymnasium	Implemented Implemented Implemented		

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	(University Gym) to CIP-Buildings and Other Structure. 20. Henceforth, we recommended that the Management require the Accounting and Infrastructure Offices/Units concerned to reconcile regularly the Construction in Progress account by identifying the completed and on-going infrastructure projects, and effect promptly the necessary adjustments in the books of accounts in accordance with the aforementioned provision of GAM for NGAs.	Not Implemented		Lack of coordination with the Infrastructure and Accounting Office. Reiterated in Observation No. 6 of this Report.
AAR 2022, Observation No. 6, Page 71	Cash advances granted to officers and employees of the Cagayan State University totaling P1.075 million were not liquidated within the prescribed period, contrary to COA Circular No. 97-002, thus, exposing the funds to possible loss and misuse. Moreover, the validity and reliability of the year-end balance of		All Advances for Payroll granted in CY 2023 were liquidated and any excess of the cash advance was refunded to the cashier. With regard to unreconciled beginning balances, gathering of documents were made and interview with people who	

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	Other Assets accounts are doubtful due to unreconciled beginning balances of Advances for Payroll and Advances to Special Disbursing Officer amounting to P145,576.09 and P234,278.12, respectively, and the existence of dormant accounts of P363,865.52 under the Advances to Officers and Employees account. We recommended that the Management: 21. Require the concerned accountable officers to liquidate the cash advances granted to them within the prescribed period, otherwise, withhold their salaries pursuant to Item 5.1 of COA Circular No. 97-002; 22. Advise the concerned Accountant to account for the unreconciled beginning balance of Advances for Payroll and Advances to	Implemented Not Implemented	have knowledge of the transactions is on-going.	Difficulty on the part of the management in contacting the concerned parties and lack of necessary

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	Special Disbursing Officer accounts, and prepare the necessary adjusting entries. The personnel who have knowledge of the previous transactions on the subject cash advances should be involved in the reconciliation process.; and 23. Request for authority to write-off dormant receivable accounts where settlement is no longer possible, to be supported with the documentary requirements prescribed under COA Circular No. 2016-005.	Not Implemented		documents. The management is encountering difficulty in providing the documentary requirements to support the request for Authority to write-off dormant accounts. Reiterated in Observation No. 3 of this Report.
AAR 2022, Observation No. 7, Page 75	The validity, reliability, and existence of the year-end balance of Accounts Payable are doubtful due to the inclusion of unsupported long outstanding accounts payable of		The Accounting Office of Carig Campus already made the necessary reversion. Accounts Payable were reverted in accordance with	

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	P5.160 million aged two years or more, and non-reversion thereof to the Accumulated Surplus or Deficit or the Cumulative Results of Operations of the National Government, contrary to Executive Order No. 87, IPSAS No.1, and Section 27, Chapter 2 of the GAM for NGAs, Volume I. 24. We recommended and Management agreed to direct the University and Campus Accountants to exert best effort to locate all related documents pertaining to long outstanding payables and send confirmation letters for balances with identified creditors. Otherwise, cause the reversion of the accounts to the Accumulated Surplus or Deficit of the General Fund or the Cumulative Result of Operations of the National Government, following the conditions specified in Executive Order	Implemented	DBM-COA Joint Circular No. 1-2021.	

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	No. 87.			
AAR 2022, Observation No. 8, Page 77	The year-end balance of the Due to NGAs account could not be relied upon due to: (a) unreconciled balance totaling P146.502 million between the University books and that of the Source Agencies; (b) inclusion of 24 projects aggregating P3.219 million which remained inactive or dormant; and (c) presence of negative balances of P5,635,095.40 and unverified balance of P877,287.49, contrary to Section 111 of P.D. No. 1445 and COA Circular No. 94-013. We recommended that the Management: 25. Direct the University/ Campus Accountants to undertake reconciliation of all funds received with the Source Agency Accountants to determine the amount still due for liquidation; 26. Advise the concerned Project Leaders to submit immediately the	Not Implemented Implemented	Liquidation reports of some projects were already submitted to the Office of the Auditor for evaluation. The undisbursed funds of some inactive projects were returned to the Source Agencies.	Lack of necessary documents and time constraints

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	verified liquidation reports to the Source Agency; 27. Evaluate the inactive/dormant projects included in the Due to NGAs account. Should the funds be proven to be no longer needed, it should be remitted to the Source Agencies as required under existing rules and regulations; 28. Require the Accounting Section of the respective Campuses to trace the transactions of Due to NGAs account to prior years' accounting entries to ascertain the cause of the negative balances and effect the necessary adjustment; 29. Require the Accountant of Sanchez Mira Campus to analyze and continue its effort to look for documents to support the unverified beginning balances; and	Not Implemented Not Implemented Not Implemented		Concerned parties are difficult to contact as some are not connected with the University anymore. Concerned parties are difficult to contact as some are not connected with the University anymore. Ongoing reconciliation

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	30. Strictly adhere to the provisions of COA Circular No. 94-013, particularly in the proper accounting and reporting of fund transfers.	Implemented		Reiterated in Observation No. 7 of this Report.
AAR 2022, Observation No. 9, Page 83	The year-end balances of the Due to BIR, Due to GSIS, Due to PHILHEALTH and Due to PAG-IBIG accounts are unreliable due to unreconciled/unaccounted balances amounting to P1.102 million, P1.634 million, P0.939 million and P0.535 million, respectively. 31. We recommended that the Management require the Accounting Section of the respective Campuses to analyze the balances of the aforementioned accounts, remit immediately the taxes withheld/contributions found to be unremitted to BIR, GSIS, PhilHealth and Pag-IBIG, and make the necessary adjustments, if warranted.	Not Implemented		Reconciliation process is on-going Reiterated in Observation No. 6 of this Report.

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
AAR 2022, Observation No. 10, Page 84	The validity and reliability of Other Payables account of P22.886 million as at year-end could not be ascertained due to absence of supporting documents and sufficient records thereto, contrary to IPSAS No.1, thereby affecting the faithful representation of the balances of the payable accounts at year-end. 32. We recommended and Management agreed to direct the University and Campus Accountants to exert effort to locate all related documents pertaining to long outstanding payables to establish their validity, accuracy, and existence; conduct review and analysis thereof; and prepare the necessary adjusting/correcting journal entries in accordance with GAM for NGAs and IPSAS to present fairly the financial statements.	Not Implemented	The Accounting Office already determined the details of the deposits. The necessary reclassification of SLs will be prepared.	Lack of the necessary documents needed and time constraints.

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
AAR 2022, Observation No. 11, Page 86	Lapses in planning and monitoring of the implementation of eight (8) infrastructure projects of the Cagayan State University, with a total cost of P137.690 million, resulted in delayed completion of the projects, contrary to Items 1 and 2 of Annex A of the Revised Implementing Rules and Regulations of RA 9184, thus, depriving the University of the timely use of the projects. We recommended that the Management: 33. Minimize/avoid further delays in project implementation by conscientiously carrying out the detailed engineering investigations to ensure that issues such as accessibility of the project sites, and site location and foundation are properly addressed during the preliminary engineering study prior to bidding and award of contract;	Not Implemented	The Infrastructure Office always encourages the contractor to request for progress billing.	Management is currently ensuring that all contracts abide by the Rules and Regulations of RA 9184

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	34. Thoroughly review and evaluate the Program of Works to ensure that project designs and estimates are properly prepared to minimize variation orders and time extensions which often resulted in delayed completion of the projects;	Not Implemented		Management is currently conducting a thorough review of the Program of Works of each project.
	35. Encourage the contractors to regularly submit the progress billings and status of work accomplishments as allowed under the contract, and ensure immediate validation of the reports and inspection of projects; and	Implemented		
	36. Strictly impose liquidated damages to the defaulting contractor and terminate or rescind contracts of projects with negative slippages of more than 10% resulting from the contractor's fault or negligence	Not Implemented		Reiterated in Observation No. 11 of this Report.

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
AAR 2022, Observation No. 12, Page 91	Two (2) infrastructure projects of the University totaling P44.729 million were not terminated despite incurrence of negative slippages and significant delays in the completion of the project. Further, the documentary requirements to support the grant of time extensions and advances to contractors, including other contract documents, were not submitted in non-compliance with Section 4(6) of P.D. No. 1445 and Annex E of COA Circular No. 2009-001. In addition, the works on Completion and Annex of Information Technology Complex at CSU Carig Campus was abandoned by the contractor, thus, warranting the termination of the contract and imposition of appropriate sanctions in accordance with Annexes "E" and "T" of the Revised IRR of R.A No. 9184. We recommended that the Management: On Contract Package B - Construction of 2nd Floor Building A COE		On Contract Package B- Construction of 2nd Floor Building A COE (the works) Lot 1: The infrastructure office had secured PAG-ASA reports to support the approved time extensions for unworkable weather condition. On Completion and Annex of Information Technology Complex: The Notice of termination was issued on February 13, 2023 Contract Termination was approved by CSU BORs on April 12, 2023.	

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	from the contractors; 39. Submit immediately the construction schedule and S-curve, manpower schedule, construction methods, equipment utilization schedule, construction safety and health program approved by the DOLE; 40. Justify the overlapping of time extension of 43 CDs that covered the period July 2020 to November 2020; and 41. Submit the duly approved Statement of Work Accomplished as at the date of contract expiration. On Completion and Annex of Information Technology Complex: 42. Initiate action to recover from the contractor the unrecouped advance payment	Not Implemented Not Implemented Not Implemented Not Implemented		Management is yet to submit the required supporting documents. Management is yet to submit the required supporting documents. Management is yet to submit the required supporting documents. Process for termination is currently ongoing.

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	amounting to P1,382,479.84, in case the payment of mobilization fee was indeed not secured by a surety bond, considering the abandonment of contract; and 43. Initiate the termination of the contract, forfeiture of the contractor's performance security, takeover the prosecution of the project or award the same to a qualified contractor through negotiated contract, in accordance with the aforementioned provisions of the 2016 RIRR of RA9184. Institute also blacklisting processes against the erring contractor. 44. As a way forward, we recommended that the Management strictly monitor and supervise the status/progress of projects being implemented by the Campuses.	Not Implemented Not Implemented		Process for termination is currently ongoing. Management is currently reviewing and updating all status reports of projects.

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
AAR 2022, Observation No. 13, Page 99	Technical inspection and evaluation of two (2) infrastructure projects with a total cost of P24.778 million undertaken by two (2) Campuses disclosed technical defects and liquidated damages equivalent to P0.216 million. We recommended that the Management: 45. Demand from the contractor full payment of liquidated damages for the incurred delays equivalent to P116,712.73. In case of non-payment, the same amount shall be deducted from any money due or which may become due the contractor as provided under Item 8.3, Annex "E" of the Revised IRR of RA 9184; and	Not Implemented	The Infrastructure Office forwarded a separate letter to the Insurance Company and the concerned contractor regarding COA findings on project "Repair and Rehabilitation Works of CIT Building caused by Lawin Aggravated by STY Ompong". Final Order was also given separately dated July 3, 2023 to the insurer and contractor.	Letter was already sent to the contractor and insurance company and the management is currently waiting for their response.
	46. Require the contractor of the Repair and Rehabilitation Works of CIT Building caused by STY Lawin aggravated by STY Ompong to	Not Implemented		Letter was already sent to the contractor and insurance company and the management is currently

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	immediately repair or correct the noted defects; otherwise, require the contractor to pay the amount of deficiency or forfeit the contractor's performance security.			waiting for their response.
AAR 2022, Observation No. 14, Page 101	The Management failed to enforce the COA Orders of Execution (COEs) totaling P3,649,058.16 issued by the Regional Director of COA Regional Office No. II, which is not in accord with COA Circular No. 2009-006, hence, the persons responsible for the implementation of the COEs may be held liable. Further, the installment payments on Notices of Disallowance (NDs) subject of the COEs totaling P51,894,656.98 were not in accord with COA Resolution No. 2017-021. We recommended and Management agreed to continue to strictly enforce the settlement of disallowances covered by the COEs to avoid: 47. disallowance in audit of all	Not Implemented	Already submitted to the Office of the Resident Auditor the required information and documents supporting the request for installment payment of some employees. (Carig) The preparation of request for installment payment is on-going. (Gonzaga, Lallo)	Difficulty in contacting

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	payments of salaries or any money due from the persons liable in the Notices of Disallowance and hold the Head of Agency and Cashier liable; and 48. Referral to the proper authority for appropriate action. 49. Also, we recommended that Management strictly adhere to the procedures provided in COA Resolution No. 2017-021, should they opt to pay in installment. The officials and employees who shall be separated from the service should not be cleared from money and property accountabilities unless their audit disallowances have been settled. 50. Further, the persons liable from CSU Carig Campus, who requested for installment payment,	Not Implemented Not Implemented Not Implemented		the persons liable who are no connected with the agency anymore. Ongoing demand is being made to the concern parties who are no longer connected with the agency. Drafting of letters for Request for authority to pay in installment is currently ongoing. Waiting for others to comply. Reiterated in Observation No. 14 of this Report.

Reference	Observations and Recommendations	Status of Implementation	Management Action	Reason for Non-Implementation
	immediately submit the required information and documents supporting their requests to facilitate the evaluation and submission thereof to COA PLO-LSS for approval.			

PART IV – ANNEXES

A	Statement of Financial Position (By Fund)
B	Statement of Financial Performance (By Fund)
C	Statement of Changes in Net Assets/Equity (By Fund)
D	Statement of Cash Flows (By Fund)
E	Statement of Comparison of Budget and Actual Amounts



Republic of the Philippines
CAGAYAN STATE UNIVERSITY
Tuguegarao City, Cagayan

Annex A

CONSOLIDATED DETAILED STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2023

	Total	Fund 01	Fund 05	Fund 06	Fund 07
ASSETS					
Current Assets					
Cash and Cash Equivalents	353,374,982.64	3,890,100.22	214,170,063.84	42,788,698.07	92,526,120.51
Cash on Hand	372,424.06	-	(25,431.87)	394,263.93	3,592.00
Cash - Collecting Officer	135,652.09	-	(62,203.84)	194,263.93	3,592.00
Petty Cash	236,771.97	-	36,771.97	200,000.00	-
Cash in Bank - Local Currency	353,002,558.58	3,890,100.22	214,195,495.71	42,394,434.14	92,522,528.51
Cash in Bank - Local Currency, Current Account	347,932,061.56	1,861,129.25	211,153,969.66	42,394,434.14	92,522,528.51
Cash in Bank - Local Currency, Savings Account	5,070,497.02	2,028,970.97	3,041,526.05	-	-
Receivables	122,400,687.38	18,535,611.41	91,069,153.07	9,017,472.35	3,778,450.55
Loans and Receivable Accounts	39,201,830.80	480,013.56	34,621,710.44	3,679,031.70	421,075.10
Accounts Receivable	39,598,133.39	696,708.24	35,430,311.21	3,179,088.89	292,025.05
Allowance for Impairment - Accounts Receivable	1,041,745.00	216,694.68	808,600.77	-	16,449.55
Net Value - Accounts Receivable	38,556,388.39	480,013.56	34,621,710.44	3,179,088.89	275,575.50
Loans Receivable - Others	645,442.41	-	-	499,942.81	145,499.60
Allowance for Impairment - Loans Receivable - Others	-	-	-	-	-
Net Value - Loans Receivable - Others	645,442.41	-	-	499,942.81	145,499.60
Inter-Agency Receivables	135,479.96	51,512.04	37,233.02	-	46,734.00
Due from National Government Agencies	135,479.96	51,512.04	37,233.02	-	46,734.00
Intra-Agency Receivables	3,557,084.39	1,727,640.97	664,205.46	1,146,852.96	18,385.00
Due from Central Office	-	-	-	-	-
Due from Operating Units	10,412.10	10,412.10	-	-	-
Due from Other Funds	3,546,672.29	1,717,228.87	664,205.46	1,146,852.96	18,385.00
Other Receivables	79,506,292.23	16,276,444.84	55,746,003.25	4,191,587.69	3,292,256.45
Receivables - Disallowances/Charges	51,142,199.62	1,002,002.03	47,219,289.83	2,911,339.25	9,568.51
Due from Officers and Employees	1,678,647.58	667,833.77	981,223.81	29,240.00	350.00
Other Receivables	26,685,445.03	14,606,609.04	7,545,489.61	1,251,008.44	3,282,337.94
Allowance for Impairment - Other Receivables	-	-	-	-	-
Net Value - Other Receivables	26,685,445.03	14,606,609.04	7,545,489.61	1,251,008.44	3,282,337.94
Inventories	20,913,167.72	771,751.28	6,117,182.16	13,045,257.58	978,976.70
Inventory Held for Sale	12,518,834.09	-	320,103.65	12,198,730.44	-
Merchandise Inventory	12,518,834.09	-	320,103.65	12,198,730.44	-
Inventory Held for Manufacturing	1,272,866.19	17,939.00	19,835.00	680,636.89	554,455.30
Raw Materials Inventory	646,265.89	-	-	646,265.89	-
Work-in-Process Inventory	626,600.30	17,939.00	19,835.00	34,371.00	554,455.30
Inventory Held for Consumption	6,125,479.50	153,824.34	5,777,243.51	165,890.25	28,521.40
Office Supplies Inventory	98,325.36	67,547.73	14,693.23	-	16,084.40
Accountable Forms, Plates and Stickers Inventory	804,275.86	3,500.00	790,775.86	10,000.00	-
Non-Accountable Forms Inventory	19,800.00	-	-	19,800.00	-
Medical, Dental and Laboratory Supplies Inventory	174,654.86	-	174,654.86	-	-
Agricultural and Marine Supplies Inventory	77,112.00	60,835.00	3,840.00	-	12,437.00
Textbooks and Instructional Materials Inventory	146,752.51	-	146,752.51	-	-
Other Supplies and Materials Inventory	4,804,558.91	21,941.61	4,646,527.05	136,090.25	-
Semi-Expendable Machinery and Equipment	995,987.94	599,987.94	-	-	396,000.00
Semi-Expendable Office Equipment	53,663.24	53,663.24	-	-	-
Semi-Expendable Information and Communications Technology	546,324.70	546,324.70	-	-	-
Semi-Expendable Other Machinery and Equipment	396,000.00	-	-	-	396,000.00
Other Assets	22,353,686.29	19,963,723.07	2,266,446.17	24,365.00	99,152.05
Advances	1,592,309.48	439,688.54	1,029,103.89	24,365.00	99,152.05
Advances for Payroll	303,050.31	160,613.77	48,484.49	-	93,952.05
Advances to Special Disbursing Officer	251,357.65	-	251,357.65	-	-
Advances to Officers and Employees	1,037,901.52	279,074.77	729,261.75	24,365.00	5,200.00
Prepayments	20,761,376.81	19,524,034.53	1,237,342.28	-	-
Advances to Contractors	18,885,388.02	17,754,050.39	1,131,337.63	-	-
Prepaid Insurance	1,691,752.79	1,684,784.14	6,968.65	-	-
Prepaid Subscription	99,036.00	-	99,036.00	-	-
Other Deposits	85,200.00	85,200.00	-	-	-
Total Current Assets	519,042,524.03	43,161,185.98	313,622,845.24	64,875,793.00	97,382,699.81
Non - Current Assets					
Property, Plant and Equipment	1,499,950,101.94	818,311,701.81	632,403,478.62	18,854,260.87	30,380,660.64
Land	19,175,136.15	18,340,386.15	834,750.00	-	-
Land Improvements	30,973,739.19	7,704,072.27	23,180,487.91	89,179.01	-
Other Land Improvements	45,450,978.49	7,896,584.57	37,337,868.92	216,525.00	-
Accumulated Depreciation - Other Land Improvements	14,477,239.30	192,512.30	14,157,381.01	127,345.99	-
Accumulated Impairment Losses - Other Land Improvements	-	-	-	-	-
Net Value	30,973,739.19	7,704,072.27	23,180,487.91	89,179.01	-



Republic of the Philippines
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CONSOLIDATED DETAILED STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2023

	Total	Fund 01	Fund 05	Fund 06	Fund 07
Infrastructure Assets	8,318,899.02	5,415,683.65	1,873,298.70	1,029,916.67	-
Water Supply Systems	309,683.00	309,683.00	-	-	-
Accumulated Depreciation - Water Supply Systems	278,714.70	278,714.70	-	-	-
Accumulated Impairment Losses - Water Supply Systems	-	-	-	-	-
Net Value	30,968.30	30,968.30	-	-	-
Power Supply Systems	11,830,671.34	5,844,805.25	4,735,866.09	1,250,000.00	-
Accumulated Depreciation - Power Supply Systems	3,542,740.62	460,089.90	2,862,567.39	220,083.33	-
Accumulated Impairment Losses - Power Supply Systems	-	-	-	-	-
Net Value	8,287,930.72	5,384,715.35	1,873,298.70	1,029,916.67	-
Buildings and Other Structures	882,333,298.61	499,785,061.70	369,633,597.57	3,630,173.26	9,284,466.08
Buildings	222,806,991.98	171,529,412.40	51,063,413.54	214,166.04	-
Accumulated Depreciation - Buildings	50,935,372.71	38,204,261.45	12,701,722.94	29,388.32	-
Accumulated Impairment Losses - Buildings	-	-	-	-	-
Net Value	171,871,619.27	133,325,150.95	38,361,690.60	184,777.72	-
School Buildings	789,177,848.38	440,793,972.01	343,280,514.50	-	5,103,361.87
Accumulated Depreciation - School Buildings	136,407,237.01	82,705,663.86	51,964,497.41	-	1,737,075.74
Accumulated Impairment Losses - School Buildings	-	-	-	-	-
Net Value	652,770,611.37	358,088,308.15	291,316,017.09	-	3,366,286.13
Other Structures	78,950,375.17	14,263,792.58	52,841,362.38	4,817,027.56	7,028,192.65
Accumulated Depreciation - Other Structures	21,259,307.20	5,892,189.98	12,885,472.50	1,371,632.02	1,110,012.70
Accumulated Impairment Losses - Other Structures	-	-	-	-	-
Net Value	57,691,067.97	8,371,602.60	39,955,889.88	3,445,395.54	5,918,179.95
Machinery and Equipment	200,749,018.27	100,393,642.85	78,409,841.22	1,773,105.22	20,172,428.98
Machinery	5,681,209.61	1,448,570.00	452,837.61	160,000.00	3,619,802.00
Accumulated Depreciation - Machinery	4,436,840.25	1,016,511.68	360,074.54	104,669.13	2,955,584.90
Accumulated Impairment Losses - Machinery	-	-	-	-	-
Net Value	1,244,369.36	432,058.32	92,763.07	55,330.87	664,217.10
Office Equipment	40,075,296.11	7,072,817.53	29,525,552.58	478,900.00	2,998,026.00
Accumulated Depreciation - Office Equipment	20,717,073.35	2,408,809.78	17,021,999.42	139,821.16	1,146,442.99
Accumulated Impairment Losses - Office Equipment	-	-	-	-	-
Net Value	19,358,222.76	4,664,007.75	12,503,553.16	339,078.84	1,851,583.01
Information and Communication Technology Equipment	98,756,203.61	27,173,708.05	63,868,349.90	985,335.00	6,728,810.66
Accumulated Depreciation - Information and Communication	47,039,836.52	9,216,385.86	33,892,915.09	270,342.01	3,660,213.56
Accumulated Impairment Losses - Info. and Communication	-	-	-	-	-
Net Value	51,716,367.09	17,957,322.19	29,975,434.81	714,992.99	3,068,597.10
Agricultural and Forestry Equipment	26,994,262.66	12,735,078.00	10,377,008.00	946,320.00	2,935,856.66
Accumulated Depreciation - Agricultural and Forestry Equip	16,927,751.04	10,868,984.70	4,699,657.86	382,023.80	977,084.68
Accumulated Impairment Losses - Agricultural and Forestry	-	-	-	-	-
Net Value	10,066,511.62	1,866,093.30	5,677,350.14	564,296.20	1,958,771.98
Communication Equipment	77,305,900.45	61,256,578.36	14,586,161.09	-	1,463,161.00
Accumulated Depreciation - Communication Equipment	68,035,893.08	56,406,303.12	10,790,063.19	-	839,526.77
Accumulated Impairment Losses - Communication	-	-	-	-	-
Net Value	9,270,007.37	4,850,275.24	3,796,097.90	-	623,634.23
Construction and Heavy Equipment	10,508,186.00	198,940.00	10,309,246.00	-	-
Accumulated Depreciation - Construction and Heavy Equipm	8,053,857.95	-	8,053,857.95	-	-
Accumulated Impairment Losses - Construction and Heavy Eq	-	-	-	-	-
Net Value	2,454,328.05	198,940.00	2,255,388.05	-	-
Disaster Response and Rescue Equipment	911,926.50	761,926.50	150,000.00	-	-
Accumulated Depreciation - Disaster Response and Rescue	-	-	-	-	-
Accumulated Impairment Losses - Disaster Response and Res	-	-	-	-	-
Net Value	911,926.50	761,926.50	150,000.00	-	-
Medical Equipment	34,463,487.39	12,153,183.58	9,607,476.01	-	12,702,828.00
Accumulated Depreciation - Medical Equipment	21,867,782.37	3,711,959.04	7,248,920.61	-	10,906,902.72
Accumulated Impairment Losses - Medical Equipment	-	-	-	-	-
Net Value	12,595,705.02	8,441,224.54	2,358,555.40	-	1,795,925.28
Printing Equipment	112,750.00	-	57,250.00	55,500.00	-
Accumulated Depreciation - Printing Equipment	93,024.82	-	53,481.14	39,543.68	-
Accumulated Impairment Losses - Printing Equipment	-	-	-	-	-
Net Value	19,725.18	-	3,768.86	15,956.32	-
Sports Equipment	1,419,253.00	195,000.00	1,224,253.00	-	-
Accumulated Depreciation - Sports Equipment	851,900.06	54,783.36	797,116.70	-	-
Accumulated Impairment Losses - Sports Equipment	-	-	-	-	-
Net Value	567,352.94	140,216.64	427,136.30	-	-
Technical and Scientific Equipment	104,885,132.23	73,764,640.81	16,396,388.02	-	14,724,103.40
Accumulated Depreciation - Technical and Scientific Equipm	52,643,039.25	36,699,645.04	7,235,228.28	-	8,708,165.93
Accumulated Impairment Losses - Technical and Scientific	-	-	-	-	-
Net Value	52,242,092.98	37,064,995.77	9,161,159.74	-	6,015,937.47
Other Machinery and Equipment	67,312,748.06	38,266,226.37	20,398,624.69	226,800.00	8,421,097.00
Accumulated Depreciation - Other Machinery and Equipment	27,010,318.66	14,249,643.57	8,389,990.90	143,350.00	4,227,334.19
Accumulated Impairment Losses - Other Machinery and	-	-	-	-	-
Net Value	40,302,429.40	24,016,582.80	12,008,633.79	83,450.00	4,193,762.81
Transportation Equipment	31,591,618.27	1,188,390.35	21,075,000.41	8,686,054.91	642,172.60
Motor Vehicles	75,652,762.29	7,324,932.02	54,286,832.27	12,704,753.00	1,336,245.00
Accumulated Depreciation - Motor Vehicles	44,442,061.29	6,436,844.61	33,223,431.86	4,018,698.09	763,086.73
Accumulated Impairment Losses - Motor Vehicles	-	-	-	-	-
Net Value	31,210,701.00	888,087.41	21,063,400.41	8,686,054.91	573,158.27
Watercrafts	1,795,221.21	386,990.44	-	-	1,408,230.77
Accumulated Depreciation - Watercrafts	1,425,903.94	86,687.50	-	-	1,339,216.44
Accumulated Impairment Losses - Watercrafts	-	-	-	-	-
Net Value	369,317.27	300,302.94	-	-	69,014.33
Other Transportation Equipment	120,000.00	-	120,000.00	-	-
Accumulated Depreciation - Other Transportation Equipment	108,400.00	-	108,400.00	-	-
Accumulated Impairment Losses - Other Transportation	-	-	-	-	-
Equipment	-	-	-	-	-
Net Value	11,600.00	-	11,600.00	-	-



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CONSOLIDATED DETAILED STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2023

	Total	Fund 01	Fund 05	Fund 06	Fund 07
Furniture, Fixtures and Books	37,450,663.40	32,506,854.36	4,847,771.33	-	96,037.71
Furniture and Fixtures	30,875,381.01	23,455,438.89	7,251,413.12	-	168,529.00
Accumulated Depreciation - Furniture and Fixtures	6,197,881.60	3,415,262.65	2,673,253.34	-	109,365.61
Accumulated Impairment Losses - Furniture and Fixtures	-	-	-	-	-
Net Value	24,677,499.41	20,040,176.24	4,578,159.78	-	59,163.39
Books	15,290,636.81	12,503,763.58	2,548,065.16	-	238,808.07
Accumulated Depreciation - Books	2,517,472.82	37,085.46	2,278,453.61	-	201,933.75
Accumulated Impairment Losses - Books	-	-	-	-	-
Net Value	12,773,163.99	12,466,678.12	269,611.55	-	36,874.32
Construction in Progress	280,333,676.91	148,267,741.74	131,117,876.77	948,058.40	-
Construction in Progress - Land Improvements	1,329,689.43	-	1,329,689.43	-	-
Construction in Progress - Buildings and Other Structures	279,003,987.48	148,267,741.74	129,788,187.34	948,058.40	-
Other Property, Plant and Equipment	9,024,052.12	4,709,868.74	1,430,854.71	2,697,773.40	185,555.27
Other Property, Plant and Equipment	18,530,318.79	6,844,689.38	6,819,523.41	4,179,305.00	685,801.00
Accumulated Depreciation - Other Property, Plant and	9,506,266.67	2,134,820.64	5,388,668.70	1,481,531.60	501,245.73
Accumulated Impairment Losses - Other Property, Plant and	-	-	-	-	-
Net Value	9,024,052.12	4,709,868.74	1,430,854.71	2,697,773.40	185,555.27
Biological Assets	4,702,868.49	136,200.00	-	3,866,668.49	700,000.00
Bearer Biological Assets	490,000.00	-	-	-	490,000.00
Breeding Stocks	490,000.00	-	-	-	490,000.00
Accumulated Impairment Losses - Breeding Stocks	-	-	-	-	-
Net Value	490,000.00	-	-	-	490,000.00
Consumable Biological Assets	4,212,868.49	136,200.00	-	3,866,668.49	210,000.00
Livestock Held for Consumption/Sale/Distribution	4,137,542.50	136,200.00	-	3,791,342.50	210,000.00
Accumulated Impairment Losses - Livestock Held for	-	-	-	-	-
Net Value	4,137,542.50	136,200.00	-	3,791,342.50	210,000.00
Trees, Plants and Crops Held for Consumption/Sale/Distributi	75,325.99	-	-	75,325.99	-
Accumulated Impairment Losses - Trees, Plants and Crops He	-	-	-	-	-
Net Value	75,325.99	-	-	75,325.99	-
Intangible Assets	4,709,699.74	201,666.67	4,508,033.07	-	-
Intangible Assets	4,709,699.74	201,666.67	4,508,033.07	-	-
Patents/Copyrights	92,082.37	-	92,082.37	-	-
Accumulated Amortization - Patents/Copyrights	31,819.04	-	31,819.04	-	-
Net Value	60,263.33	-	60,263.33	-	-
Computer Software	4,900,479.76	220,000.00	4,680,479.76	-	-
Accumulated Amortization - Computer Software	251,043.35	18,333.33	232,710.02	-	-
Net Value	4,649,436.41	201,666.67	4,447,769.74	-	-
Other Assets	836,118.67	513,678.27	286,599.20	-	35,841.20
Other Assets	836,118.67	513,678.27	286,599.20	-	35,841.20
Other Assets	836,118.67	513,678.27	286,599.20	-	35,841.20
Accumulated Impairment Losses - Other Assets	-	-	-	-	-
Net Value	836,118.67	513,678.27	286,599.20	-	35,841.20
Total Non-Current Assets	1,510,198,788.84	819,163,246.75	637,198,110.89	22,720,929.36	31,116,501.84
TOTAL ASSETS	2,029,241,312.87	862,324,432.73	950,820,956.13	87,596,722.36	128,499,201.65
LIABILITIES AND NET ASSETS/EQUITY					
Liabilities					
Current Liabilities					
Financial Liabilities	24,018,961.03	15,550,586.99	2,489,346.65	4,936,457.05	1,042,570.34
Accounts Payable	23,565,822.57	15,246,639.11	2,433,256.84	4,909,432.10	976,474.52
Due to Officers and Employees	127,785.19	41,165.70	56,089.81	27,004.95	3,523.73
Tax Refunds Payable	325,353.27	262,781.18	-	-	62,572.09
Inter-Agency Payables	101,293,657.89	11,559,869.08	4,734,305.45	100,532.64	84,898,950.72
Due to BIR	8,607,892.36	5,976,616.60	2,124,267.53	24,088.60	482,919.63
Due to GSIS	4,636,603.35	4,607,243.20	29,360.15	-	-
Due to Pag-IBIG	632,770.25	277,053.02	333,877.48	14,335.70	7,504.03
Due to PhilHealth	1,306,367.61	671,534.95	563,320.29	62,108.34	9,404.03
Due to NGAs	81,252,368.69	771.43	1,683,480.00	-	79,568,117.26
Due to GOCCs	26,649.88	26,649.88	-	-	-
Due to LGUs	4,831,005.77	-	-	-	4,831,005.77
Intra-Agency Payables	9,802,539.46	387,261.03	8,601,799.50	337,095.98	476,382.95
Due to Operating Units	4,821,748.09	1,250.00	4,820,498.09	-	-
Due to Other Funds	4,980,791.37	386,011.03	3,781,301.41	337,095.98	476,382.95
Trust Liabilities	67,716,268.37	5,099,324.74	57,059,776.37	392,449.25	5,164,718.01
Trust Liabilities	53,681,334.55	-	52,958,119.68	339,455.25	383,759.62
Guaranty/Security Deposits Payable	7,646,112.49	67,377.00	2,957,783.10	52,994.00	4,567,958.39
Customers' Deposits Payable	5,588,469.57	5,031,947.74	343,521.83	-	213,000.00
Trust Liabilities - Disallowances/Charges	800,351.76	-	800,351.76	-	-
Deferred Credits/Unearned Income	440,818.94	-	1,419.60	439,377.06	22.28
Other Deferred Credits	440,818.94	-	1,419.60	439,377.06	22.28
Other Payables	11,676,114.18	2,829,391.16	5,882,671.81	127,680.11	2,836,371.10
Total Current Liabilities	214,948,359.87	35,426,433.00	78,769,319.38	6,333,592.09	94,419,015.40
Total Liabilities	214,948,359.87	35,426,433.00	78,769,319.38	6,333,592.09	94,419,015.40



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CONSOLIDATED DETAILED STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2023

	Total	Fund 01	Fund 05	Fund 06	Fund 07
Net Assets/Equity					
Equity					
Accumulated Surplus/(Deficit)	1,814,292,953.00	826,897,999.73	872,051,636.75	81,263,130.27	34,080,186.25
Total Net Assets/Equity	<u>1,814,292,953.00</u>	<u>826,897,999.73</u>	<u>872,051,636.75</u>	<u>81,263,130.27</u>	<u>34,080,186.25</u>
TOTAL LIABILITIES AND NET ASSETS/EQUITY	<u>2,029,241,312.87</u>	<u>862,324,432.73</u>	<u>950,820,956.13</u>	<u>87,596,722.36</u>	<u>128,499,201.65</u>



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Annex B

CONSOLIDATED DETAILED STATEMENT OF FINANCIAL PERFORMANCE
For the year-ended December 31, 2023

Revenue	TOTAL	Fund 01	Fund 05	Fund 06	Fund 07
Service and Business Income	346,775,944.40	52,797.27	299,374,867.99	47,228,552.45	119,726.69
Service Income	1,446,781.78	30,050.12	1,411,905.31	4,826.35	-
Clearance and Certification Fees	503,540.00	-	503,540.00	-	-
Fines and Penalties - Service Income	45,286.50	30,050.12	11,110.03	4,826.35	-
Other Service Income	897,255.28	-	897,255.28	-	-
Business Income	345,329,162.62	22,747.15	297,962,962.68	47,223,726.10	119,726.69
School Fees	280,337,703.36	-	280,329,495.36	8,208.00	-
Affiliation Fees	2,780,039.00	-	2,780,039.00	-	-
Seminar/Training Fees	3,552,626.20	-	-	3,552,626.20	-
Rent/Lease Income	8,273,878.19	-	5,308,019.79	2,965,858.40	-
Income from Hostels/Dormitories and other like facilities	564,856.10	-	299,486.10	265,370.00	-
Sales Revenue	13,796,262.06	-	20,425.00	13,775,837.06	-
Less: Cost of Sales	6,503,134.87	-	-	6,483,134.87	20,000.00
Net Sales	7,293,127.19	-	20,425.00	7,292,702.19	(20,000.00)
Interest Income	225,264.95	12,747.15	132,184.77	23,893.62	56,439.41
Fines & Penalties - Business Income	85,306.64	-	2,019.36	-	83,287.28
Other Business Income	42,216,340.99	10,000.00	9,091,273.30	33,115,067.69	-
Shares, Grants and Donations	34,851,047.78	34,591,268.74	259,779.04	-	-
Income from Grants and Donations in Cash	259,779.04	-	259,779.04	-	-
Income from Grants and Donations in Kind	34,591,268.74	34,591,268.74	-	-	-
Miscellaneous Income	447,702.53	62,401.97	382,042.90	-	3,257.66
Miscellaneous Income	447,702.53	62,401.97	382,042.90	-	3,257.66
Total Revenue	382,074,694.71	34,786,467.98	300,016,689.93	47,228,552.45	122,984.35
Less Current Operating Expenses					
Personnel Services					
Salaries and Wages	578,520,171.40	578,520,171.40	-	-	-
Salaries and Wages - Regular	575,347,495.32	575,347,495.32	-	-	-
Salaries and Wages - Casual/Contractual	3,172,676.08	3,172,676.08	-	-	-
Other Compensation	186,029,994.96	180,837,691.61	5,162,317.35	29,986.00	-
Personal Economic Relief Allowance (PERA)	26,059,644.80	26,059,644.80	-	-	-
Representation Allowance (RA)	1,525,950.29	450,125.00	1,060,839.29	14,986.00	-
Transportation Allowance (TA)	1,527,625.00	450,125.00	1,062,500.00	15,000.00	-
Clothing/Uniform Allowance	6,558,000.00	6,558,000.00	-	-	-
Subsistence Allowance	153,440.13	153,440.13	-	-	-
Honoraria	3,645,222.78	606,244.72	3,038,978.06	-	-
Hazard Pay	1,674,974.64	1,674,974.64	-	-	-
Overtime and Night Pay	1,873,236.48	1,873,236.48	-	-	-
Cash Gift	5,375,300.00	5,375,300.00	-	-	-
Year End Bonus	64,319,237.59	64,319,237.59	-	-	-
Other Bonuses and Allowances	73,317,163.25	73,317,163.25	-	-	-
Personnel Benefit Contributions	80,452,577.76	80,452,577.76	-	-	-
Retirement and Life Insurance Premiums	67,024,798.73	67,024,798.73	-	-	-
Pag-IBIG Contributions	1,322,359.18	1,322,359.18	-	-	-
PhilHealth Contributions	10,616,949.72	10,616,949.72	-	-	-
Employees Compensation Insurance Premiums	1,488,470.13	1,488,470.13	-	-	-
Other Personnel Benefits	21,775,760.53	21,775,760.53	-	-	-
Terminal Leave Benefits	14,729,482.41	14,729,482.41	-	-	-
Other Personnel Benefits	7,046,278.12	7,046,278.12	-	-	-
Total Personnel Services	866,778,504.65	861,586,201.30	5,162,317.35	29,986.00	-
Maintenance and Other Operating Expenses					
Traveling Expenses	17,443,905.37	3,706,662.73	13,627,852.64	109,290.00	-
Traveling Expenses - Local	15,618,251.40	2,931,691.97	12,577,269.43	109,290.00	-
Traveling Expenses - Foreign	1,825,553.97	774,970.76	1,050,583.21	-	-
Training and Scholarship Expenses	8,143,719.58	1,437,247.43	6,665,072.15	41,400.00	-
Training Expenses	6,378,512.20	1,029,947.43	5,307,164.77	41,400.00	-
Scholarship Grants/Expenses	1,765,207.38	407,300.00	1,357,907.38	-	-
Supplies and Materials Expenses	109,721,356.38	28,256,066.14	70,048,034.97	11,263,557.27	153,698.00
Office Supplies Expenses	13,151,208.26	3,164,069.45	9,401,407.91	585,730.90	-
Accountable Forms Expenses	481,337.91	5,100.00	442,807.91	16,350.00	17,100.00
Drugs and Medicines Expenses	201,547.35	33,224.00	165,533.35	2,790.00	-
Medical, Dental and Laboratory Supplies Expenses	2,833,432.12	1,607,457.04	1,225,975.08	-	-
Fuel, Oil and Lubricants Expenses	9,030,468.14	3,322,771.87	5,838,588.73	469,107.54	-
Agricultural and Marine Supplies Expenses	3,550,306.58	1,320,704.00	420,275.00	1,809,327.58	-



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CONSOLIDATED DETAILED STATEMENT OF FINANCIAL PERFORMANCE
For the year-ended December 31, 2023

	TOTAL	Fund 01	Fund 05	Fund 06	Fund 07
Textbooks and Instructional Materials Expenses	3,527,249.14	20,380.00	3,506,869.14	-	-
Semi-Expendable Machinery and Equipment Expense	30,839,131.20	12,709,510.50	17,339,065.70	653,957.00	136,598.00
Semi-Expendable Furniture and Fixtures and Book Expense	7,838,476.30	1,538,781.80	5,770,694.50	529,000.00	-
Other Supplies and Materials Expenses	37,668,179.38	4,534,067.48	25,936,817.65	7,197,294.25	-
Utility Expenses	37,683,128.35	9,081,313.75	27,882,861.26	718,953.34	-
Water Expenses	2,158,116.70	426,427.64	1,680,584.00	51,105.06	-
Electricity Expenses	35,525,011.65	8,654,886.11	26,202,277.26	667,848.28	-
Communication Expenses	14,601,779.03	2,122,785.13	12,319,131.34	159,862.56	-
Postage and Courier Services	62,079.00	13,050.00	49,029.00	-	-
Telephone Expenses	3,242,445.07	660,277.41	2,555,467.66	26,700.00	-
Internet Subscription Expenses	11,292,854.96	1,447,957.72	9,711,734.68	133,162.56	-
Cable, Satellite, Telegraph and Radio Expenses	4,400.00	1,500.00	2,900.00	-	-
Awards/Rewards and Prizes	2,983,853.44	1,875,420.94	1,108,432.50	-	-
Awards/Rewards Expense	2,270,420.94	1,875,420.94	395,000.00	-	-
Prizes	713,432.50	-	713,432.50	-	-
Confidential, Intelligence and Extraordinary Expenses	208,614.90	208,614.90	-	-	-
Extraordinary and Miscellaneous Expenses	208,614.90	208,614.90	-	-	-
Professional Services	139,785,978.61	19,121,986.34	115,185,302.46	5,478,689.81	-
Other Professional Services	139,785,978.61	19,121,986.34	115,185,302.46	5,478,689.81	-
General Services	15,481,362.24	2,273,830.99	12,913,328.53	264,202.72	-
Janitorial Services	6,125,879.75	539,438.26	5,586,441.49	-	-
Security Services	7,242,411.60	576,537.75	6,665,873.85	-	-
Other General Services	2,083,070.89	1,157,854.98	661,013.19	264,202.72	-
Repairs and Maintenance	13,260,044.61	2,053,302.82	10,519,475.87	687,265.92	-
Repairs and Maintenance - Land Improvements	961,382.00	-	961,382.00	-	-
Repairs and Maintenance - Infrastructure Assets	19,600.00	-	19,600.00	-	-
Repairs and Maintenance - Buildings and Other Structures	8,517,682.27	1,328,707.82	7,042,977.95	145,996.50	-
Repairs and Maintenance - Machinery and Equipment	997,116.89	461,390.00	486,894.00	48,832.80	-
Repairs and Maintenance - Transportation Equipment	2,231,194.54	263,205.00	1,851,692.92	116,296.62	-
Repairs and Maintenance - Furniture and Fixtures	-	-	-	-	-
Repairs and Maintenance - Other Property, Plant and Equipment	533,069.00	-	156,929.00	376,140.00	-
Taxes, Insurance Premiums and Other Fees	2,357,545.46	1,772,438.90	571,643.99	13,228.17	234.40
Taxes, Duties and Licenses	389,329.50	226,614.63	149,252.30	13,228.17	234.40
Fidelity Bond Premiums	332,460.00	-	332,460.00	-	-
Insurance Expenses	1,635,755.96	1,545,824.27	89,931.69	-	-
Labor and Wages	9,844,893.98	683,163.89	6,463,529.65	2,698,200.44	-
Labor and Wages	9,844,893.98	683,163.89	6,463,529.65	2,698,200.44	-
Other Maintenance and Operating Expenses	63,816,789.01	18,496,647.84	38,696,085.78	6,634,055.39	-
Advertising Expenses	473,367.50	12,712.00	460,655.50	-	-
Printing and Publication Expenses	1,375,568.48	90,170.30	1,267,408.18	17,990.00	-
Representation Expenses	23,944,823.81	3,435,362.79	15,751,789.51	4,757,671.51	-
Transportation and Delivery Expenses	485,702.68	4,545.00	305,154.04	176,003.64	-
Rent/Lease Expenses	658,799.99	154,000.00	504,799.99	-	-
Membership Dues and Contributions to Organizations	2,685,187.26	80,000.00	2,605,187.26	-	-
Subscription Expenses	2,841,419.78	1,316.00	2,840,103.78	-	-
Donations	200,000.00	-	200,000.00	-	-
Other Maintenance and Operating Expenses	31,151,919.51	14,708,541.75	14,760,987.52	1,682,390.24	-
Total Maintenance and Other Operating Expenses	435,302,870.96	91,079,481.80	316,000,781.14	28,068,705.62	163,932.40
Financial Expenses	-	-	-	-	-
Financial Expenses	-	-	-	-	-
Bank Charges	62,483.00	12,800.00	20,550.00	7,650.00	21,483.00
Total Financial Expenses	62,483.00	12,800.00	20,550.00	7,650.00	21,483.00
Non-Cash Expenses	-	-	-	-	-
Depreciation	61,364,166.53	25,815,354.34	26,872,941.59	2,579,314.84	6,096,555.76
Depreciation - Land Improvements	2,100,607.85	177,814.96	1,914,195.41	8,597.48	-
Depreciation - Infrastructure Assets	301,234.18	139,618.01	92,532.84	49,083.33	-
Depreciation - Buildings and Other Structures	23,528,216.57	11,005,787.23	11,704,456.10	149,369.12	668,604.12
Depreciation - Machinery and Equipment	27,986,552.34	12,874,905.37	9,234,967.24	710,546.85	5,166,132.88
Depreciation - Transportation Equipment	4,698,078.02	76,561.71	3,415,349.55	1,048,195.40	157,971.36
Depreciation - Furniture, Fixtures and Books	836,587.64	496,745.97	272,424.97	-	67,416.70
Depreciation - Other Property, Plant and Equipment	1,912,889.93	1,023,921.09	239,015.48	613,522.66	36,430.70



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CONSOLIDATED DETAILED STATEMENT OF FINANCIAL PERFORMANCE
For the year-ended December 31, 2023

	<u>TOTAL</u>	<u>Fund 01</u>	<u>Fund 05</u>	<u>Fund 06</u>	<u>Fund 07</u>
Amortization					
Amortization - Intangible Assets	47,109.33	18,333.33	28,776.00	-	-
Impairment Loss					
Impairment Loss - Loans and Receivables	-	-	-	-	-
Total Non-Cash Expenses	61,411,275.86	25,833,687.67	26,901,717.59	2,579,314.84	6,096,555.76
Total Current Operating Expenses	1,363,555,134.47	978,512,170.77	348,085,336.03	30,685,656.46	6,271,971.16
Surplus (Deficit) from Current Operations	(981,480,439.76)	(943,805,702.79)	(48,068,646.15)	16,542,895.99	(6,148,986.81)
Financial Assistance/Subsidy from LGUs, GOCCs	1,995,048,173.57	1,972,826,972.24	20,771,201.33	1,450,000.00	-
Subsidy from National Government	1,253,306,900.39	1,253,306,900.39	-	-	-
Subsidy from other NGAs	741,721,273.18	719,520,071.85	20,751,201.33	1,450,000.00	-
Subsidy from Other Funds	20,000.00	-	20,000.00	-	-
Less: Financial Assistance/Subsidy to LGUs, GOCCs, NGOs/POs	740,184,851.82	719,520,071.47	20,664,780.35	-	-
Financial Assistance to NGAs	-	-	-	-	-
Subsidy to Other Funds	195,705,000.00	195,305,000.00	200,000.00	200,000.00	-
Subsidies - Others	935,889,851.82	914,825,071.47	20,864,780.35	200,000.00	-
Net Financial Assistance/Subsidy	1,059,158,321.75	1,058,001,900.77	(93,579.02)	1,250,000.00	-
Other Non-Operating Income					
Gains	395,080.00	-	-	285,080.00	110,000.00
Gain on Initial Recognition of Biological Assets	144,000.00	-	-	34,000.00	110,000.00
Gain from Changes in Fair Value Less Cost to Sell of Biological Assets Due to Physical Change	222,600.00	-	-	222,600.00	-
Sale of Unserviceable Property	28,480.00	-	-	28,480.00	-
Losses	1,671,129.18	-	76,668.18	1,594,461.00	-
Loss on Foreign Exchange (FOREX)	76,668.18	-	76,668.18	-	-
Other Losses	1,594,461.00	-	-	1,594,461.00	-
Surplus (Deficit) for the period	76,401,832.81	114,196,197.98	(48,238,893.35)	16,483,514.99	(6,038,986.81)



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Annex C

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
For the Period Ended December 31, 2023

	All Funds Accumulated Surplus/(Deficit)	Fund 01 Accumulated Surplus/(Deficit)	Fund 05 Accumulated Surplus/(Deficit)	Fund 06 Accumulated Surplus/(Deficit)	Fund 07 Accumulated Surplus/(Deficit)
Balance at December 31, 2022	1,788,299,339.66	719,380,612.27	957,777,003.03	68,741,810.85	42,399,913.51
Changes in accounting policy	(33,765,344.35)	(1,323,254.24)	(32,105,092.21)	(533,653.05)	196,655.15
Prior Period Adjustments/Unrecorded Income and Expenses	(9,085,312.07)	40,381.45	(624,186.54)	(4,348,708.66)	(4,152,798.32)
Other Adjustments	(5,315,017.38)	(2,847,872.33)	(2,535,796.65)	147,276.14	(78,624.54)
Restated balance	1,740,133,665.86	715,249,867.15	922,511,927.63	64,006,725.28	38,365,145.80
Changes in net assets/equity for 2023					
Surplus for the period	76,401,832.81	114,196,197.98	(48,238,893.35)	16,483,514.99	(6,038,986.81)
Adjustment of net revenue recognized directly in net assets/equity	618,035.54	(242,693.46)	48,381.00	-	812,348.00
Others	(2,860,581.21)	(2,305,371.94)	(2,269,778.53)	772,890.00	941,679.26
Total recognized revenue and expense for the period	74,159,287.14	111,648,132.58	(50,460,290.88)	17,256,404.99	(4,284,959.55)
Balance at December 31, 2023	1,814,292,953.00	826,897,999.73	872,051,636.75	81,263,130.27	34,080,186.25



CONSOLIDATED DETAILED STATEMENT OF CASH FLOWS
For the year-ended December 31, 2023

	<u>TOTAL</u>	<u>Fund 01</u>	<u>Fund 05</u>	<u>Fund 06</u>	<u>Fund 07</u>
Cash Flows from Operating Activities:					
Cash Inflows:					
Receipt of Notice of Cash Allocation (NCA)					
Receipt of Notice of Cash Allocation (NCA)	1,195,932,496.00	1,195,932,496.00	-	-	-
Receipt of Assistance and Subsidy from Other NGAs, LGUs and GOCCs					
Subsidy from Other National Government Agencies	729,125,450.82	719,630,499.77	9,494,951.05	-	-
Collection of Receivables					
Collection from Audit Disallowances	8,112,764.64	1,100,289.94	6,520,587.41	260,624.79	231,262.50
Collection of Loans and Receivables	4,414,342.12	-	4,379,012.23	35,329.89	-
Collection of Other Receivables	-	-	-	-	-
Receipt of Trust Liabilities					
Collection of other trust receipts	3,698,422.52	1,100,289.94	2,141,575.18	225,294.90	231,262.50
Collection of Income/Revenues					
Collection of Service and Business Income	131,856,373.18	-	13,647,598.49	-	118,208,774.69
Collection of Other Income	486,473,491.56	4,901,358.53	424,351,208.89	57,220,924.14	-
Receipt of Intra-Agency Fund Transfer					
Receipt of funds for other intra-agency transactions	486,409,096.38	4,836,963.35	424,351,208.89	57,220,924.14	-
Other Receipts					
Collection from Trust Receipts from entities other than NGAs/LGUs/GOCCs	64,395.18	64,395.18	-	-	-
Receipt of Refunds of Cash Advance	3,447,777.53	-	-	-	3,447,777.53
Refund of overpayment of Maintenance and Other Operating Expenses	3,447,777.53	-	-	-	3,447,777.53
Other Miscellaneous Receipts	65,900,877.05	17,893,222.56	25,170,533.26	1,686,877.82	21,150,243.41
Cash Inflows from Operating Activities	12,722,056.00	-	257,421.00	-	12,464,635.00
	1,621,512.65	389,577.09	918,019.63	163,352.94	150,562.99
	920,618.18	902,518.18	18,100.00	-	-
	50,636,690.22	16,601,127.29	23,976,992.63	1,523,524.88	8,535,045.42
	2,620,849,230.78	1,939,457,866.80	479,184,879.10	59,168,426.75	143,038,058.13
Cash Outflow:					
Payment of Expenses					
Payment for Other Maintenance and Other Operating Expenses	(1,562,398,279.33)	(1,379,373,725.60)	(156,590,897.90)	(18,668,118.85)	(7,765,536.98)
Payment of Personnel Services	(545,457,733.46)	(362,433,179.73)	(156,590,897.90)	(18,668,118.85)	(7,765,536.98)
Purchase of Inventories					
Purchase of inventories for distribution	(1,016,940,545.87)	(1,016,940,545.87)	-	-	-
Purchase of Inventories for sale	(48,566,150.41)	(10,410,823.11)	(30,558,943.70)	(5,662,692.52)	(1,933,691.08)
Purchase of Semi-Expendable Supplies and Equipments	(28,861,902.58)	(6,790,777.80)	(18,405,244.03)	(1,732,189.67)	(1,933,691.08)
Grant of Cash Advances					
Advances for Payroll	(3,225,410.48)	-	-	(3,225,410.48)	-
Advances to Officers and Employees	(16,478,837.35)	(3,620,045.31)	(12,153,699.67)	(705,092.37)	-
Advances for special purpose/ time-bound undertakings	(83,286,067.95)	(6,937,262.23)	(36,002,937.00)	(3,686,632.65)	(36,659,246.07)
Prepayments					
Other Prepayments	(73,408,861.70)	(4,905,401.41)	(28,670,838.87)	(3,655,958.85)	(36,176,662.57)
Refund of Deposits					
Payment of guaranty Deposits	(9,877,206.25)	(2,031,850.82)	(7,332,098.13)	(30,673.80)	(482,583.50)
Remittance of Personnel Benefit Contributions and Mandatory Deductions					
Remittance of taxes withheld not covered by TRA	(2,609,465.97)	(2,609,465.97)	-	-	-
Remittance of personnel benefits contributions	(2,609,465.97)	(2,609,465.97)	-	-	-
Remittance of Other Payables	(3,120,912.63)	(2,586,717.97)	(437,088.07)	(97,106.59)	-
Grant of Financial Assistance/Subsidy					
Grant of Financial Assistance to NGAs/LGUs/GOCCs	(3,120,912.63)	(2,586,717.97)	(437,088.07)	(97,106.59)	-
Other Disbursements					
Refund of excess income	(283,900,946.34)	(255,954,727.81)	(25,863,821.96)	(1,458,289.18)	(624,107.39)
Payment for Trust and Other Liabilities	(7,025,499.10)	-	(6,247,553.74)	(256,427.06)	(521,518.30)
Cash Outflows from Operating Activities	(242,576,441.53)	(238,813,896.37)	(3,287,803.22)	(372,152.85)	(102,589.09)
	(34,299,005.71)	(17,140,831.44)	(16,328,465.00)	(829,709.27)	-
	(17,547,100.78)	-	(17,547,100.78)	-	-
	(12,547,100.78)	-	(17,547,100.78)	-	-
	(705,202,329.70)	(281,178,223.30)	(282,142,342.28)	(18,784,688.81)	(123,097,075.31)
	(229,007,303.38)	(93,595,696.00)	(113,131,101.03)	(7,093,483.89)	(15,187,022.46)
	(20,400.00)	-	(20,400.00)	-	-
	(476,174,626.32)	(187,582,527.30)	(168,990,841.25)	(11,691,204.92)	(107,910,052.85)
	(2,706,631,253.11)	(1,939,050,935.99)	(549,143,131.69)	(48,357,528.60)	(170,079,656.83)
Net Cash Flows from Operating Activities					
	(85,782,022.33)	406,930.81	(69,958,252.59)	10,810,898.15	(27,041,598.70)
Net increase/(decrease) in cash and cash equivalents					
Cash and Cash Equivalents, January 1	(85,782,022.33)	406,930.81	(69,958,252.59)	10,810,898.15	(27,041,598.70)
Cash and Cash Equivalents, December 31	439,157,004.97	3,483,169.41	284,128,316.43	31,977,799.92	119,567,719.21
	353,374,982.64	3,890,100.22	214,170,063.84	42,788,698.07	92,526,120.51



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Annex E

DETAILED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2023

	Budgeted Amount Original	Final	Actual Amounts on Comparable Basis	Difference Final Budget and Actual
A. RECEIPTS				
1. SUBSIDY FROM THE NATIONAL GOVERNMENT	1,328,964,508.79	1,343,081,837.79	1,334,357,648.79	8,724,189.00
Regular Agency Fund - General Fund	1,236,694,000.00	1,250,811,329.00	1,242,087,140.00	8,724,189.00
New General Appropriations	1,177,966,000.00	1,177,966,000.00	1,169,241,811.00	8,724,189.00
Special Purpose Funds		5,248,118.00	5,248,118.00	-
Automatic Appropriations	58,728,000.00	67,597,211.00	67,597,211.00	-
Regular 2022 Continuing Appropriations	92,270,508.79	92,270,508.79	92,270,508.79	-
FY 2022 Continuing Appropriations	92,270,508.79	92,270,508.79	92,270,508.79	-
2. SERVICES AND BUSINESS INCOME	680,299,116.35	703,655,490.97	703,655,490.97	-
Internally Generated Income	627,529,316.43	614,220,127.27	614,220,127.27	-
Cash Balance as of 2022	284,128,316.43	284,128,316.43	284,128,316.43	-
Tuition Fees	206,456,000.00	152,359,040.35	152,359,040.35	-
Income Collected From Students	83,967,000.00	101,642,266.63	101,642,266.63	-
Other School Fees	32,618,000.00	34,311,071.22	34,311,071.22	-
Other Business Income	20,360,000.00	41,779,432.64	41,779,432.64	-
Business Type Income	52,769,799.92	89,435,363.70	89,435,363.70	-
Cash Balance as of December 31, 2022	31,977,799.92	31,977,799.92	31,977,799.92	-
Book Sales	1,258,000.00	194,280.00	194,280.00	-
Sales of Animals Meat and Dairy	2,014,000.00	1,458,084.05	1,458,084.05	-
Other Sales	3,975,000.00	42,530,661.60	42,530,661.60	-
Rent/Lease Income		3,980,493.13	3,980,493.13	-
Other Business Income	13,545,000.00	9,294,045.00	9,294,045.00	-
TOTAL RECEIPTS	2,009,263,625.14	2,046,737,328.76	2,038,013,139.76	8,724,189.00
B. PAYMENTS				
1. GENERAL FUND	1,328,964,508.79	1,283,468,054.66	1,181,054,055.80	102,413,998.86
Regular Agency Fund - General Fund				
Current Appropriations	1,177,966,000.00	1,119,071,710.78	1,073,370,457.24	45,701,253.54
Personnel Services	759,076,000.00	788,964,263.46	785,851,668.91	3,112,594.55
MOOE	323,890,000.00	283,643,130.77	275,598,818.72	8,044,312.05
Capital Outlay	95,000,000.00	46,464,316.55	11,919,969.61	34,544,346.94
Special Purpose Fund	-	5,248,118.00	3,199,415.00	2,048,703.00
Personnel Services	-	5,248,118.00	3,199,415.00	2,048,703.00
Automatic Appropriations	58,728,000.00	67,397,547.50	67,397,547.50	-
Personnel Services	58,728,000.00	67,397,547.50	67,397,547.50	-
Regular 2022 - Continuing	92,270,508.79	91,750,678.38	37,086,636.06	54,664,042.32
MOOE	11,740,032.53	11,431,620.00	7,452,320.00	3,979,300.00
Capital Outlay	80,530,476.26	80,319,058.38	29,634,316.06	50,684,742.32
Summary General Fund				
Personnel Services	817,804,000.00	861,609,928.96	856,448,631.41	5,161,297.55
MOOE	335,630,032.53	295,074,750.77	283,051,138.72	12,023,612.05
Capital Outlay	175,530,476.26	126,783,374.93	41,554,285.67	85,229,089.26
TOTAL GENERAL FUND	1,328,964,508.79	1,283,468,054.66	1,181,054,055.80	102,413,998.86
2. OFF-BUDGETARY FUND	635,241,058.46	481,261,119.52	434,558,793.22	46,702,326.30
Retained Income Fund	545,805,694.76	405,710,961.15	377,685,250.22	28,025,710.93
Personnel Services	-	-	-	-
MOOE	423,742,297.24	345,652,164.13	328,441,698.19	17,210,465.94
Capital Outlay	122,063,397.52	60,058,797.02	49,243,552.03	10,815,244.99



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DETAILED STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2023

	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
Revolving Fund (IGP)	89,435,363.70	75,550,158.37	56,873,543.00	18,676,615.37
Personnel Services				-
MOOE	75,879,400.70	61,994,195.37	49,633,072.00	12,361,123.37
Capital Outlay	13,555,963.00	13,555,963.00	7,240,471.00	6,315,492.00
Summary Off-Budgetary Fund				
Personnel Services	-	-	-	-
MOOE	499,621,697.94	407,646,359.50	378,074,770.19	29,571,589.31
Capital Outlay	135,619,360.52	73,614,760.02	56,484,023.03	17,130,736.99
TOTAL OFF-BUDGETARY FUND	635,241,058.46	481,261,119.52	434,558,793.22	46,702,326.30
Summary				
Personnel Services	817,804,000.00	861,609,928.96	856,448,631.41	5,161,297.55
MOOE	835,251,730.47	702,721,110.27	661,125,908.91	41,595,201.36
Capital Outlay	311,149,836.78	200,398,134.95	98,038,308.70	102,359,826.25
TOTAL PAYMENTS	1,964,205,567.25	1,764,729,174.18	1,615,612,849.02	149,116,325.16
Net Receipts and Payments	45,058,057.89	282,008,154.58	422,400,290.74	(140,392,136.16)