



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

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## **INDEPENDENT AUDITOR'S REPORT**

### **DR. TIRSO A. RONQUILLO**

University President  
Batangas State University  
Batangas City

### **Qualified Opinion**

We have audited the accompanying financial statements of the Batangas State University (BatStateU) which comprise the Statement of Financial Position as at December 31, 2021, and the Statements 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 Financial Statements, including a summary of significant accounting policies.

In our opinion, except for the effects on the matter described in the *Bases for Qualified Opinion* section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of the BatStateU as at December 31, 2021, and its financial performance, cash flows and its comparison of budget and actual amounts for the year then ended, in accordance with International Public Sector Accounting Standards (IPSASs).

### **Bases for Qualified Opinion**

As discussed in the Part II - Observations and Recommendations portion of this Report, the following are our bases for rendering a qualified opinion on the consolidated financial statements: (1) accuracy of Property, Plant and Equipment (PPE) account balance costing ₱3,653,330,955.31 could not be relied upon due to: (a) existence of discrepancies between the balance of Statement of Financial Position and PPE Ledger Cards (PPELCs) and Report of Physical Count of PPE (RPCPPE) of Central Administration and ARASOF-Nasugbu totaling ₱2,182,501,035.79 and ₱28,416,430.31, respectively; (b) inclusion of tangible items below the capitalization threshold of ₱15,000.00 totaling ₱60,230,966.03; (c) computation of periodic depreciation when additions, improvements or renovations were capitalized did not use the remaining useful life or the revised useful life whichever is appropriate, of the main asset, such as School Buildings; (d) existence of discrepancies with a net aggregate cost of ₱30,299,538.24 between the balances of PPE cost and Accumulated Depreciation in the Statement of Financial Position, and lapsing schedule of ARASOF-Nasugbu; (e) computation of Depreciation Expense of Pablo Borbon Campus using ten per cent residual value, which is inconsistent with the Accounting Policies adopted by the BatStateU; (f) disposed unserviceable properties with a total cost of ₱1,683,664.00 and net book value of ₱72,789.41 were still presented under their PPE accounts; (g) non-closure of the

Construction in Progress (CIP) accounts costing ₱294,984,026.98 from CIP to appropriate PPE account; and (h) conduct of partial inventory count and the submission of inaccurate RPCPPE; (2) existence, completeness and valuation of Land account of BatStateU-Central Administration totaling ₱116,714,747.72, as of December 31, 2021 could not be ascertained due to non-recognition of parcels of land located in all BatStateU Campuses measuring at least 129,685 square meters (sq. m); (3) Due to NGAs account balance of ₱350,789,498.51 included unliquidated and non-moving accounts amounting to ₱63,406,828.82 and ₱17,613,194.29 unutilized balance for 16 completed/terminated projects, which were not yet returned to the Source Agencies (SAs), thus not only deprived the government of funds for its operation, but also affects the fair presentation of accounts in the financial statements; (4) Receivable accounts balance totaling ₱63,238,024.51 were doubtful as to accuracy and valuation due to: (a) long outstanding/non-moving accounts of ₱49,590,988.29 with age of over three years to 14 years; (b) unsubstantiated receivables amounting to ₱13,636,041.32; and (c) failure to measure and recognize adequate allowance for impairment on accounts, which recovery was highly improbable; (5) Accounts Payable totaling ₱50,566,129.90 was doubtful as to accuracy and validity due to existence of discrepancy of ₱26,030,131.41 between the recorded CY 2021 Accounts Payable and Aging of Unpaid Obligations; (6) failure of the Accountants of BatStateU Central Administration and Constituent Campuses to reconcile the Intra-Agency Receivables and Payables of Central Office and Operating Units with their reciprocal accounts as of year-end amounting to ₱67,460,519.13 and ₱150,640,020.32, respectively, resulted in net unreconciled balance totaling ₱64,412,767.29; and (7) the year-end subsidiary ledgers posted abnormal balances of three assets and 16 liabilities accounts totaling ₱53,131,385.31 and ₱7,109,393.45, respectively, thus significantly affects the accuracy and reliability of financial information presented in the financial statements.

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 the Financial Statements section of our report. We are independent of the agency in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **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 Agency's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 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:

  
**FLORA H. ARCOIREZ**  
State Auditor IV  
OIC-Supervising Auditor

June 8, 2022



Republic of the Philippines  
**BATANGAS STATE UNIVERSITY**

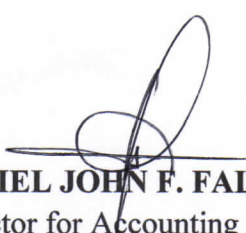
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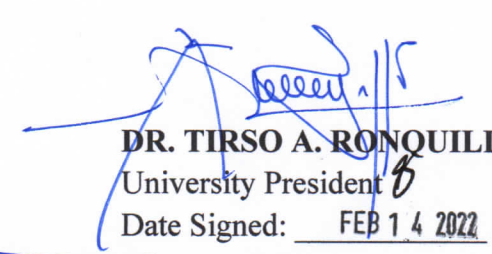
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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of **BATANGAS STATE UNIVERSITY** is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2021 and the related Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amount and Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with International Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management 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.

  
**MR. DANIEL JOHN F. FALO, CPA**  
Asst. Director for Accounting Services  
Date Signed: FEB 14 2022

  
**DR. TIRSO A. RONQUILLO**  
University President  
Date Signed: FEB 14 2022

**BATANGAS STATE UNIVERSITY**  
**CONSOLIDATED DETAILED STATEMENT OF FINANCIAL POSITION**  
**All Funds**  
**As of December 31, 2021**

	<u>Note</u>	2021	2020
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Cash and Cash Equivalents</b>	<b>3</b>	<b>₱ 2,090,834,834.44</b>	<b>₱ 2,234,106,973.77</b>
Cash on Hand		20,046.86	22,994.66
Cash - Collecting Officer		20,046.86	22,994.66
Cash in Bank - Local Currency		2,083,051,908.81	2,228,170,732.68
Cash in Bank - Local Currency, Current Account		787,390,510.83	945,097,371.42
Cash in Bank - Local Currency, Savings Account		1,295,661,397.98	1,283,073,361.26
Cash in Bank - Foreign Currency		6,288,449.59	5,913,246.43
Cash in Bank - Foreign Currency, Savings Account		6,288,449.59	5,913,246.43
Treasury/Agency Cash Accounts		1,474,429.18	0.00
Cash - Modified Disbursement System, Regular		1,474,429.18	0.00
<b>Receivables</b>	<b>4</b>	<b>668,857,644.00</b>	<b>217,763,065.31</b>
Loans and Receivable Accounts		547,507,370.75	119,575,237.60
Accounts Receivables		556,075,274.96	127,629,576.74
<i>Allowance for Impairment - Accounts Receivables</i>		<i>(8,567,904.21)</i>	<i>(8,054,339.14)</i>
<i>Net Value - Accounts Receivables</i>		<i>547,507,370.75</i>	<i>119,575,237.60</i>
Lease Receivables		231,090.91	567,519.94
Operating Lease Receivables		696,762.57	711,328.33
<i>Allowance for Impairment - Operating Lease Receivables</i>		<i>(465,671.66)</i>	<i>(143,808.39)</i>
<i>Net Value - Operating Lease Receivables</i>		<i>231,090.91</i>	<i>567,519.94</i>
Inter-Agency Receivables		726,975.05	1,477,184.94
Due from National Government Agencies		80,936.51	831,196.40
Due from Government-Owned and/or Controlled Corporations		645,988.54	0.00
		50.00	645,988.54
Intra-Agency Receivables		118,916,307.43	94,740,335.00
Due from Cenral Office		6,742,079.50	0.00
Due from Regional Office		11,513,493.40	68,128,738.00
Due from Operating Units		49,204,946.23	0.00
Due from Other Funds		51,455,788.30	26,611,597.00
Other Receivables		1,475,899.86	1,402,787.83
Receivables and Disallowances/Charges		857,435.77	857,435.77
Due from Officers and Employees		23,126.63	8,676.43
Due from Non-Government Organizations/ People's Organizations		190,000.00	190,000.00
Other Receivables		405,337.46	346,675.63

	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Inventories</b>	<b>5</b>	<b>24,710,711.35</b>	<b>20,750,707.93</b>
Inventory Held for Sale		20,712,901.06	17,751,280.59
Merchandise Inventory		20,712,901.06	17,751,280.59
Inventory Held for Consumption		3,956,930.29	2,999,427.34
Office Supplies Inventory		2,714,760.34	2,068,536.01
Accountable Forms, Plates and Stickers Inventory		445,280.32	202,915.18
Drugs and Medicines Inventory		31,771.09	32,330.61
Medical, Dental and Laboratory Supplies Inventory		49,162.37	84,868.51
Other Supplies and Materials Inventory		675,076.17	610,777.03
Semi-Expendable Machinery and Equipment		40,880.00	0.00
Semi-Expendable Information and Communications Technology Equipment		40,880.00	0.00
<b>Other Current Assets</b>	<b>6</b>	<b>129,159,125.13</b>	<b>65,124,449.50</b>
Advances		612,627.84	0.00
Advances to Officers and Employees		612,627.84	0.00
Prepayments		120,609,843.50	57,187,795.71
Advances to Contractors		110,009,789.78	48,291,314.05
Prepaid Registration		2,864.33	
Prepaid Insurance		6,395,375.38	5,495,155.77
Prepaid Subscription		3,797,470.02	3,305,837.48
Other Prepayments		404,343.99	95,488.41
Deposits		7,936,653.79	7,936,653.79
Guaranty Deposits		7,936,653.79	7,936,653.79
<b>Total Current Assets</b>		<b>2,913,562,314.92</b>	<b>2,537,745,196.51</b>
<b>Non-Current Assets</b>			
<b>Investments</b>		<b>555,021.67</b>	<b>519,320.29</b>
Financial Assets - Others		555,021.67	519,320.29
Investment in Stocks	<b>7</b>	555,021.67	519,320.29
<b>Investment Property</b>	<b>8</b>	<b>3,828,627.55</b>	<b>4,254,841.27</b>
Land and Buildings		3,828,627.55	4,254,841.27
Investment Property, Buildings		7,315,322.79	7,315,322.79
Accumulated Depreciation - Investment Property Buildings		(3,486,695.24)	(3,060,481.52)
Net Value		3,828,627.55	4,254,841.27
<b>Property, Plant and Equipment</b>	<b>9</b>	<b>2,816,437,063.61</b>	<b>2,544,699,601.16</b>
Land		127,120,602.18	118,613,202.18
Land		127,120,602.18	118,613,202.18
Land Improvements		20,099,968.85	21,821,308.06
Other Land Improvements		37,674,223.11	36,903,830.61
Accumulated Depreciation -Land Improvements		(17,574,254.26)	(15,082,522.55)
Net Value		20,099,968.85	21,821,308.06

	<b>Note</b>	<b>2021</b>	<b>2020</b>
Infrastructure Assets		52,768,217.82	62,118,497.23
Water Supply Systems		5,187,842.61	5,111,742.61
<i>Accumulated Depreciation - Water Supply Systems</i>		(3,676,733.17)	(3,274,730.86)
<i>Net Value</i>		1,511,109.44	1,837,011.75
Power Supply Systems		84,961,750.39	81,273,267.41
<i>Accumulated Depreciation - Power Supply Systems</i>		(33,704,642.01)	(20,991,781.93)
<i>Net Value</i>		51,257,108.38	60,281,485.48
Building and Other Structures		1,527,952,245.34	1,243,676,217.63
School Buildings		1,955,214,812.88	1,556,534,118.63
<i>Accumulated Depreciation - School Buildings</i>		(523,146,902.62)	(404,294,444.57)
<i>Net Value</i>		1,432,067,910.26	1,152,239,674.06
Other Structures		147,080,037.60	137,038,903.19
<i>Accumulated Depreciation - Other Structures</i>		(51,195,702.52)	(45,602,359.62)
<i>Net Value</i>		95,884,335.08	91,436,543.57
Machinery and Equipment		324,730,563.38	273,094,467.84
Machinery		2,453,962.10	2,453,962.10
<i>Accumulated Depreciation - Machinery</i>		(2,073,615.69)	(2,070,765.69)
<i>Net Value</i>		380,346.41	383,196.41
Office Equipment		75,530,096.99	71,067,697.79
<i>Accumulated Depreciation - Office Equipment</i>		(48,496,846.87)	(42,315,639.50)
<i>Net Value</i>		27,033,250.12	28,752,058.29
Information and Communication Technology Equipment		228,664,157.91	166,865,254.52
<i>Accumulated Depreciation - Information and Communication Technology Equipment</i>		(115,230,563.81)	(95,135,704.94)
<i>Net Value</i>		113,433,594.10	71,729,549.58
Agricultural and Forestry Equipment		20,300.00	20,300.00
Communication Equipment		4,369,245.14	4,369,245.14
<i>Accumulated Depreciation - Communication Equipment</i>		(2,722,769.55)	(2,642,137.35)
<i>Net Value</i>		1,646,475.59	1,727,107.79
Disaster Response and Rescue Equipment		868,343.00	872,743.00
<i>Accumulated Depreciation - Disaster Response and Rescue Equipment</i>		(514,478.05)	(476,934.81)
<i>Net Value</i>		353,864.95	395,808.19
Military, Police and Security Equipment		876,794.00	876,794.00
<i>Accumulated Depreciation - Military and Police Equipment</i>		(443,319.26)	(374,206.58)
<i>Net Value</i>		433,474.74	502,587.42
Medical Equipment		108,047,079.07	106,379,631.07
<i>Accumulated Depreciation - Medical Equipment</i>		(58,640,380.48)	(58,342,138.70)
<i>Net Value</i>		49,406,698.59	48,037,492.37
Printing Equipment		15,120.00	15,120.00
<i>Accumulated Depreciation - Printing Equipment</i>		(14,364.00)	(12,688.20)
<i>Net Value</i>		756.00	2,431.80
Sports Equipment		4,456,337.20	3,504,337.20
<i>Accumulated Depreciation - Sports Equipment</i>		(1,582,266.47)	(1,251,093.71)
<i>Net Value</i>		2,874,070.73	2,253,243.49
Technical and Scientific Equipment		177,894,292.11	158,078,130.35
<i>Accumulated Depreciation - Technical and Scientific Equipment</i>		(74,614,105.76)	(64,007,689.53)
<i>Net Value</i>		103,280,186.35	94,070,440.82

	<b>Note</b>	<b>2021</b>	<b>2020</b>
Other Machinery and Equipment		45,333,042.27	41,878,174.23
<i>Accumulated Depreciation - Other Machinery and Equipment</i>		<u>(19,465,496.47)</u>	<u>(16,657,922.55)</u>
<i>Net Value</i>		<u>25,867,545.80</u>	<u>25,220,251.68</u>
Transportation Equipment		6,727,442.20	3,358,725.82
Motor Vehicles		23,229,968.50	18,747,419.50
<i>Accumulated Depreciation - Motor Vehicles</i>		<u>(17,040,776.30)</u>	<u>(15,983,943.68)</u>
<i>Net Value</i>		<u>6,189,192.20</u>	<u>2,763,475.82</u>
Watercrafts		600,000.00	600,000.00
<i>Accumulated Depreciation - Watercrafts</i>		<u>(61,750.00)</u>	<u>(4,750.00)</u>
<i>Net Value</i>		<u>538,250.00</u>	<u>595,250.00</u>
 Furniture, Fixtures and Books		 54,722,560.26	 46,388,257.59
Furniture and Fixtures		62,103,654.02	49,750,418.91
<i>Accumulated Depreciation - Furniture and Fixtures</i>		<u>(19,256,238.70)</u>	<u>(17,045,343.94)</u>
<i>Net Value</i>		<u>42,847,415.32</u>	<u>32,705,074.97</u>
Books		24,968,006.41	25,636,580.36
<i>Accumulated Depreciation - Books</i>		<u>(13,092,861.47)</u>	<u>(11,953,397.74)</u>
<i>Net Value</i>		<u>11,875,144.94</u>	<u>13,683,182.62</u>
 Other Property, Plant and Equipment		 4,453,475.67	 5,749,843.67
Other Property, Plant and Equipment		10,413,754.53	10,078,754.53
<i>Accumulated Depreciation - Other Property, Plant and Equipment</i>		<u>(5,960,278.86)</u>	<u>(4,328,910.86)</u>
<i>Net Value</i>		<u>4,453,475.67</u>	<u>5,749,843.67</u>
 Construction in Progress		 697,861,987.91	 769,879,081.14
Construction in Progress - Land Improvements		42,987,959.90	35,356,471.96
Construction in Progress - Infrastructure Assets		8,669,430.19	4,578,472.83
Construction in Progress - Buildings & Other Structures		646,204,597.82	729,944,136.35
 <b>Biological Assets</b>	<b>10</b>	 <b><u>237,864.00</u></b>	 <b><u>195,470.00</u></b>
Bearer Biological Assets		237,864.00	195,470.00
Livestock		237,864.00	195,470.00
 <b>Intangible Assets</b>	<b>11</b>	 <b><u>17,838,340.05</u></b>	 <b><u>6,946,367.11</u></b>
Intangible Assets		17,838,340.05	6,946,367.11
Computer Software		35,502,619.67	22,302,824.67
<i>Accumulated Amortization</i>		<u>(17,664,279.62)</u>	<u>(15,356,457.56)</u>
<i>Net Value</i>		<u>17,838,340.05</u>	<u>6,946,367.11</u>
 <b>Other Non-Current Assets</b>	<b>12</b>	 <b><u>5,086,421.36</u></b>	 <b><u>5,506,273.26</u></b>
Other Assets		5,086,421.36	5,506,273.26
<b>Total Non-Current Assets</b>		<b><u>2,843,983,338.24</u></b>	<b><u>2,562,121,873.09</u></b>
<b>Total Assets</b>		<b><u>5,757,545,653.16</u></b>	<b><u>5,099,867,069.60</u></b>



	<u>Note</u>	2021	2020
<b>LIABILITIES AND NET ASSETS/EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>	<b>13</b>	<b>93,314,780.27</b>	<b>61,464,977.18</b>
Accounts Payable	<b>13.1</b>	89,712,656.41	57,949,704.49
Due to Officers and Employees	<b>13.2</b>	374,718.38	374,718.38
Tax Refunds Payable	<b>13.3</b>	3,227,405.48	3,140,554.31
<b>Inter- Agency Payables</b>	<b>14</b>	<b>364,838,159.33</b>	<b>191,928,419.52</b>
Due to BIR		12,742,228.26	9,657,786.26
Due to GSIS		853,932.71	676,339.58
Due to Pag-IBIG		108,370.69	75,703.68
Due to PhilHealth		233,339.91	67,554.43
Due to NGAs		350,881,498.51	181,432,246.32
Due to GOCCs		18,789.25	18,789.25
<b>Intra - Agency Payables</b>	<b>15</b>	<b>202,095,808.90</b>	<b>94,740,335.00</b>
Due to Central Office		122,773,862.47	0.00
Due to Operating Units		27,866,157.85	68,128,738.00
Due to Other Funds		51,455,788.58	26,611,597.00
<b>Trust Liabilities</b>	<b>16</b>	<b>95,492,854.96</b>	<b>94,187,520.35</b>
Trust Liabilities		9,481,078.83	8,951,189.83
Guaranty/Security Deposits Payable		85,416,613.91	84,624,890.92
Customers' Deposits Payable		595,162.22	611,439.60
<b>Deferred Credits/Unearned Income</b>		<b>113,727.06</b>	<b>122,426.03</b>
Other Deferred Credits		113,727.06	122,426.03
<b>Other Payables</b>	<b>17</b>	<b>225,234,151.59</b>	<b>196,163,799.90</b>
Other Payables		225,234,151.59	196,163,799.90
<b>Total Liabilities</b>		<b>981,089,482.11</b>	<b>638,607,477.98</b>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>	<b>₱</b>	<b>4,776,456,171.05</b>	<b>₱ 4,461,259,591.62</b>
<b>Net Assets/ Equity</b>			
<b>Equity</b>	<b>₱</b>	<b>4,776,415,291.05</b>	<b>₱ 4,461,259,591.62</b>
Restated Beginning		0.00	4,205,011,429.00
Accumulated Surplus/(Deficit)		4,776,415,291.05	256,248,162.62
<b>TOTAL NET ASSETS/EQUITY</b>	<b>₱</b>	<b>4,776,415,291.05</b>	<b>₱ 4,461,259,591.62</b>

(See accompanying Notes to Financial Statements)

**BATANGAS STATE UNIVERSITY**  
**CONSOLIDATED DETAILED STATEMENT OF FINANCIAL PERFORMANCE**  
**All Funds**  
**For the Year Ended December 31, 2021**

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Revenue</b>			
<b>Service and Business Income</b>			
Business Income			
School Fees	P	839,055,776.78 P	594,233,859.01
Rent/Lease Income		423,690.00	852,996.20
Sales Revenue		5,992,727.96	9,799,726.39
Cost of Sales		(2,009,285.65)	(6,818,886.30)
Net Sales		<u>3,983,442.31</u>	<u>2,980,840.09</u>
Income from Hostel/Dormitories and other like facilities		51,000.00	618,413.78
Interest Income		18,531,418.81	27,940,879.06
Fines and Penalties - Business Income		0.00	100,458.96
Other Business Income		<u>2,229,712.85</u>	<u>3,082,636.11</u>
<b>Total Business Income</b>	<b>18</b>	<b><u>864,275,040.75</u></b>	<b><u>629,810,083.21</u></b>
<b>Grants and Donation</b>			
Income from Grants and Donations in Kind		<u>25,024,500.00</u>	<u>0.00</u>
<b>Total Income from Grants and Donations in Kind</b>	<b>19</b>	<b><u>25,024,500.00</u></b>	<b><u>0.00</u></b>
<b>Other Non-Operating Income</b>			
Miscellaneous Income		<u>1,862,897.29</u>	<u>1,006.06</u>
<b>Total Non-Operating Income</b>		<b><u>1,862,897.29</u></b>	<b><u>1,006.06</u></b>
<b>Total Revenue</b>		<b><u>891,162,438.04</u></b>	<b><u>629,811,089.27</u></b>
<b>Less: Current Operating Expenses</b>			
<b>Personnel Services</b>			
<b>Salaries and Wages</b>			
Salaries and Wages - Regular Pay		304,233,409.35	294,304,891.17
Salaries and Wages - Casual/Contractual		<u>21,302,243.82</u>	<u>21,773,625.56</u>
<b>Total Salaries and Wages</b>		<b><u>325,535,653.17</u></b>	<b><u>316,078,516.73</u></b>
<b>Other Compensation</b>			
Personnel Economic Relief Allowance (PERA)		18,405,087.14	18,337,436.13
Representation Allowance (RA)		1,856,250.00	1,996,000.00
Transportation Allowance (TA)		1,808,750.00	1,842,500.00
Clothing/Uniform Allowance		4,620,000.00	4,632,000.00
Subsistence Allowance		90,100.00	71,875.00
Laundry Allowance		13,125.00	11,350.00
Productivity Incentive Allowance		175,500.00	0.00
Honoraria	<b>20</b>	48,292,822.28	40,778,935.10
Hazard Pay		750,517.10	678,263.20
Longevity Pay		150,000.00	360,000.00
Year - End Bonus		27,636,442.47	26,850,362.20
Cash Gift		3,904,250.00	3,937,500.00
Mid Year Bonus		24,742,827.12	24,108,177.00
Other Bonuses and Allowances	<b>21</b>	<u>24,885,982.40</u>	<u>4,512,500.00</u>
<b>Total Other Compensation</b>		<b><u>157,331,653.51</u></b>	<b><u>128,116,898.63</u></b>

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Personnel Benefit Contributions</b>			
Retirement and Life Insurance Premiums		38,509,280.62	12,310,629.84
Pag-IBIG Contributions		932,694.41	926,822.02
PhilHealth Contributions		4,466,346.27	4,350,356.35
Employees Compensation Insurance Premiums		933,281.08	933,198.89
<b>Total Personnel Benefit Contributions</b>		<b>44,841,602.38</b>	<b>18,521,007.10</b>
<b>Other Personnel Benefits</b>			
Terminal Leave Benefits		2,408,104.41	2,442,535.75
Other Personnel Benefits		4,303,659.19	7,238,858.33
<b>Total Other Personnel Services</b>		<b>6,711,763.60</b>	<b>9,681,394.08</b>
<b>Total Personnel Services</b>		<b>534,420,672.66</b>	<b>472,397,816.54</b>
<b>Maintenance and Other Operating Expenses</b>			
<b>Travelling Expenses</b>			
Travelling Expenses - Local		1,305,736.08	1,584,366.09
Travelling Expenses - Foreign		0.00	10,868.48
<b>Total Travelling Expenses</b>		<b>1,305,736.08</b>	<b>1,595,234.57</b>
<b>Training Expenses and Scholarship Expenses</b>			
Training Expenses		2,870,584.51	1,511,482.42
Scholarship Grants Expenses		1,383,161.59	1,754,053.36
<b>Total Training Expenses and Scholarship Expenses</b>		<b>4,253,746.10</b>	<b>3,265,535.78</b>
<b>Supplies and Materials Expenses</b>			
Office Supplies Expenses		5,614,971.24	6,408,443.94
Accountable Forms Expense		169,374.71	314,805.21
Drugs and Medicines Expenses		340,706.97	124,372.23
Medical, Dental and Laboratory Supplies Expenses		1,723,575.69	616,630.04
Fuel, Oil and Lubricants Expenses		811,779.86	666,083.99
Textbooks and Instructional Materials Expenses		558,828.35	654,467.00
Semi-Expendable Furniture, Fixtures and Books Expenses		9,073,989.19	2,280,523.74
Semi-Expendable Machinery and Equipment Expenses		13,106,744.30	4,805,507.38
Other Supplies and Materials Expenses		10,998,824.93	8,256,212.54
<b>Total Supplies and Materials Expenses</b>		<b>42,398,795.24</b>	<b>24,127,046.07</b>
<b>Utility Expenses</b>			
Water Expenses		936,062.80	847,311.46
Electricity Expenses		22,009,024.19	18,125,013.11
<b>Total Utility Expenses</b>		<b>22,945,086.99</b>	<b>18,972,324.57</b>
<b>Communication Expenses</b>			
Postage and Courier Services		40,290.00	22,799.00
Telephone Expenses		1,535,487.81	1,284,789.42
Internet Subscription Expenses		19,585,049.62	28,506,577.96
Cable, Satellite, Telegraph and Radio Expenses		0.00	650.00
<b>Total Communication Expenses</b>		<b>21,160,827.43</b>	<b>29,814,816.38</b>
<b>Confidential, Intelligence and Extraordinary Expenses</b>			
Extra Ordinary and Miscellaneous Expenses		180,000.00	198,000.00
<b>Total Confidential, Intelligence and Extraordinary Expenses</b>		<b>180,000.00</b>	<b>198,000.00</b>

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Professional Services</b>			
Legal Services		162,770.05	477,000.00
Auditing Services		23,195.69	26,422.10
Consultancy Services	<b>22</b>	2,223,000.00	24,359,775.00
Other Professional Services	<b>23</b>	166,934,808.49	96,456,840.02
<b>Total Professional Services</b>		<b>169,343,774.23</b>	<b>121,320,037.12</b>
<b>General Services</b>			
Janitorial Services		8,466,426.62	10,684,673.05
Security Services		26,015,722.29	25,827,229.72
Other General Services	<b>24</b>	109,735,214.01	80,737,451.74
<b>Total General Services</b>		<b>144,217,362.92</b>	<b>117,249,354.51</b>
<b>Repairs and Maintenance</b>			
Repairs and Maintenance - Land Improvements		49,654.00	0.00
Repairs and Maintenance - Infrastructure Assets		0.00	16,800.00
Repairs and Maintenance - Buildings and Other Structures		1,385,843.20	2,055,950.34
Repairs and Maintenance - Machinery and Equipment		1,157,696.89	710,835.87
Repairs and Maintenance - Transportation Equipment		335,568.31	311,584.07
Repairs and Maintenance - Furniture and Fixtures		70,522.00	23,988.50
Repairs and Maintenance - Semi Expandable F&F		3,248.20	4,200.00
<b>Total Repairs and Maintenance</b>		<b>3,002,532.60</b>	<b>3,123,358.78</b>
<b>Taxes, Insurance Premiums and Other Fees</b>			
Taxes, Duties and Licenses		1,206,183.62	125,968.70
Fidelity Bond Premiums		765,184.41	180,689.25
Insurance Expenses		8,862,216.67	6,418,880.87
<b>Total Taxes, Insurance Premiums and Other Fees</b>		<b>10,833,584.70</b>	<b>6,725,538.82</b>
<b>Labor and Wages</b>			
Labor and Wages		0.00	192,729.00
<b>Total Labor and Wages</b>		<b>0.00</b>	<b>192,729.00</b>
<b>Other Maintenance and Operating Expenses</b>			
Advertising Expenses		2,016.00	0.00
Printing and Publication Expenses		1,032,851.00	2,562,072.30
Representation Expenses	<b>25</b>	375,916.97	343,892.50
Transportation and Delivery Expenses		0.00	2,700.00
Rent/Lease Expenses		223,259.00	28,000.00
Membership Dues and Contributions to Organizations		404,476.42	684,737.92
Subscription Expenses		5,295,152.35	3,610,273.18
Bank Transaction Fee		5,561.20	0.00
Other Maintenance and Operating Expenses		11,061,588.68	5,923,551.02
<b>Total Other Maintenance and Operating Expenses</b>		<b>18,400,821.62</b>	<b>13,155,226.92</b>
<b>Total Maintenance and Other Operating Expenses</b>		<b>438,042,267.91</b>	<b>339,739,202.52</b>
<b>Financial Expenses</b>			
Financial Expenses			
Bank Charges		6,822.20	7,596.40
<b>Total Financial Expenses</b>		<b>6,822.20</b>	<b>7,596.40</b>

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non - Cash Expense</b>			
<b>Depreciation</b>			
Depreciation - Investment Property		426,213.72	1,087,261.62
Depreciation - Land Improvements		2,491,731.71	3,038,768.30
Depreciation - Infrastructure Assets		7,405,083.37	7,756,846.77
Depreciation - Buildings and Other Structures		66,964,642.37	50,260,623.79
Depreciation - Machinery and Equipment		44,844,891.75	41,294,591.95
Depreciation - Transportation Equipment		1,141,793.54	1,341,243.52
Depreciation - Furniture, Fixtures and Books		4,017,428.28	3,813,345.43
Depreciation - Other Property, Plant and Equipment		1,631,368.00	2,827,314.59
<b>Total Depreciation</b>		<b>128,923,152.75</b>	<b>111,419,995.97</b>
<b>Amortization</b>			
Amortization - Intangible Assets		2,117,822.06	2,627,350.67
<b>Total Amortization</b>		<b>2,117,822.06</b>	<b>2,627,350.67</b>
<b>Impairment Loss</b>			
Impairment Loss - Loans and Receivables		2,791,540.66	3,161,249.85
Impairment Loss - Lease Receivables		321,863.27	21,404.86
Impairment Loss - Othe Receivables		91,702.99	0.00
Impairment Loss - Inventories		254,199.30	0.00
Impairment Loss - Biological Assets		0.00	4,935.00
<b>Total Impairment Loss</b>		<b>3,459,306.22</b>	<b>3,187,589.71</b>
<b>Total Non-Cash Expenses</b>		<b>134,500,281.03</b>	<b>117,234,936.35</b>
<b>Current Operating Expenses</b>		<b>1,106,970,043.81</b>	<b>929,379,551.81</b>
<b>Surplus (Deficit) from Current Operations</b>		<b>(215,807,605.77)</b>	<b>(299,568,462.54)</b>
<b>Financial Assistance/Subsidy from NGAs, LGUs, GOCCs</b>			
Subsidy from National Government		141,717,104.80	438,476,857.14
Subsidy from other NGAs		32,850,634.16	116,175,608.72
Assistance from Other NGAs		550,217,291.53	0.00
<b>Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs</b>	<b>26</b>	<b>724,785,030.49</b>	<b>554,652,465.86</b>
<b>Gains</b>			
Gain on Foreign Exchange (FOREX)		350,814.85	0.00
Gain on Initial Recognition of Biological Assets		0.00	22,000.00
Gain from changes in Fair Value Less Costs to Sell of Biological Assets Due to Physical Change		73,694.00	1,990.00
Other Gains		1,573,792.27	1,475,911.68
<b>Total Gains</b>	<b>27</b>	<b>1,998,301.12</b>	<b>1,499,901.68</b>
<b>Loss</b>			
Loss on Foreign Exchange (FOREX)		22,610.51	335,077.38
Loss from Changes in Fair value Less Cost to Sell of Biological Assets Due to Physical Change		31,300.00	665.00
<b>Total Losses</b>	<b>28</b>	<b>53,910.51</b>	<b>335,742.38</b>
<b>Surplus (Deficit) for the period</b>		<b>₱ 510,921,815.33</b>	<b>₱ 256,248,162.62</b>

(See accompanying Notes to Financial Statements)

**BATANGAS STATE UNIVERSITY**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		<b>Accumulated Surplus/(Deficit)</b>	
	<b><u>Note</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Balance at January 1		P 4,461,259,591.62	P 4,202,492,342.68
Prior Period Adjustments	<b>29</b>	(456,650,429.19)	2,519,086.32
Other Adjustments	<b>30</b>	259,017,500.11	0.00
<b>Restated Balance</b>		<b><u>4,263,626,662.54</u></b>	<b><u>4,205,011,429.00</u></b>
<b>Changes in Net Assets/Equity</b>			
Surplus/(Deficit) for the period		510,921,815.33	256,248,162.62
Others	<b>31</b>	1,866,813.18	0.00
<b>Balance at December 31</b>		<b><u>P 4,776,415,291.05</u></b>	<b><u>P 4,461,259,591.62</u></b>

*(See accompanying Notes to Financial Statements)*

**BATANGAS STATE UNIVERSITY**  
**CONSOLIDATED DETAILED STATEMENT OF CASH FLOWS**  
**All Funds**  
**For the Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities:</b>		
<b>Cash Inflows</b>		
Receipt of Notice of Cash Allocations	₱ 1,315,894,377.86	₱ 554,652,465.86
Receipt of Notice of Cash Allocation	896,100,721.41	407,860,540.77
Receipt of Notice of Transfer of Cash Allocation	357,848,456.77	116,175,608.72
Constructive Receipt of NCA for TRA	61,945,199.68	30,616,316.37
Collection of Income/Revenues	225,823,434.43	74,123,719.75
Collection of income/other payables	75,147,981.26	17,920,729.53
Collection of service/business income	92,209,847.12	28,089,342.43
Collection of other income	3,511,280.61	28,103,187.39
Collection of shares, grants and donations	25,266,180.44	0.00
Collection of prior years' income	29,688,145.00	10,460.40
Receipt of Subsidy from Other NGAs, LGUs and GOCCs	131,069,061.55	0.00
Subsidy from other National Government Agencies	131,069,061.55	0.00
Collection of Receivables	213,285,335.12	521,422,240.73
Collection of loans and receivables	213,285,335.12	482,469,681.03
Collection of lease receivables	0.00	1,222,491.63
Collection of other receivables	0.00	37,730,068.07
Receipt of Inter-Agency Fund Transfers	282,439,527.26	206,846,561.83
Receipt of funds for the implementation of projects from NGAs/LGUs/GOCCs	266,517,308.22	206,846,561.83
Receipt of funds for other inter-agency transactions	15,922,219.04	0.00
Receipt of Intra-Agency Fund Transfers	248,962,206.37	110,759,552.25
Receipt of funds for the implementation of projects from NGAs/LGUs/GOCCs	455,892.50	0.00
Receipt of funds for other intra-agency transactions	248,506,313.87	110,759,552.25
Receipt of Trust Liabilities	26,778,746.64	155,298,003.89
Receipt of guaranty/security deposits	248,735.41	21,382,463.99
Receipt of customers' deposits	0.00	253,887.00
Collection of other trust receipts	26,530,011.23	133,661,652.90
Other Receipts	3,471,433.52	6,710,479.65
Receipt of payment for liquidated damages	0.00	1,193,594.08
Receipt of other deferred credits	0.00	14,784.00
Receipt of unused Petty Cash Fund	203.00	0.00
Refund of overpayment of Personal Services	14,411.64	4,615.35
Refund of overpayment of Maintenance and other Operating Expenses	6,564.00	42,577.20
Receipt of refund of cash advances	354,572.62	5,454,462.88
Other miscellaneous receipts	3,095,682.26	446.14
Adjustments	5,829,828.66	3,836,153.00
Restoration of cash for unreleased checks	5,690,277.46	1,609,687.50
Restoration of cash for cancelled/lost/stale checks/ADA	139,551.20	2,166,715.50

	<u>2021</u>	<u>2020</u>
Other adjustments - inflow	0.00	59,750.00
<b>Total Cash Inflows</b>	<b><u>2,453,553,951.41</u></b>	<b><u>1,633,649,176.96</u></b>
<b>Cash Outflows</b>		
Remittance to National Treasury	0.00	469,972.96
Remittance of current year's income/revenue	<u>0.00</u>	<u>469,972.96</u>
Payment of operating expenses	742,923,828.03	772,877,171.72
Payment of operating expenses	<u>368,080,599.39</u>	<u>53,240,462.33</u>
Payment of personnel services	374,422,872.61	413,032,362.96
Payment of maintenance and other operating expenses	0.00	284,992,459.59
Payment of Expenses pertaining to/incurred in prior years	0.00	17,161,564.93
Payment of financial expenses	3,487.60	7,596.40
Liquidation of cash advances granted during the year	194,455.66	4,432,725.51
Replenishment of Petty Cash	139,558.52	10,000.00
Payment of Current Year's Accounts Payable	82,854.25	0.00
Purchase of Inventories	20,618,010.21	12,012,517.30
Purchase of inventories for sale	<u>4,465,740.98</u>	<u>11,612,049.85</u>
Purchase of inventories for consumption	16,152,269.23	400,467.45
Grant of Cash Advances (Unliquidated During the Year)	37,465,659.02	5,500,650.88
Advances for operating expenses	<u>3,586,097.59</u>	<u>767,199.07</u>
Advances for payroll	5,146,306.78	27,000.00
Advances for special purpose/time-bound undertaking	27,942,540.00	4,279,421.41
Advances to officers and employees	790,714.65	427,030.40
Prepayments	7,148,293.41	8,164,474.81
Prepaid Subscription	<u>1,843,057.15</u>	<u>0.00</u>
Prepaid Interest	1,587,780.83	0.00
Prepaid Insurance	3,436,353.42	7,569,963.56
Other Prepayments	281,102.01	594,511.25
Payment of Deposits	54,299.45	741,029.06
Payment of guaranty deposits	<u>54,299.45</u>	<u>741,029.06</u>
Payment of Prior Year's Accounts Payable	8,896,347.63	71,028,685.23
Payment of prior year's Accounts Payable	<u>5,269,268.21</u>	<u>70,516,344.58</u>
Payment of prior year's operating expenses	3,627,079.42	512,340.65
Remittance of Personnel Benefit Contributions and Mandatory Deductions	175,843,043.74	140,571,632.70
Remittance of taxes withheld covered by TRA	<u>61,945,199.68</u>	<u>30,616,316.37</u>
Remittance of taxes withheld not covered by TRA	27,783,043.84	28,046,493.90
Remittance of GSIS/Pag-IBIG/PhilHealth	80,180,297.51	73,899,062.04
Remittance of other personnel benefits contributions and mandatory deductions	3,988,591.51	0.00
Remittance of Other Payables	1,945,911.20	8,009,760.39
Release of Inter-Agency Fund Transfers	69,649,876.63	108,985,157.55
Release of funds for the implementation of projects from NGAs/LGUs/GOCCs	<u>66,575,274.19</u>	<u>108,817,143.38</u>
Release of funds for other inter-agency transactions	3,074,602.44	168,014.17
Release of intra-agency fund transfers	1,003,359,722.46	31,737,402.08
Release of funds for the implementation of projects from NGAs/LGUs/GOCCs	<u>967,134,264.97</u>	<u>0.00</u>
Release of funds for other intra-agency transactions	36,225,457.49	31,737,402.08



	<u>2021</u>	<u>2020</u>
Payment from Trust Liabilities/Fund Transfers	25,875,441.63	25,246,641.03
Payment for the implementation of intra-agency transferred funds	2,038,255.00	0.00
Payment for the implementation of other trust receipts/trust funds	22,671,898.44	16,468,721.58
Refund of bail bonds	0.00	2,689,912.85
Refund of guaranty/security deposits	1,165,288.19	5,520,374.60
Refund of customers' deposits	0.00	567,632.00
Other Disbursements	3,163,521.11	0.00
Other miscellaneous disbursements	3,163,521.11	0.00
Adjustments	183,686,942.31	64,430,287.66
Reversion of unused NCA	182,467,967.03	0.00
Reversing Entry for Unreleased Checks in the Previous Year	1,213,158.71	22,528,252.64
Other adjustments - outflow	5,816.57	41,902,035.02
<b>Total Cash Outflows</b>	<b>2,278,684,985.63</b>	<b>1,241,765,622.98</b>
<b>Net Cash Provided by Operating Activities</b>	<b>174,868,965.78</b>	<b>391,883,553.98</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	318,141,105.11	300,089,062.47
Purchase of Land	8,507,400.00	0.00
Payment for land improvements	755,192.50	0.00
Construction of infrastructure assets	0.00	53,187.98
Construction of buildings and other structures	5,370,668.16	947,643.84
Payment of property plant and equipment	8,932,176.96	1,681,486.31
Purchase of machinery and equipment	67,330,919.44	16,355,259.47
Purchase of transportation equipment	2,988,366.00	982,000.00
Purchase of furniture, fixtures and books	10,970,716.30	3,872,293.34
Construction in progress	139,108,953.71	243,042,325.32
Purchase of other property, plant and equipment	317,053.57	0.00
Payment of Software Licenses	12,749,820.06	0.00
Advances to Contractors	57,636,168.99	16,247,249.93
Payment of retention fee to contractors	3,473,669.43	16,907,616.28
<b>Total Cash Outflows</b>	<b>318,141,105.11</b>	<b>300,089,062.47</b>
<b>Net Cash Used in Investing Activities</b>	<b>(318,141,105.11)</b>	<b>(300,089,062.47)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(143,272,139.33)</b>	<b>91,794,491.51</b>
Effects of Exchange Rate Changes on Cash and Cash	0.00	(333,202.36)
<b>Cash and Cash Equivalents, January 1</b>	<b>2,234,106,973.77</b>	<b>2,142,645,684.62</b>
<b>Cash and Cash Equivalents, Ending December 31</b>	<b>₱ 2,090,834,834.44</b>	<b>₱ 2,234,106,973.77</b>

**BATANGAS STATE UNIVERSITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (Note 33)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

PARTICULARS	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
<b>RECEIPTS</b>				
Service & Business Income	₱ 828,872,000.00	₱ 870,307,689.89	₱ 396,574,132.17	₱ 473,733,557.72
Assistance & Subsidy	1,145,282,000.00	948,033,372.00	947,636,504.01	396,867.99
Supplemental Budget & Continuing Investment (STF & IGP)	0.00	969,854,013.46	369,991,010.80	599,863,002.66
<b>Total Receipts</b>	<b><u>1,974,154,000.00</u></b>	<b><u>2,788,195,075.35</u></b>	<b><u>1,714,201,646.98</u></b>	<b><u>1,073,993,428.37</u></b>
<b>PAYMENTS</b>				
Personnel Services	599,665,930.00	553,307,186.00	533,737,747.00	19,569,439.00
Maintenance and Other Operating Expenses	718,596,950.00	767,657,519.76	470,943,842.42	296,713,677.34
Capital Outlay	588,888,430.00	1,263,766,755.38	709,520,057.56	554,246,697.82
<b>Total Payments</b>	<b><u>1,907,151,310.00</u></b>	<b><u>2,584,731,461.14</u></b>	<b><u>1,714,201,646.98</u></b>	<b><u>870,529,814.16</u></b>
<b>NET RECEIPTS/PAYMENTS</b>	<b><u>₱ 67,002,690.00</u></b>	<b><u>₱ 203,463,614.21</u></b>	<b><u>₱ 0.00</u></b>	<b><u>₱ 203,463,614.21</u></b>

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Basis of Financial Statements Preparation**

The consolidated financial statements of the Batangas State University (BatStateU) have been prepared accordance with and comply with the International Public Sector Accounting Standards (IPSASs), per COA Circular No. 2021-004 dated July 21, 2021. The financial statements are presented in pesos, which is the functional and reporting currency of the University.

The preparation of financial statements in compliance with the adopted IPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgement in applying the entity's accounting policies.

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

#### **2.1. Basis of Accounting**

The consolidated financial statements are prepared on an accrual basis in accordance with the IPSAS.

#### **2.2. Consolidation**

The consolidated financial statements reflect the assets, liabilities, assets/equity, revenue and expenses of the reporting entity and that of Pablo Borbon Campus, Alangilan Campus, Lipa Campus, JPLPC-Malvar and ARASOF-Nasugbu.

#### **2.3. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash in 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.

#### **2.4. Inventories**

Inventory is measured at cost upon initial recognition. Inventories encompass goods purchased and held for resale. Inventories also include (a) materials and supplies awaiting use in the production process, and (b) goods purchased or produced by the entity, which are for distribution to other parties for no charge or for a nominal charge.

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 University.

## **2.5. Investment Property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Transfers are made to or from investment property only when there is a change in use.

## **2.6. Property, Plant and Equipment (PPE)**

### **a. 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;
- The cost or fair value of the item can be measured reliably; and
- The cost is at least ₱15,000.00.

### **b. Measurement at Recognition**

An item recognized as PPE is measured at cost. A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value 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.

**c. Measurement after Recognition**

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

When significant parts of PPE are required to be replaced at intervals, the BatStateU 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.

**d. Depreciation**

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

**e. 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.

**f. Depreciation Method**

The straight-line method of depreciation is adopted unless another method is more appropriate for Entity operation.

**g. Estimated Useful Life**

The BatStateU uses the life span of PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience.

**h. Residual Value**

The University uses a residual value equivalent to at least five percent of the cost of the PPE.

**i. 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.

**j. Derecognition**

The BatStateU derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

**2.7. Leases**

BatStateU as a lessor.

***Operating Lease***

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

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

The depreciation policy for PPE is applied to similar assets leased by the entity.

**2.8. Intangible Assets**

**a. 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.

**b. Subsequent Measurement**

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

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

## **2.9. Foreign Currency Transactions**

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

At reporting date, foreign currency monetary items are translated using the closing rate.

## **2.10. Revenue from Non-Exchange Transactions**

### **a. Recognition and Measurement of Assets from Non-Exchange Transactions**

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

### **b. Recognition of Revenue from Non-Exchange Transactions**

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

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

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

#### **d. Gifts and Donations**

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

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

### **2.11. Revenue from Exchange Transactions**

#### **a. Measurement of Revenue**

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

#### **b. 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 will flow to the University.

#### **c. Rental Income**

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

### **2.12. Budget Information**

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

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget.

### **2.13. Impairment of Non-Financial Assets**

#### *Impairment of non-cash-generating assets*

The University assesses at each reporting date whether there is an indication that a non-cash generating asset may be impaired. If any indication exists, or



when annual impairment testing for an asset is required, the BatStateU estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

The BatStateU classifies assets as cash-generating assets when those assets are held with the primary objective of generating a commercial return. Therefore, non-cash generating assets would be those assets from which the BatStateU does not intend (as its primary objective) to realize a commercial return.

#### 2.14. Employee Benefits

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

The University recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowances, etc., as expense unless capitalized, and as liability after deducting the amount paid.

### 3. Cash and Cash Equivalents

This account consists of:

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Cash on Hand	P20,046.86	P22,994.66
Cash in Bank - Local Currency, Current Account	787,390,510.83	945,097,371.42
Cash in Bank - Local Currency, Savings Account	1,295,661,397.98	1,283,073,361.26
Cash in Bank - Foreign Currency	6,288,449.59	5,913,246.43
Cash – Modified Disbursement System, Regular	1,474,429.18	0.00
<b>Total</b>	<b><u>P2,090,834,834.44</u></b>	<b><u>P2,234,106,973.77</u></b>

Cash on Hand of P20,046.86 are collections on the last working day of the year which have not been deposited due to pick-up cut-off of the bank. Said balance shall be deposited on the 1<sup>st</sup> banking day of the ensuing year.

### 4. Receivables

Receivables consist of the following:

<b>Accounts</b>	<b>2021</b>	<b>2020</b>
Accounts Receivable	P556,075,274.96	P127,629,576.74

<b>Accounts</b>	<b>2021</b>	<b>2020</b>
Allowance for Impairment	<u>(8,567,904.21)</u>	<u>(8,054,339.14)</u>
Net Value- Accounts Receivable	<u>547,507,370.75</u>	<u>119,575,237.60</u>
Operating Lease Receivable	696,762.57	711,328.33
Allowance for Impairment	<u>(465,671.66)</u>	<u>(143,808.39)</u>
Net Value- Operating Lease Receivable	<u>231,090.91</u>	<u>567,519.94</u>
Inter-Agency Receivables	726,975.05	1,477,184.94
Intra-Agency Receivables	118,916,307.43	94,740,335.00
Other Receivables	<u>1,475,899.86</u>	<u>1,402,787.83</u>
<b>Total</b>	<b><u>P668,857,644.00</u></b>	<b><u>P217,763,065.31</u></b>

Accounts Receivables are basically recorded based on the assessed tuition and miscellaneous fees of the students every semester. Corresponding Allowance for Impairment had been computed to recognize impairment which might arise from non-collection of fees from dropped out students and any circumstances beyond the control of the University.

Large amount of Accounts Receivable comes from the Free Higher Education (FHE) Billing for 1<sup>st</sup> Semester of School Year (SY) 2021-2022 distributed in the five Constituent Campuses that have been billed to the Commission on Higher Education – Unified Student Financial Assistance System for Tertiary Education (CHED-UniFAST) in October 2021 which was not yet paid by the CHED.

Operating Lease Receivables were recorded based on the number of monthly lease payments which arose from the lease contract entered by and between the University and individual tenants. Tenants were given the right either to operate a food kiosk/stall or a photocopying service.

Inter-Agency Receivables are those Due from National Government Agencies, Due from Government Owned-Controlled Corporations and Due from Local Government Units.

Intra-Agency Receivables are those receivables within the organization between the Constituent Campuses and different funds.

Other Receivables are those various receivables that cannot be classified under those listed on the face of the financial statements, including receivables from disallowances, due from officers and employees, due from non-government organizations, and others.

## 5. Inventories

This account is composed of the following:

<b>Inventory Account</b>	<b>2021</b>	<b>2020</b>
Merchandise Inventory	P20,712,901.06	P17,751,280.59
Office Supplies Inventory	2,714,760.34	2,068,536.01
Accountable Forms, Plates and Stickers	445,280.32	202,915.18

<b>Inventory Account</b>	<b>2021</b>	<b>2020</b>
Drugs and Medicines Inventory	31,771.09	32,330.61
Medical, Dental, and Laboratory Supplies	49,162.37	84,868.51
Fuel, Oil and Lubricants Inventory	0.00.00	0.00
Other Supplies and Materials Inventory	675,076.17	610,777.03
Semi-Expendable Information and Communication Technology Equipment Inventory	40,880.00	0.00
<b>Total</b>	<b><u>P24,669,831.35</u></b>	<b><u>P20,750,707.93</u></b>

Merchandise Inventories are the uniforms, books and other items for sale in the Income Generating Projects Office and University Shop. Said items were purchased by the BatStateU and are being sold with a certain mark-up.

Office Supplies are those items used in the daily operations of the offices in the BatStateU.

Accountable Forms, Plates and Stickers inventory pertains to checks acquired from banks and other related inventory.

Drugs and Medicine Supplies and Medical, Dental and Laboratory Supplies are typically issued in the Infirmary Unit. Drugs and medicines are given to those students, employees and faculty who at the time they are present on the school premises that need medical attention.

Other Supplies and Materials Inventory are those supplies and materials not falling under any of the specific inventory accounts held for consumption.

Semi-Expendable Information and Communication Technology Equipment Inventory are equipment that do not qualify in the recognition of PPE primarily due to its cost of less than ₱15,000.00

No write down and reversal of inventory was recorded since cost is equal to net realizable value.

## 6. Other Current Assets

This account is composed of the following:

<b>Account</b>	<b>2021</b>	<b>2020</b>
Advances to Officers and Employees	₱612,627.84	₱ 0.00
Prepayments	120,609,843.50	57,187,795.71
Guaranty Deposits	7,936,653.79	7,936,653.79
<b>Total</b>	<b><u>P129,159,125.13</u></b>	<b><u>P65,124,449.50</u></b>

Advances to Officers and Employees includes advances to employees from Alangilan Campus who are scholars abroad.

Prepayments account includes the following:

- Advances to Contractors of ₱110,009,789.78 which represents mobilization fee given to contractors for the ongoing infrastructure projects;
- Prepaid Registration of ₱2,864.33 which pertains to the unamortized amount paid for the annual registration of three motor vehicles of ARASOF-Nasugbu;
- Prepaid Insurance of ₱6,395,375.38 pertaining to the unexpired portion of vehicle insurance and fire, typhoon, flood and earthquake insurance of buildings;
- Prepaid subscription of ₱3,797,470.02 which represents the unexpired portion of subscription to Adobe e-sign used for document e-signing purposes, the IEEE/IET Online Journal Subscription (Electronic Library) for BatStateU-Alangilan Library, and ICT related equipment and peripherals, furniture and electronic learning materials for flexible/alternative mode of teaching and learning in Batangas State University; and
- Other prepayments of ₱404,343.99 which pertains to the unexpired portion of the fidelity bonds premiums paid for bonded officials.

Guaranty Deposits pertains to the amount of deposited goods such as deposit for containers (bottles) and deposits made to guarantee compliance with the terms of agreement for the connection and payment of electricity.

## 7. Investment in Stocks

The BatStateU has an investment in stocks with balance of ₱555,021.67 as of December 31, 2021 composed of the following:

Particulars	Initial Investment	Dividends Earned	Balance
Manila Electric Company (MERALCO) - 21,435 shares of 10% cumulative preferred stock with par value of ₱10.00 each	₱214,350.00	₱0.00	₱214,350.00
Soro-Soro Development Cooperative (SIDC) - 3,049 shares with par value of ₱100.00 each	<u>100,000.00</u>	<u>240,671.67</u>	<u>340,671.67</u>
<b>Total</b>	<b><u>₱314,350.00</u></b>	<b><u>₱240,671.67</u></b>	<b><u>₱555,021.67</u></b>

Stocks from MERALCO were purchased in November 2003. There was no cash dividend received from the stock since then.

On the other hand, stocks from SIDC were acquired on November 3, 2006 with accumulated dividends earned amounting to ₱240,671.67.

## 8. Investment Property

### Investment Property Buildings (Malvar) – P2,086,474.63

The account is composed of the Canteen Building in the amount of P1,942,103.29 and IGP stalls amounting to P895,011.45. Carrying amount as of December 31, 2021 is P2,086,474.63.

### Investment Property Buildings (Nasugbu) – P1,742,152.92

The account represents the cost of Cafeteria and Old Canteen in the amount of P2,435,380.00 and P2,042,828.05, respectively held by the agency to earn rentals from lessees. Carrying amount as of December 31, 2021 is P1,742,152.92.

## 9. Property, Plant and Equipment

This account is composed of:

Account Title	Acquisition Cost	Accumulated Depreciation	Carrying Amount
Land	P 127,120,602.18	P 0.00	P 127,120,602.18
Other Land Improvements	37,674,223.11	17,574,254.26	20,099,968.85
Water Supply Systems	5,187,842.61	3,676,733.17	1,511,109.44
Power Supply Systems	84,961,750.39	33,704,642.01	51,257,108.38
School Buildings	1,955,214,812.88	523,146,902.62	1,432,067,910.26
Other Structures	147,080,037.60	51,195,702.52	95,884,335.08
Machinery	2,453,962.10	2,073,615.69	380,346.41
Office Equipment	75,530,096.99	48,496,846.87	27,033,250.12
Information and Communication Equipment	228,664,157.91	115,230,563.81	113,433,594.10
Agricultural and Forestry Equipment	20,300.00	0.00	20,300.00
Communication Equipment	4,369,245.14	2,722,769.55	1,646,475.59
Disaster Response and Rescue Equipment	868,343.00	514,478.05	353,864.95
Military, Police and Security Equipment	876,794.00	443,319.26	433,474.74
Medical Equipment	108,047,079.07	58,640,380.48	49,406,698.59
Printing Equipment	15,120.00	14,364.00	756.00
Sports Equipment	4,456,337.20	1,582,266.47	2,874,070.73
Technical and Scientific Equipment	177,894,292.11	74,614,105.76	103,280,186.35
Other Equipment	45,333,042.27	19,465,496.47	25,867,545.80
Motor Vehicles	23,229,968.50	17,040,776.30	6,189,192.20
Watercrafts	600,000.00	61,750.00	538,250.00
Furniture and Fixtures	62,103,654.02	19,256,238.70	42,847,415.32
Books	24,968,006.41	13,092,861.47	11,875,144.94
Other Property, Plant and Equipment	10,413,754.53	5,960,278.86	4,453,475.67
Construction in Progress - Land Improvements	42,987,959.90	0.00	42,987,959.90

Account Title	Acquisition Cost	Accumulated Depreciation	Carrying Amount
Construction in Progress - Infrastructure Assets	8,669,430.19	0.00	8,669,430.19
Construction in Progress - Buildings and Other Structures	<u>646,204,597.82</u>	<u>0.00</u>	<u>646,204,597.82</u>
<b>Total</b>	<b><u>P3,824,945,409.93</u></b>	<b><u>P1,008,508,346.32</u></b>	<b><u>P2,816,437,063.61</u></b>

Purchase of additional equipment (office equipment, technical and scientific, information and communication equipment, transportation equipment and other property, plant and equipment) and completion of other land improvement projects were recorded during the year which causes significant increase in PPE accounts. Further, reclassification of entries made for previous years and derecognition of some equipment causes the decrease in other accounts.

Construction in Progress account includes value of buildings and other structures which are still in the process of construction or development.

## 10. Biological Assets

The account comprises bearer biological assets specifically livestock as follows:

Livestock	Description	Qty.	Fair Value Less Cost to Sell
Carabao	Female, 8 years old Murrah Buffalo	1	₱ 31,000.00
Cattle	7 years old; Male (110kg)	1	35,000.00
Cattle	6 years old, Female (110kg)	1	29,000.00
Cattle	1 year and 11 mos.; Female	1	26,000.00
Cattle	5 mos.; Male (56kg)	1	23,000.00
Native goat	6 years old, female F1 36	1	5,800.00
Native goat	6 years old, female F1 14	1	6,200.00
Native goat	6 years old, female F1 35	1	6,000.00
Native goat	6 years old, female F1 205	1	5,800.00
Native goat	5 yrs. old, male/buck black F1 208	1	5,700.00
Native goat	5 yrs. old, female black F1 206	1	6,000.00
Native goat	5 yrs. old, female white F1 207	1	4,800.00
Native goat	2 yrs. and 1 mo. male black F3 02	1	8,750.00
Native goat	2 yrs. and 6 mos. Male F3 01	1	9,100.00
Native Swine/Pig	5 yrs. old; Sow (female) #02	1	2,960.00
Native Swine/Pig	4 yrs. old; Sow (female) #04	1	2,400.00
Native Swine/Pig	3 yrs. old; Female Fattener; F1 of Sow #01	1	4,500.00
Native Swine/Pig	1 yr. and 7 mos. Female weaner; F2 of Sow #04	1	1,500.00
Native Swine/Pig	1 yr. and 7 mos. Female weaner; F2 of Sow #04	1	1,500.00
Native Swine/Pig	1 yr. and 7 mos. Female weaner; F2 of Sow #04	1	1,350.00
Native Swine/Pig	1 yr. and 7 mos. male weaner; F2 of Sow #04	1	1,350.00
Native Swine/Pig	1 yr. and 7 mos. male weaner; F2 of Sow #04	1	1,500.00
Native Swine/Pig	10 mos. Female; S2F2-01	1	1,350.00
Native Swine/Pig	10 mos. Female; S2F2-02	1	1,350.00
Native Swine/Pig	10 mos. Female; S2F2-03	1	1,500.00
Native Swine/Pig	10 mos. Female; S2F2-04	1	1,350.00
Native Swine/Pig	10 mos. male; S2F2-05	1	1,350.00

<b>Livestock</b>	<b>Description</b>	<b>Qty.</b>	<b>Fair Value Less Cost to Sell</b>
Native Swine/Pig	10 mos. Female; S2F2-07	1	1,350.00
Native Swine/Pig	1 yr. and 3 mos.; Female; S4F2-01	1	1,500.00
Native Swine/Pig	1 yr. and 3 mos.; Female; S4F2-02	1	1,200.00
Native Swine/Pig	1 yr. and 3 mos.; Female; S4F2-03	1	1,200.00
Native Swine/Pig	1 yr. and 3 mos.; Female; S4F2-04	1	1,200.00
Native Swine/Pig	1 yr. and 3 mos.; Female; S4F2-05	1	1,200.00
Native Swine/Pig	1 yr. and 3 mos.; Female; F2-01 of F1	1	900.00
Native Swine/Pig	1 yr. and 3 mos.; male; F2-02 of F1	1	900.00
Native Swine/Pig	1 yr. and 3 mos.; Female; F2-03 of F1	1	900.00
Native Chicken	5 years; Native Chicken H1	1	360.00
Native Chicken	1 year; Native Chicken, H1-01	1	342.00
Native Chicken	1 year; Native Chicken, H1-02	1	342.00
Native Chicken	1 year; Native Chicken, H1-05	1	360.00
<b>Total</b>		<b><u>40</u></b>	<b><u>P237,864.00</u></b>

Reconciliation of the carrying amount of Breeding Stocks as of December 31, 2021 is as follows:

Carrying Amount as of January 1, 2021	₱195,470.00
Gain arising from changes in fair value less costs to sell attributable to physical changes	<u>42,394.00</u>
<b>Total</b>	<b><u>P237,864.00</u></b>

## 11. Intangible Assets

This account is composed of:

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Gross Cost	₱35,502,619.67	22,302,824.67
Accumulated Amortization	<u>(17,664,279.62)</u>	<u>(15,356,457.56)</u>
Carrying Amount, December 31	<b><u>₱17,838,340.05</u></b>	<b><u>₱6,946,367.11</u></b>

## 12. Other Non-Current Assets

Other Assets account of ₱5,086,421.36 was composed of fully depreciated asset transferred from PPE accounts and recorded at its salvage value.

## 13. Financial Liabilities

### 13.1 Accounts Payable

Accounts payable of ₱89,712,656.41 are composed of obligations to supplier/contractor which are due and demandable as of December 31, 2021.

### 13.2 Due to Officers and Employees

Due to Officers and Employees account amounting to ₱374,718.38 represents liabilities to officers and employees for salaries and benefits.

### 13.3 Tax Refunds Payable

The amount of ₱3,227,405.48 represents over withheld tax from compensation of separated employees dating back from CY 2010. Refund is processed once claim is filed but since the whereabouts of these employees cannot be known, movement of this account remains at a zero level.

## 14. Inter-Agency Payables

This account is composed of:

<b>Account</b>	<b>Amount</b>
Due to BIR	₱12,742,228.26
Due to GSIS	853,932.71
Due to Pag-IBIG	108,370.69
Due to PhilHealth	233,339.91
Due to NGAs	350,881,498.51
Due to GOCCs	<u>18,789.25</u>
<b>Total</b>	<b><u>₱364,838,159.33</u></b>

Remittances of Due to BIR, GSIS, Pag-IBIG and PhilHealth shall be made in January 2022. The Due to NGAs account are still on hand for the implementation of specific programs or projects and other inter-agency transactions. The Due to GOCCs account represents liabilities arising from the receipt of fund from Government Owned and Controlled Corporations.

## 15. Intra-Agency Payables

This account is composed of:

<b>Account</b>	<b>Amount</b>
Due to Central Office	₱122,773,862.47
Due to Operating Units	27,866,157.85
Due to Other Funds	<u>51,455,788.58</u>
<b>Total</b>	<b><u>₱202,095,808.90</u></b>

Due to Central Office account pertains to the amount payable to the Central Administration from the Constituent Campuses. Due to Operating Units are those accounts payable to Constituent Campuses from the Central Administration and from other Constituent Campuses. Due to Other Funds are those payable to the different funds (MDS, STF, IGP and RTF).



## 16. Trust Liabilities

This account is composed of:

<b>Account</b>	<b>Amount</b>
Trust Liabilities	₱ 9,481,078.83
Guaranty/Security Deposits Payable	85,416,613.91
Customer's Deposits Payable	<u>595,162.22</u>
<b>Total</b>	<b><u>₱95,492,854.96</u></b>

The balance of Trust Liabilities account of ₱9,481,078.83 includes the Expanded Students' Grants-in-Aid Program for Poverty Alleviation (ESGP-PA) from previous years, grants to students both from various private and public partners of the BatStateU and receipts of NBC 461. Some of the balances are subject for review and verification and either to be returned to the concerned Agency if found correct or to make proper adjustments as may be deemed necessary.

Guaranty/Security Deposits Payable of ₱85,416,613.91 represents amount due to supplier/contractor for the receipt of performance bond and retention fee to guaranty satisfactory completion of the project.

Customer's Deposits Payable of ₱595,162.22 pertains to one month advance and one month deposit received from canteen/stall tenants equivalent to monthly rental as per lease contract.

## 17. Other Payables

This account amounting to ₱225,234,151.59 is mostly transactions under Regular Trust Fund such as collections from Alumni Fee, Anti-TB and Red Cross (for remittance to concerned agencies), Graduation Fee, National Service Training Program (NSTP) Fee, Supreme Student Council (SSC) Fee and Publication Fee. It also consists of amount withheld from employees for their contributions/payables to Employees Association, BatStateU Multi-Purpose Cooperative and United Coconut Planters Bank (UCPB) Savings Bank.

## 18. Business Income

The Business Income account amounting to ₱864,275,040.75 includes revenues from school fees, rent/lease income, income from hostels/dormitories and other like facilities, net sales revenues, interest income and other business income.

The Other Business Income account amounting to ₱1,862,897.29 is composed of income from sales of yearbook, books, graduation pictures, vehicle pass stickers, insurance, electric scrap newspaper, junk materials and others.

**19. Grants and Donations**

Grants and Donations amounting to ₱25,024,500.00 is composed of grant from CHED for the Construction of Smart Campus which is considered as grant with no condition and other donations from Research Projects.

**20. Honoraria**

Honoraria amounting to ₱48,292,822.28 represents payment to those who render services beyond their regular workload. As such, this account comprises payment for teaching overload of faculty whether permanent, temporary and full-time contractual instructors.

**21. Other Bonuses and Allowances**

Other Bonuses and Allowances includes payments of Productivity Enhancement Incentive, Service Recognition Incentive, Per Diem of Board of Regents (BOR) and Collective Negotiation Agreement Incentives with total amount of ₱24,885,982.40.

**22. Consultancy Services**

This account amounting to ₱2,223,000.00 pertains to cost of services rendered by consultants such as sanitary, mechanical and structural engineers, program consultants, and the like contracted to perform particular outputs or services primarily advisory in nature and requiring highly specialized or technical expertise which cannot be provided by the regular staff of the agency.

**23. Other Professional Services**

The account amounting to ₱166,934,808.49 represents payment for services rendered by the guest lecturers, part-time instructors, clinical instructors, band trainer and other trainer for sports development.

**24. Other General Services**

The amount of ₱109,735,214.01 pertains to wages of Job Order (JO) personnel assigned in different offices.

**25. Representation Expenses**

Representation expenses of ₱375,916.97 pertains to the food served during meetings. It also includes meals served to guests coming from other SUCs in the occasion of their Lakbay Aral/Benchmarking activities, Extension Program activities and Accreditation activities.

## 26. Subsidy from National Government

This account consists of:

	<b>Allotment</b>	<b>TRA</b>	<b>Total</b>
Central Administration	₱90,884,194.86	₱32,012,931.58	₱122,897,126.44
Pablo Borbon	239,760,497.17	12,141,352.49	251,901,849.66
Alangilan	160,876,720.24	0.00	160,876,720.24
Lipa	32,850,634.16	0.00	32,850,634.16
JPLPC-Malvar	54,585,449.58	2,370,882.41	56,956,331.99
ARASOF-Nasugbu	<u>94,994,401.96</u>	<u>4,307,966.04</u>	<u>99,302,368.00</u>
<b>Total</b>	<b><u>₱673,951,120.55</u></b>	<b><u>₱50,833,132.52</u></b>	<b><u>₱724,785,030.49</u></b>

Allotment of Central Administration is net amount after deducting the transfer to the Constituent Campuses.

## 27. Gains

Gains amounting to ₱1,998,301.12 consists of the gain from foreign exchanges in the amount of ₱350,814.85, gain from change in fair value less cost to sell of biological assets due to physical change in the amount of ₱73,694.00 and other gains of ₱1,573,792.27.

## 28. Losses

Losses amounting to ₱53,910.51 consists of loss from foreign exchanges in the amount of ₱22,610.51, and loss from change in fair value less cost to sell of biological assets due to physical change in the amount of ₱31,300.00.

## 29. Prior Period Adjustments

Prior period adjustments are those items of expenses and income that occurred in prior years that are adjusted this current year which include reclassification of previous year entry, recording of previous year expenses, adjustments to inventory and PPE, and prior year's income, depreciation, refund of excess cash to Bureau of Treasury (BTr) and reversal of accounts payable, etc.

As a result, a net decrease of ₱456,650,429.19 was written down in the book which have affected the opening balance of the Accumulated Surplus/(Deficit) account, as shown below:

<b>Campus</b>	<b>Amount</b>
Central Administration	₱(461,781,315.18)
JPLPC-Malvar	(113,060.01)
ARASOF-Nasugbu	<u>5,243,946.00</u>
<b>Total</b>	<b><u>₱(456,650,429.19)</u></b>

### 30. Other Adjustments

These other adjustments pertain to the recognition of income and expenses of newly created Constituent Campuses directly reported in the Accumulated Surplus which were paid or received by the Central Administration.

<b>Campus</b>	<b>Amount</b>
Pablo Borbon	₱168,776,798.64
Lipa	<u>90,240,701.47</u>
<b>Total</b>	<b><u>₱259,017,500.11</u></b>

### 31. Others (Adjustments)

This account pertains to the adjustments in Alangilan Campus from Central Administration composed of the following:

<b>Particulars</b>	<b>Total</b>
Adjustments to Accountable Forms, Plates and Stickers Inventory	₱ 23,970.33
Adjustments to Biological Assets	125,870.00
Adjustments to prior year's expenses	(49,974.66)
Transfer of lease receivables with related impairment loss from BatStateU Central	28,315.18
Transfer of project from BatStateU Central	1,669,032.33
Transfer of livestock BatStateU Central	<u>69,600.00</u>
<b>Total</b>	<b><u>₱1,866,813.18</u></b>

### 32. Allotments, Obligations and Balances

Total allotments available during the year was ₱2,788,195,075.35 with obligations incurred in the amount of ₱1,714,201,646.98 broken down as follows:

<b>Category</b>	<b>Fund 164</b>	<b>Allotments Fund 163</b>	<b>Fund 101</b>	<b>Total</b>	<b>Obligation Incurred</b>	<b>Unobligated Balance</b>
Personnel Services	₱ 79,634,064.00	₱ 0.00	₱473,673,122.00	₱553,307,186.00	₱ 533,737,747.00	₱19,569,439.00
Maintenance and Other Operating Expenses	618,052,380.81	15,061,888.95	134,543,250.00	767,657,519.76	470,943,842.42	296,713,677.34
Capital Outlay	896,503,242.24	27,446,513.14	339,817,000.00	1,263,766,755.38	709,520,057.56	554,246,697.82
Reserve Fund	<u>182,998,929.85</u>	<u>20,464,684.36</u>	<u>0.00</u>	<u>203,463,614.21</u>	<u>0.00</u>	<u>203,463,614.21</u>
<b>Total</b>	<b><u>₱1,777,188,616.90</u></b>	<b><u>₱62,973,086.45</u></b>	<b><u>₱948,033,372.00</u></b>	<b><u>₱2,788,195,075.35</u></b>	<b><u>₱1,714,201,646.98</u></b>	<b><u>₱1,073,993,428.37</u></b>

### 33. Statement of Comparison of Budget and Actual Amounts (SCBAA)

The original budgeted amount for receipts and payments refers to the approved appropriations of BatStateU as reflected in the National Expenditure Program(NEP)/GAA 2021 and proposed Program of Receipts and Expenditures

(PRE) 2020 In the amount of ₱1,974,154,000.00 and ₱1,907,151,310.00, respectively.

The final budgeted amount for receipts of ₱2,788,195,075.35 refers to the following:

<b>Particulars</b>	<b>Amount</b>
Actual allotment received from DBM	₱948,033,372.00
Actual collections for the year 2021	870,307,689.89
Supplemental budget and continuing appropriations for the year 2021	<u>969,854,013.46</u>
<b>Total</b>	<b><u>₱2,788,195,075.35</u></b>

The difference between original and final budgeted amounts arises from subsequent allotments from DBM which includes monetization of leave credits, terminal leave benefits, lump-sum for filling of vacant positions and clothing allowance.

The actual amounts on comparative basis are the actual obligation incurred while the difference between the final budget and actual is the unobligated balance for the year which is mostly allotted to infrastructure projects of which implementation are pending due to various reasons such as failed bidding, ongoing documentation, detailed engineering etc.

The actual amounts on comparable basis (budget) versus the actual amounts reflected in the consolidated financial statements differ in a way that the approved budget was prepared on a cash basis while that of consolidated financial statements was on accrual basis.