



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF CUSTOMS**  
MANILA

February 14, 2014

**The Resident Auditor**  
Bureau of Customs  
Port Area, Manila

Sir/Madam:

**RECEIVED**  
COA-BOC (HEAD OFFICE)  
DATE 17 FEB 2014 TIME  
*Norman*

Transmitted herewith are the following Financial Reports for CY 2013:

Consolidated:

- ❖ Post-closing Trial Balance
- ❖ Detailed Balance Sheet
- ❖ Detailed Statement of Income and Expenses
- ❖ Notes to Financial Statements

Very truly yours,

**ALFREDO A. PALMA**  
Chief Accountant  
Accounting Division  
Financial Management Office

COA – Resident Auditor  
COA-Government Accountancy Sector (GAS)  
Department of Budget and Management  
File



Republic of the Philippines  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS

**CONSOLIDATED TRIAL BALANCE**  
(Regular Agency Books - RA - Fund 101, 102, 151 & 152)  
As of December 31, 2013  
Post-closing

PARTICULARS	ACCOUNT CODE	DEBIT	CREDIT
Cash - Collecting Officers	102	13,245,668.94	
Cash - Disbursing Officers	103	4,996,207.45	
Petty Cash Fund	104	358,747.04	
Payroll Fund	106	189,286,535.01	
Cash - National Treasury, Modified Disbursements System (MDS)	108		
Cash in Bank - Local Currency, Current Account	111	1,292,444,443.94	
Cash in Bank - Local Currency, Savings Account	112	597,916,499.74	
Due from Officers and Employees	123	9,946,804.00	
Due from National Treasury	131	2,110,647,899.18	
Due from NGAs	136	115,022,770.35	
Due from Other Funds	144	1,510,132.80	
Receivables - Disallowances/ Charges	146	1,837,926,665.30	
Advances to Officers and Employees	148	18,483,378.46	
Other Receivables	149	22,308,275.63	
Office Supplies Inventory	155	66,676,821.66	
Accountable Forms Inventory	156	246,973,309.91	
Drugs and Medicines Inventory	159	2,481,698.57	
Medical, Dental and Laboratory Supplies Inventory	160	381,900.00	
Other Supplies Inventory	165	1,492,156.69	
Prepaid Insurance	178	27,196.83	
Advances to Contractors	181	40,669,898.69	
Other Prepaid Expenses	185	332,637.50	
Guaranty Deposits	186	994,300.00	
Land	201	721,482.80	
Office Buildings	211	252,334,437.55	
Accumulated Depreciation - Office Buildings	311		48,517,284.83
Other Structures	215	13,144,970.92	
Accumulated Depreciation - Other Structures	315		106,815.36
Office Equipment	221	68,808,796.74	
Accumulated Depreciation - Office Equipment	321		36,379,826.83
Furniture and Fixtures	222	370,045,968.94	
Accumulated Depreciation - Furniture and Fixtures	322		211,676,325.03
IT Equipment and Software	223	464,532,919.47	
Accumulated Depreciation - IT Equipment	323		98,302,634.45
Library Books	224	2,616,830.35	
Communication Equipment	229	6,979,480.95	
Accumulated Depreciation-Communication Equipment	329		711,372.48
Firefighting Equipment and Accessories	231	2,509,142.04	
Accumulated Depreciation - Firefighting Equipment and Accessories	331		741,944.95
Medical, Dental and Laboratory Equipment	233	3,725.00	
Accumulated Depreciation - Medical, Dental and Laboratory Equipment	333		2,123.26
Military and Police Equipment	234	853,575.21	
Accumulated Depreciation - Military and Police Equipment	334		427,538.70
Technical and Scientific Equipment	236	40,772,667.98	
Accumulated Depreciation - Technical and Scientific Equipment	336		18,267,002.43
Other Machinery and Equipment	240	1,955,499,411.63	
Accumulated Depreciation - Other Machinery and Equipment	340		241,735.42
Motor Vehicles	241	22,593,244.04	
Accumulated Depreciation - Motor Vehicles	341		11,874,259.52
Other Property, Plant and Equipment	250	78,950.00	
Construction in Progress	264	666,125,988.98	
Items in Transit	284	1,788,107,962.08	
Other Assets	290	1,818,750.61	
Accounts Payable	401		1,981,539,389.18
Due to BIR	412		45,193,785.53

PARTICULARS	ACCOUNT CODE	DEBIT	CREDIT
Due to GSIS	413		3,863,067.89
Due to PAG-IBIG	414		(4,967,829.82)
Due to PHILHEALTH	415		3,218,083.56
Due to Other NGAs	416		3,934,025.30
Due to Other GOCCs	417		(1,232,979.95)
Due to LGUs	418		291.49
Due to Other Funds	424		7,029,540,493.98
Guaranty Deposits Payable	426		23,566,281.83
Performance/Bidders/Bailbonds Payable	427		712,663,924.38
Tax Refunds Payable	429		1,230,596,364.88
Other Payables	439		2,964,328,154.93
Other Deferred Credits	455		35,956,926.36
Government Equity	501		(2,223,776,589.82)
TOTAL		12,231,672,252.98	12,231,672,252.98

Certified Correct:

**ALFREDO A. PALMA**

Chief Accountant

Accounting Division

Financial Management Office



DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
Manila

Consolidated Detailed Balance Sheet  
As of December 31, 2013  
(Regular Agency Books - Fund 101, 102, 151 and 152)

	ASSETS	
	<u>2013</u>	<u>2012</u>
<b>Current Assets</b>		
<i>Cash</i>		
Cash - Collecting Officers	13,245,668.94	8,186,997.64
Cash - Disbursing Officers	4,996,207.45	6,858,325.35
Petty Cash Fund	358,747.04	338,747.04
Payroll Fund	189,286,535.01	150,501,723.20
Cash in Bank - Local Currency, Current Account	1,292,444,443.94	987,276,376.78
Cash in Bank - Local Currency, Savings Account	597,916,499.74	597,916,499.74
<i>Total Cash</i>	<u>2,098,248,102.12</u>	<u>1,751,078,669.75</u>
<i>Receivables</i>		
Due from Officers and Employees	9,946,804.00	9,790,254.40
Due from National Treasury	2,110,647,899.18	1,828,558,274.57
Due from NGAs	115,022,770.35	104,334,387.80
Due from Other Funds	1,510,132.80	795,701.30
Receivables - Disallowances/Charges	1,837,926,665.30	1,841,261,428.33
Advances to Officers and Employees	18,483,378.46	13,287,737.25
Other Receivables	22,308,275.63	22,308,275.63
<i>Total Receivables</i>	<u>4,115,845,925.72</u>	<u>3,820,336,059.28</u>
<i>Inventories</i>		
Office Supplies Inventory	66,676,821.66	68,776,527.24
Accountable Forms Inventory	246,973,309.91	254,712,837.85
Drugs and Medicines Inventory	2,481,698.57	2,302,208.57
Medical, Dental and Laboratory Supplies Inventory	381,900.00	331,530.00
Other Supplies Inventory	1,492,156.69	(5,324.41)
<i>Total Inventories</i>	<u>318,005,886.83</u>	<u>326,117,779.25</u>
<i>Prepaid Expenses</i>		
Prepaid Insurance	27,196.83	47,461.61
Advances to Contractors	40,669,898.69	43,837,863.45
Othe Prepaid Expenses	332,637.50	332,637.50
Guaranty Deposits	994,300.00	994,300.00
<i>Total Prepaid Expenses</i>	<u>42,024,033.02</u>	<u>45,212,262.56</u>

	<u>2013</u>	<u>2012</u>
<b>Property, Plant and Equipment</b>		
Land	721,482.80	721,482.80
Office Buildings	252,334,437.55	248,734,437.55
Less: Accumulated Depreciation	(48,517,284.83)	(48,371,786.93)
	<u>203,817,152.72</u>	<u>200,362,650.62</u>
Other Structures	13,144,970.92	13,144,970.92
Less: Accumulated Depreciation	(106,815.36)	(70,679.31)
	<u>13,038,155.56</u>	<u>13,074,291.61</u>
Office Equipment	68,808,796.74	64,820,224.09
Less: Accumulated Depreciation	(36,379,826.83)	(29,352,605.95)
	<u>32,428,969.91</u>	<u>35,467,618.14</u>
Furniture and Fixtures	370,045,968.94	368,386,652.26
Less: Accumulated Depreciation	(211,676,325.03)	(209,830,957.26)
	<u>158,369,643.91</u>	<u>158,555,695.00</u>
IT Equipment and Software	464,532,919.47	245,419,261.77
Less: Accumulated Depreciation	(98,302,634.45)	(67,767,802.96)
	<u>366,230,285.02</u>	<u>177,651,458.81</u>
Library Books	2,616,830.35	2,467,663.15
Communication Equipment	6,979,480.95	6,979,480.95
Less: Accumulated Depreciation	(711,372.48)	(597,173.13)
	<u>6,268,108.47</u>	<u>6,382,307.82</u>
Firefighting Equipment and Accessories	2,509,142.04	2,509,142.04
Less: Accumulated Depreciation	(741,944.95)	(601,143.13)
	<u>1,767,197.09</u>	<u>1,907,998.91</u>
Medical, Dental and Laboratory Equipment	3,725.00	3,725.00
Less: Accumulated Depreciation	(2,123.26)	(2,123.26)
	<u>1,601.74</u>	<u>1,601.74</u>
Military and Police Equipment	853,575.21	853,575.21
Less: Accumulated Depreciation	(427,538.70)	(427,538.70)
	<u>426,036.51</u>	<u>426,036.51</u>
Technical and Scientific Equipment	40,772,667.98	40,772,667.98
Less: Accumulated Depreciation	(18,267,002.43)	(18,267,002.43)
	<u>22,505,665.55</u>	<u>22,505,665.55</u>
Other Machinery and Equipment	1,955,499,411.63	1,955,499,411.63
Less: Accumulated Depreciation	(241,735.42)	(178,020.67)
	<u>1,955,257,676.21</u>	<u>1,955,321,390.96</u>
Motor Vehicles	22,593,244.04	22,593,244.04
Less: Accumulated Depreciation	(11,874,259.52)	(10,497,738.47)
	<u>10,718,984.52</u>	<u>12,095,505.57</u>
Other Property Plant and Equipment	78,950.00	78,950.00
Less: Accumulated Depreciation	-	-
	<u>78,950.00</u>	<u>78,950.00</u>
Construction in Progress - Agency Assets	666,125,988.98	666,125,988.98
Items in Transit	1,788,107,962.08	990,632,307.28
<i>Property Plant And Equipment, net</i>	<u>5,228,480,691.42</u>	<u>4,243,778,613.45</u>
<b>Other Assets</b>		
Other assets	1,818,750.61	1,818,750.61
<i>Total Other Assets</i>	<u>1,818,750.61</u>	<u>1,818,750.61</u>
<b>Total Assets</b>	<u><u>11,804,423,389.72</u></u>	<u><u>10,188,342,134.90</u></u>

2013 2012

**LIABILITIES AND EQUITY**

**Liabilities**

***Current Liabilities***

Accounts Payable	1,981,539,389.18	1,156,113,779.16
Due to BIR	45,193,785.53	47,194,762.10
Due to GSIS	3,863,067.89	15,463,066.37
Due to PAGIBIG	(4,967,829.82)	(2,554,914.35)
Due to PHILHEALTH	3,218,083.56	4,124,759.74
Due to NGAs	3,934,025.30	3,934,025.30
Due to Other GOCCs	(1,232,979.95)	(905,647.08)
Due to LGUs	291.49	291.49
Due to Other Funds	7,029,540,493.98	6,502,230,043.77
Guaranty Deposits Payable	23,566,281.83	9,950,126.61
Performance/Bidders/Bailbonds Payable	712,663,924.38	604,203,431.77
Tax Refunds Payable	1,230,596,364.88	2,716,068,585.15
Other Payables	2,964,328,154.93	2,471,765,478.17
<b><i>Total Current Liabilities</i></b>	<b>13,992,243,053.18</b>	<b>13,527,587,788.20</b>

**Deferred Credits**

Other Deferred Credits	35,956,926.36	35,956,926.36
<b><i>Total Deferred Credits</i></b>	<b>35,956,926.36</b>	<b>35,956,926.36</b>
<b><i>Total Liabilities</i></b>	<b>14,028,199,979.54</b>	<b>13,563,544,714.56</b>

**Equity**

Government Equity, January 1	(3,375,202,579.66)	(5,683,922,436.35)
Retained Earnings		
Current Operations	404,455,436.00	475,876,374.32
Prior Years' Adjustments	746,970,553.84	1,832,843,482.37
	1,151,425,989.84	2,308,719,856.69
Government Equity, December 31	(2,223,776,589.82)	(3,375,202,579.66)
<b>Total Liabilities and Equity</b>	<b>11,804,423,389.72</b>	<b>10,188,342,134.90</b>



DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
Manila

Consolidated Detailed Statement of Income and Expenses  
For the Period Ended December 31, 2013  
(Regular Agency Books - Fund 101, 102, 151 and 152)

	<u>2013</u>	<u>2012</u>
<b>Income</b>		
Subsidy from National Government	2,482,937,317.04	2,467,330,906.69
Less:		
<i>Reversion of Unused NCA</i>	140,478,733.06	100,240,510.18
<i>Subsidy Income - Net</i>	<u>2,342,458,583.98</u>	<u>2,367,090,396.51</u>
<b>Expenses:</b>		
<b><i>Personal Services:</i></b>		
Salaries and Wages - Regular	746,710,030.37	736,899,188.84
Salaries and Wages - Casual	1,523,865.45	1,841,976.54
Personnel Economic Relief Allowance	79,996,267.67	78,143,813.32
Representation Allowance	8,740,622.78	9,499,668.66
Transportation Allowance	8,498,942.76	9,335,868.62
Clothing and Uniform Allowance	10,018,344.00	15,635,000.00
Subsistence, Laundry and Quarter Allowance	4,896,458.90	3,759,838.14
Productivity and Incentive Allowance	3,566,000.00	3,245,000.00
Overseas Allowance	6,720,000.00	3,719,999.73
Other Bonuses and Allowances	17,628,032.77	8,130,000.00
Hazard Pay	112,672.17	193,476.00
Overtime and Night Pay	-	99,963.64
Cash Gift	12,427,099.63	13,491,375.00
Year End Bonus	49,355,590.02	52,572,118.25
Life and Retirement Insurance Contributions	90,928,403.63	88,355,206.04
PAG - IBIG Contributions	3,824,991.33	3,925,611.79
PHILHEALTH Contributions	8,123,392.39	6,299,753.60
ECC Contributions	3,761,210.73	3,889,843.89
Retirement Benefits - Civilian	13,948,290.64	3,272,900.77
Terminal Leave Benefits	104,762,568.05	92,061,258.10
Other Personnel Benefits	3,264,121.94	-
<i>Total Personal Services</i>	<u>1,178,806,905.23</u>	<u>1,134,371,860.93</u>
<b><i>Maintenance and Other Operating Expenses</i></b>		
Traveling Expenses-Local	9,532,550.80	8,811,241.40
Traveling Expenses-Foreign	9,518,637.30	12,582,429.65
Training Expenses	11,458,327.24	11,321,623.01
Office Supplies Expenses	22,555,183.84	25,106,023.55
Accountable Forms Expenses	28,892.00	21,133.50
Medical, Dental and Laboratory Supplies Expenses	130,085.00	-
Gasoline, Oil and Lubricants Expenses	2,630,732.92	3,783,017.47
Other Supplies Expenses	3,402,144.30	1,727,215.71
Water Expenses	21,674,737.70	21,457,555.74
Electricity Expenses	77,710,894.71	75,559,404.80
Postage and Deliveries	1,388,464.11	1,294,927.42

	<b>2013</b>	<b>2012</b>
Telephone Expenses - Landline	16,966,948.02	13,529,393.59
Telephone Expenses - Mobile	1,523,045.03	1,747,311.22
Internet Expenses	8,479,907.06	9,835,164.01
Cable, Satellite, Telegraph and Radio Expenses	5,200.00	4,000.00
Membership Dues and Contributions to Organization	15,485.94	40,019.06
Advertising Expenses	733,204.19	2,163,061.79
Printing and Binding Expenses	1,309,164.93	308,734.92
Rent Expenses	8,676,769.63	6,135,855.54
Representation Expenses	1,935,081.22	1,070,031.19
Transportation and Delivery Expenses	1,242,923.32	1,344,158.80
Subscription Expenses	705,066.70	414,651.90
Legal Services	188,592.51	145,330.00
Auditing Services	66,952.99	100,578.09
General Services	6,434,327.59	4,631,452.30
Janitorial Services	27,187,911.80	27,812,619.69
Other Professional Services	37,149,898.33	27,503,127.49
Repairs and Maintenance-Office Buildings	182,938,978.56	235,263,837.27
Repairs and Maintenance-Office Equipment	5,336,754.62	2,525,717.96
Repairs and Maintenance - Furniture and Fixtures	15,700.00	1,226,141.50
Repairs and Maintenance - IT Equipment and Software	720,434.51	5,888,363.78
Repairs and Maintenance-Firefighting Equipment and Accessories	63,500.00	174,000.00
Repairs and Maintenance-Other Machinery and Equipment	258,086,444.80	235,742,727.62
Repairs and Maintenance-Motor Vehicles	443,446.44	641,588.00
Miscellaneous Expenses	317,941.61	492,000.00
Taxes, Duties and Licenses	847,112.86	658,162.36
Fidelity Bond Premiums	1,716,431.25	1,475,013.75
Insurance Expenses	81,531.88	102,529.54
Depreciation - Office Buildings	116,398.32	87,298.74
Depreciation - Other Structures	28,908.84	21,681.63
Depreciation - Office Equipment	5,709,401.06	3,754,239.53
Depreciation - Furniture and Fixtures	1,495,478.55	909,118.82
Depreciation - IT Equipment	26,961,591.89	8,228,759.77
Depreciation - Communication Equipment	91,359.48	68,519.61
Depreciation - Firefighting Equipment and Accessories	116,940.96	58,696.84
Depreciation - Other Machinery and Equipment	50,971.80	38,228.85
Depreciation - Motor Vehicles	1,101,216.84	812,091.18
Other Maintenance and Operating Expenses	-	4,010.00
<i>Total MOOE</i>	<u>758,891,673.45</u>	<u>756,622,788.59</u>
<b>Financial Expenses</b>		
Bank Charges	304,569.30	219,372.67
	<u>304,569.30</u>	<u>219,372.67</u>
<b>Total Expenses</b>	<u>1,938,003,147.98</u>	<u>1,891,214,022.19</u>
<b>Excess of Income Over Expenses</b>	<u><b>404,455,436.00</b></u>	<u><b>475,876,374.32</b></u>

# CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

As of December 31, 2013

## REGULAR AGENCY BOOKS

### 1. General/Agency Profile

- 1.1 The Bureau of Customs (BOC) was created upon the passage of Act No. 430 on July 14, 1902. It was reorganized on July 1, 1947 by virtue of Executive Order (EO) No. 94 and Republic Act (R.A.) No. 51 dated July 1, 1947. It also underwent re-organization when the Ministry of Finance, now Department of Finance; was reorganized under EO No. 127 dated January 30, 1987.
- 1.2 The BOC operates primarily by means of the supervision of import and export operations, starting from the discharge of imported goods, storage, documentation, examination and appraisal, collection of duties and taxes, cargo movement, and export of products. Its service, also in part, meets the demands of airline passengers. The primary clients as well as beneficiaries are the importers, exporters and brokers who, through their day to day transactions with the Bureau have to pay the corresponding duties and taxes levied on their cargoes and spend time and effort to have such cargoes cleared from Customs custody. The BOC provides them with assistance in bringing their goods in and out of the country.

### 2. Basis of Financial Statement Preparation

- 2.1 The accompanying financial statements have been prepared in accordance with generally accepted state accounting principles and standards, based on the rules and regulations promulgated by COA and under the New Government Accounting System (NGAS).

### 3. Significant Accounting Policies

- 3.1 The agency uses accrual basis of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is recognized on accrual basis except for transactions where accrual basis is impractical or when other methods are required by law.
- 3.2 Notice of Cash Allocation (NCA) is recorded in the Regular Agency (RA) books as well as those receipts – trust fund account which the agency is authorized to use.
- 3.3 The Modified Obligation System is used to record allotment received and obligations incurred. Separate registries are maintained by the Budget Division – Financial Management Office to control allotments and obligations for each class of allotment.
- 3.4 Petty Cash Fund (PCF) account is maintained under the Imprest System. All replenishments are directly charged to the expense account. The PCF is used for emergency purchases and not to purchase regular inventory items for stock.
- 3.5 Supplies and materials purchased for inventory purposes are recorded using the Perpetual Inventory System.

- 3.6 Property, Plant and Equipment (PPE) are carried at cost less accumulated depreciation.
- 3.7 The Straight Line Method of depreciation is used in depreciating the PPE with estimated useful lives ranging from five to ten years. A residual value computed at ten percent of the cost of asset is set and depreciation starts on the second month after purchase.
- 3.8 Payable accounts are recognized and recorded in the books of accounts upon acceptance of the goods and other assets and rendition of services to the agency.
- 3.9 Taxes withheld are remitted through a Tax Remittance Advice (TRA), in compliance with DOF-DBM Joint Circular No. 1-2000A dated July 31, 2001. In case of those withheld from Trust/Fiduciary Fund disbursements, remittance is made through the preparation of check or debit memo request payable to the Bureau of Internal Revenue (BIR).
- 3.10 Accounts were reclassified to conform with the New Chart of Accounts prescribed under the NGAS which was implemented effective January 1, 2002 and this was revised/reclassified under COA Circular No. 2003 – 001 dated June 17, 2003, COA Circular No. 2004-008 dated September 20, 2004 and COA Circular No. 2006-001.
- Accounts were revised/reclassified effective January 01, 2009 in conformity with COA Circular 2008-003 dated December 24, 2008.
- 3.11 The BOC's accounting system is highly centralized. All funds for expenses including personal services (PS), maintenance and other operating expenses (MOOE) and capital outlay (CO) were released to the 16 main ports and 19 sub – ports in the form of cash advance under the name of the special disbursing officers. All ports and sub-ports are submitting liquidation vouchers and collection reports to the Accounting and Revenue Accounting Division, respectively, for consolidation and recording in the RA books.

#### 4. Cash

- 4.1 **Cash-Collecting Officers** account includes all collections from the following:

<u>Account Code</u>	<u>Particulars</u>	<u>Amount</u>
102-01	- trust accounts (cash bond, auction, and P extra services), refunds of cash advances	13,053,833.42
102-02	- sale of forms	367,935.00
102-03	- container security fee	(174,599.48)
102-04	- super green lane fees	(1,500.00)
Total	P	<u>13,245,668.94</u>

by the duly designated officers which are subject for deposit to National Treasury and/or authorized government depository banks.

Fund 151 negative balance includes deposits made by Mr. Sandy Tayo, collecting officer of Port of Manila which were recorded using the bank's verification letter. These collections remain unsubmitted/unreported to date.

Fund 152 negative balance pertains to over remittance of the following collecting officers:

<u>Collecting Officer</u>	<u>Port</u>	<u>Amount</u>
Abuan, Jerome	Port of Manila	₱ (500.00)
Castillo, Benjamin	NAIA	(500.00)
Simon, Rose Maria	NAIA	(500.00)
Total		₱ (1,500.00)

- 4.2 **Cash – Disbursing Officers** includes all cash advances for Port Operations (MOOE and CO) issued to the duly designated officers in the form of cash advances, which are deposited and maintained with authorized government depository banks and other private/commercial banks such as Philippine National Bank (PNB) and Philippine Veterans Bank (PVB). Subsidiary ledgers are maintained and reconciled with the Statement of Monthly Allocation and Utilization (SMAU) and bank statement submitted by the Disbursing Officers. The balance of Cash-Disbursing Officers pertains to the following:

<b>Fund</b>	<b>2013</b>	<b>2012</b>
101	₱ 4,996,207.45	₱ 13,324,887.25
151	-	-
152	-	-
Total	₱ 4,996,207.45	₱ 13,324,887.25

- 4.3 **Petty Cash Fund** account is used to record cash granted to Regular or Special Disbursing Officers for the creation of Petty Cash Fund. This fund shall only be used for payment of petty or miscellaneous authorized expenditures which cannot be conveniently paid by check.
- 4.4 **Payroll Fund** account is used to record cash advances for Personal Services and Fund transfer for payment of salaries via ATM. The balance represents unliquidated payroll fund of CO and ports/sub-ports.
- 4.5 **Cash in Bank - Local Currency, Current Account's** subsidiary ledgers were established in January 2002. This account is used for recording collections and disbursements of all trust liability accounts such as Cash Bonds, Auction, Super Green Lane (SGL), Extra Services, Remuneration and Container Security Fee. In establishing the beginning balances for all these Trust Fund bank accounts, the bank balances per Bank Statement as of December 31, 2001 were used; duly adjusted for transactions prior to January 1, 2002 that are recorded after this date. The balance pertains to trust collections deposited at authorized government depository banks.

The balance pertains to the following:

<u>Fund</u>	<u>Particulars</u>	<u>Amount</u>
101	- general (pertains to fund transfers for port operations)	412,517,302.72
101	- trust accounts (cash bond, auction, and extra services).	861,780,042.28
151	- general (pertains to fund transfers for port operations)	116,941.00
151	- trust (container security fees)	16,895,612.48
152	- general (pertains to fund transfers for port operations)	1,134,545.46
152	- trust (super green lane fees)	-
Total		₱ <u>1,292,444,443.94</u>

4.6 **Cash in Bank - Local Currency, Savings Account** balance pertains to the following:

<u>Fund</u>	<u>Bank Account</u>	<u>Port</u>	<u>Amount</u>
101	LBP 1571-0385-59	Subic	₱ 110,716,499.74
101	LBP 1571-0589-83	Subic	487,200,000.00
			₱ <u>597,916,499.74</u>

## 5. Receivables

5.1 **Due from Officers and Employees** account is used to record amounts due from officers and employees for overpayment of salaries, excess cash advances for travel and other purposes.

The balance pertains to the following:

<u>Fund</u>	<u>2013</u>	<u>2012</u>
101	₱ 5,331,290.27	₱ 5,174,740.67
102	4,615,513.73	4,615,513.73
Total	₱ 9,946,804.00	₱ 9,790,254.40

5.2 **Due from National Treasury** account is used to record the amount deposited/remitted with the Bureau of Treasury thru Authorized Government Depository Banks (AGDB) for collections, which the agency is authorized to use upon the issuance of NCA.

The balance pertains to the following:

<u>Fund</u>	<u>2013</u>	<u>2012</u>
101	₱ 1,609,366,442.33	₱ 1,375,662,873.65
151	330,258,001.51	322,352,305.92
152	171,023,455.34	130,543,095.00
Total	₱ 2,110,647,899.18	₱ 1,828,558,274.57

- 5.3 **Due from NGAs** account is used to record the amount due from department, bureaus and other offices of the national government. The balance includes amounts due from Procurement Service recorded since June 2008.

The balance pertains to the following:

Fund	2013	2012
101	₱ 113,703,652.30	₱ 110,979,144.75
102	1,319,118.05	1,319,118.05
Total	₱ 115,022,770.35	₱ 112,298,262.80

- 5.4 **Due from Other Funds** account is used to record transactions, usually adjustments in income that should have been recorded in the Regular Agency books but instead recorded in the National Agency Books.

The balance pertains to the following:

Fund	2013	2012
101	₱ 1,510,132.80	₱ 795,701.30
Total	₱ 1,510,132.80	₱ 795,701.30

- 5.5 **Receivables-Disallowances/Charges** account is used to record amounts due from officers and employees and those of outside of government agencies for audit disallowances/charges, which has become final and executory.

The balance pertains to the following:

Fund	2013	2012
101	₱ 1,837,926,665.30	₱ 1,841,261,428.33
Total	₱ 1,837,926,665.30	₱ 1,841,261,428.33

This includes various Notice of Charges dated May 4, 1998 amounting to ₱1.659B, issued to MICP officers due to the alleged violation of R.A. 7651, Section 1801 (b). The concerned officers have already sent letters of appeal dated June 09, 1998 and July 15, 1999 addressed to the Resident Auditor as stated on 1<sup>st</sup> tracer dated February 10, 2005. Then on February 21, 2005, the Office of the Commissioner submitted a letter, commenting on the said appeal; addressed to Ms. Cora'Lea A. Dela Cruz, Supervising Auditor.

It also includes disallowances to SGS-Far East Limited under LAO ND 2004-044 and LAO NC 2004-001 amounting to ₱17,343,800.67 and 5,860,800.00, respectively. However, LAO ND 2004-045 and LAO NC 2004-003 with amounts of ₱1,188,769,285.30 and CHF 7,603,098.97, respectively were part of the unrecorded disallowances/charges. These should be adjusted due to a Settlement Agreement as discussed below:

In 2009, The Republic of the Philippines (ROP), thru the Bureau of Customs paid the 2nd tranche in the amount of ₱3,620,106,604 for the final settlement of claims, counter claims and liabilities with SGS. This is in full and complete settlement of any and all claims and/or liabilities including payment arising from or relating to the contract and without admission of any liability under a Settlement Agreement by and between the ROP thru the Department of Finance and SGS in the total amount of SWISS FRANCS One Hundred Fifty Million (CHF 150,000,000).

### 5.5.1 Unrecorded Disallowances/Charges

Payee/Payor	ND/NC#	Amount	
International Trading Corporation / New Frontier Sugar Corporation	NC 98-001-101 (96)	P	381,471,701.83
Maricalum Mining Corporation	various NCs		90,645,824.50
Zenaida Sarmiento	NC 99-001-101		4,248,542.68
SGS-Far East Unlimited	LAO ND 2004-045		692,178,285.30
SGS-Far East Unlimited	LAO NC		496,591,000.00
SGS-Far East Unlimited	LAO NC 2004-003	CHF	7,603,098.97
Urrea Marketing	NC 97-003		153,361.00
Agricultural and Fishery	NC 2001-005		768,970.72
Schuurmans & Van Ginneken	NC 2002-003		1,250,207.60
Asian Sugar Alliance	NC 2002-004		12,170,695.49
		P	1,679,478,589.12
		CHF	7,603,098.97

5.6 **Advances to Officers and Employees** account is used to record cash advances issued for travel (local and foreign), seminars, trainings, intelligence fund and other cash advances for special purposes.

The balance pertains to the following:

Fund	2013	2012
101	P 18,483,378.46	P 13,287,737.25
Total	P 18,483,378.46	P 13,287,737.25

5.7 **Other Receivables** account is used to record amounts due from all other debtors not falling from any other specific type of receivables. This account remained dormant for 5 to 39 years.

The balance pertains to the following:

Fund	2013	2012
101	P 22,308,275.63	P 22,308,275.63
Total	P 22,308,275.63	P 22,308,275.63

## 6. Inventories

- 6.1 **Office Supplies Inventory** account is used to record the value of office supplies, printed general forms and IT supplies purchased or acquired for use in the course of government

The balance pertains to the following:

Fund	2013	2012
101	P 66,676,821.66	P 68,776,527.24
Total	P 66,676,821.66	P 68,776,527.24

- 6.2 **Accountable Forms Inventory** account is used to record the value of accountable forms purchased/acquired for use/sale in the course of the government operation.

The balance pertains to the following:

Fund	2013	2012
101	P 246,973,309.91	P 254,712,837.85
Total	P 246,973,309.91	P 254,712,837.85

- 6.3 **Drugs and Medicines Inventory** account is used to record the cost of drugs and medicines purchased/received for use in the government operations

The balance pertains to the following:

Fund	2013	2012
101	P 2,481,698.57	P 2,302,208.57
Total	P 2,481,698.57	P 2,302,208.57

- 6.4 **Medical, Dental and Laboratory Supplies Inventory** account is used to record the cost of medical, dental and laboratory supplies purchased/received for use in the government operations

The balance pertains to the following:

Fund	2013	2012
101	P 381,900.00	P 331,530.00
Total	P 381,900.00	P 331,530.00

- 6.5 **Other Supplies Inventory** account is used to record the cost of supplies purchased/received for use which cannot be classified under any of the specific inventory accounts.

The balance pertains to the following:

Fund	2013	2012
101	P 1,492,156.69	P (5,324.41)
Total	P 1,492,156.69	P (5,324.41)

## 7. Prepaid Expenses

7.1 **Prepaid Insurance** account is used to record the advance payment for insurance premiums of government properties.

The balance pertains to the following:

Fund	2013	2012
101	P 27,196.83	P 47,461.61
Total	P 27,196.83	P 47,461.61

7.2 **Advances to Contractors** account is used to record the advance payment to contractors as authorized by law.

The balance pertains to the following:

Fund	2013	2012
101	P 40,669,898.69	P 43,837,863.45
Total	P 40,669,898.69	P 43,837,863.45

7.3 **Other Prepaid Expenses** account is used to record the amount advance for expenses not classified in any other specific prepaid accounts.

The balance pertains to the following:

Fund	2013	2012
101	P 51,787.50	P 51,787.50
102	280,850.00	280,850.00
Total	P 332,637.50	P 332,637.50

7.4 **Guaranty Deposits** account is used to record the amount deposited in compliance with the transaction/memorandum of agreement/contract which is subject to refund.

The balance pertains to the following:

Fund	2013	2012
101	P 994,300.00	P 994,300.00
Total	P 994,300.00	P 994,300.00

## 8. Property, Plant and Equipment

The Property, Plant and Equipment and the Accumulated Depreciation account consist of:

Account	Book Value	Accumulated Depreciation	Net Book Value
Land	P 721,482.80	P -	P 721,482.80
Office Buildings	252,334,437.55	48,517,284.83	203,817,152.72
Other Structures	13,144,970.92	106,815.36	13,038,155.56
Office Equipment	68,808,796.74	36,379,826.83	32,428,969.91
Furniture and Fixtures	370,045,968.94	211,676,325.03	158,369,643.91
IT Equipment and Software	464,532,919.47	98,302,634.45	366,230,285.02
Library Books	2,616,830.35	-	2,616,830.35
Communication Equipment	6,979,480.95	711,372.48	6,268,108.47
Firefighting Equipment and Accessories	2,509,142.04	741,944.95	1,767,197.09
Medical, Dental and Laboratory Equipment	3,725.00	2,123.26	1,601.74
Military and Police Equipment	853,575.21	427,538.70	426,036.51
Technical and Scientific Equipment	40,772,667.98	18,267,002.43	22,505,665.55
Other Machinery and Equipment	1,955,499,411.63	241,735.42	1,955,257,676.21
Motor Vehicles	22,593,244.04	11,874,259.52	10,718,984.52
Other Property, Plant and Equipment	78,950.00	-	78,950.00
Construction in Progress - Agency Assets	666,125,988.98	-	666,125,988.98
Items in Transit	1,788,107,962.08	-	1,788,107,962.08
<b>Total</b>	<b>P 5,655,729,554.68</b>	<b>P 427,248,863.26</b>	<b>P 5,228,480,691.42</b>

Physical count of the Property, Plant and Equipment is on-going.

Unrecorded equipment under the account Other Machinery and Equipment pertains to the NCISP (X-ray units). Recording of the corresponding equipment will be made upon receipt of the Non-Cash Availment Authority ((NCAA)

## 9. Construction in Progress

**Construction in Progress-Agency Assets** account is used to record the cost of government assets which are still under construction including software development.

The balance pertains to the following:

Fund	2013	2012
101	₱ 636,243,647.72	₱ 636,243,647.72
102	29,882,341.26	29,882,341.26
Total	₱ 666,125,988.98	₱ 666,125,988.98

Construction in Progress – Buildings and Other Structures includes dormant Other Structures account of P7,700,483.94.

## 10. Items in Transit

**Items in Transit** account is used to record the cost of equipment already obligated but not yet received or recorded.

The balance pertains to the following:

Fund	2013	2012
101	₱ 1,695,281,581.01	₱ 897,805,926.21
102	89,841,603.15	89,841,603.15
152	2,984,777.92	2,984,777.92
Total	₱ 1,788,107,962.08	₱ 990,632,307.28

Fund 101 Items In Transit includes those deliverables pertaining to E-Government Fund in the total amount of P468 million which are IT Equipment and Software in nature.

Fund 152 Items In Transit includes the amounts obligated under the following Obligated Request (ObR):

<u>ObR#</u>	<u>Amount</u>
300-09-07-05	₱ 191,450.74
300-10-03-03CA	273,000.00
300-10-12-16CA	1,927,289.60
300-10-12-17CA	593,037.58
	<u>₱ 2,984,777.92</u>

## 11. Other Assets

**Other Assets** account is used to record the cost of unserviceable assets awaiting disposal.

The balance pertains to the following:

Fund	2013	2012
101	₱ 1,818,750.61	₱ 1,818,750.61
Total	₱ 1,818,750.61	₱ 1,818,750.61

## 12. Current Liabilities

12.1 **Accounts Payable** account is used to record the amount of indebtedness arising from government operation.

The balance pertains to the following:

Fund	2013	2012
101	P 1,860,382,304.97	P 1,035,073,321.94
102	116,488,191.59	116,488,191.59
151	1,684,114.70	1,567,487.71
152	2,984,777.92	2,984,777.92
Total	P 1,981,539,389.18	P 1,156,113,779.16

12.2 **Due to BIR** account is used to record all taxes withheld due for remittance to the Bureau of Internal Revenue either thru the issuance of Tax Remittance Advice (TRA) or by check - in case of those withheld arising from trust account disbursements. TRAs from ports/sub-ports are recorded upon submission.

The balance pertains to the following:

Fund	2013	2012
101	P 45,095,940.78	P 40,561,670.60
102	110,442.93	110,442.93
151	4.00	(5,140,741.04)
152	(12,602.18)	(12,602.18)
Total	P 45,193,785.53	P 35,518,770.31

Reconciliation and analysis of this account is still on – going.

12.3 **Due to GSIS** account is used to record all deductions from compensation that are subject for remittance to the Government Service Insurance System (GSIS).

The balance pertains to the following:

Fund	2013	2012
101	P 3,850,811.03	P 11,254,878.61
102	12,256.86	12,256.86
Total	P 3,863,067.89	P 11,267,135.47

Reconciliation and analysis of this account is still on – going.

12.4 **Due to PAG-IBIG** account is used to record all deductions from compensation that are subject for remittance to the Home Development Mutual Fund (HDMF).

The balance pertains to the following:

Fund	2013	2012
101	P (4,969,781.76)	P (2,556,866.29)
102	1,951.94	1,951.94
Total	P (4,967,829.82)	P (2,554,914.35)

Reconciliation and analysis of this account is still on – going.

- 12.5 **Due to Philhealth** account is used to record all deductions from compensation that are subject for remittance to the Philippine Health Insurance Corporation (PHIC).

The balance pertains to the following:

Fund	2013	2012
101	₱ 3,217,558.56	₱ 4,124,234.74
102	525.00	525.00
Total	₱ 3,218,083.56	₱ 4,124,759.74

Reconciliation and analysis of this account is still on – going.

- 12.6 **Due to Other NGAs** account is used to record amounts received from other national government agencies for the implementation of various project/activities which is subject for

The balance pertains to the following:

Fund	2013	2012
101	₱ 3,934,025.30	₱ 3,934,025.30
Total	₱ 3,934,025.30	₱ 3,934,025.30

Reconciliation and analysis of this account is still on – going.

- 12.7 **Due to other GOCCs** account is used to record all deductions from compensation that are subject for remittance to GOCCs other than the GSIS, HDMF and PHIC.

The balance pertains to the following:

Fund	2013	2012
101	₱ (1,232,979.95)	₱ (905,647.08)
Total	₱ (1,232,979.95)	₱ (905,647.08)

Reconciliation and analysis of this account is still on – going.

- 12.8 **Due to LGUs** account is used to record amount due to LGUs.

The balance pertains to the following:

Fund	2013	2012
101	₱ 291.49	₱ 291.49
Total	₱ 291.49	₱ 291.49

Reconciliation and analysis of this account is still on – going.

12.9 **Due to other Funds** account is used to record amount due for recording to the other books or funds. This account includes the recording of mark-up/income from sale of accountable forms and interest income from bank accounts which is due for remittance to the National Treasury.

The balance pertains to the following:

Fund	2013	2012
101	P 7,028,796,704.10	P 6,502,141,356.55
151	743,789.88	69,181.37
152	-	19,505.85
Total	P 7,029,540,493.98	P 6,502,230,043.77

12.10 **Guaranty Deposits Payable** account is used to record amount received to guaranty performance which is subject for refund to the depositor. This includes retention fee withheld from contractors.

The balance pertains to the following:

Fund	2013	2012
101	P 23,566,281.83	P 9,950,126.61
Total	P 23,566,281.83	P 9,950,126.61

Reconciliation and analysis of this account is still on – going.

12.11 **Performance/Bidders/Bailbond Payable** account is used to record amount received as cash bond to guaranty the performance of the terms of a contract.

The balance pertains to the following:

Fund	2013	2012
101	P 712,663,924.38	P 604,203,431.77
Total	P 712,663,924.38	P 604,203,431.77

Reconciliation and analysis of this account is still on – going.

12.12 **Tax Refunds Payable** account is used to record the issuance/application of tax credit certificates.

The balance pertains to the following:

Fund	2013	2012
101	P 1,230,596,364.88	P 2,716,068,585.15
Total	P 1,230,596,364.88	P 2,716,068,585.15

Reconciliation and analysis of this account is still on – going.

12.13 **Other Payables** account is used to record all other liabilities not falling under any of the specific payable accounts.

The balance pertains to the following:

Fund	2013	2012
101	P 2,446,073,582.71	P 1,988,452,406.73
102	997,392.35	997,392.35
151	346,235,224.63	344,914,223.85
152	171,021,955.24	137,401,455.24
Total	P 2,964,328,154.93	P 2,471,765,478.17

Reconciliation and analysis of this account is still on – going.

### 13. Deferred Credits

13.1 **Other Deferred Credits** includes the amount of P35,956,926.36 that are dormant for almost 10 years.

The balance pertains to the following:

Fund	2013	2012
101	P 35,956,926.36	P 35,956,926.36
Total	P 35,956,926.36	P 35,956,926.36

Reconciliation and analysis of this account is still on – going.

### 14. Subsidy Income from National Government (SING)

This account includes the following:

	<u>Particulars</u>	<u>Amount</u>
14.1	NCA received from DBM	
	Fund 101	P 2,122,986,162.00
	Fund 151	258,874,781.00
	Fund 152	-
	Total NCA received	P 2,381,860,943.00
14.2	Tax Remittance Advice	
	Fund 101	P 130,851,342.08
	Fund 151	67,026.44
	Total TRA	130,918,368.52
14.3	Refund of Unexpended Cash Advance	(653,521.51)
14.4	Cost of Accountable Forms Sold	(29,180,344.17)
		P <u>2,482,945,445.84</u>

