

# Audited Project Financial Statements

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Project Number: 46420  
Loan Number: 3100  
Period covered: 1 January to 31 December 2014

## PHI: KALAHI-CIDSS National Community-Driven Development Project

Prepared by: Department of Social Welfare and Development

For the Asian Development Bank  
Date received by ADB: 14 September 2015

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Department of Social Welfare and Development.



Annex A

Republic of the Philippines  
**Commission on Audit**  
Commonwealth Avenue, Quezon City

## INDEPENDENT AUDITOR'S REPORT

**The Department Secretary**  
Department of Social Welfare and Development  
Batasan Hills, Quezon City

We have audited the accompanying financial statements of **Kapit-bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services: National Community Driven Development Project**, which comprise the statement of financial position as at December 31, 2014, and the statement of financial performance, statement of cash flows and statement of changes in net assets/equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Public Sector Standards in Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

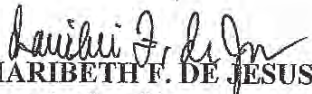
accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

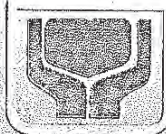
In our opinion, the financial statements present fairly, in all material respects the financial position of the **Kapit-bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services: National Community Driven Development Project** and of its financial performance, statement of cash flows and statement of net assets/equity for the year then ended in accordance with Philippine Public Sector Accounting Standards.

**COMMISSION ON AUDIT**

  
**MARIBETH F. DE JESUS**  
State Auditor V  
Supervising Auditor

July 31, 2015





**Republic of the Philippines**  
**Department of Social Welfare and Development**

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Annex B

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

National Community-Driven Development Project

The management of Department of Social Welfare and Development is responsible for all information and representations contained in the accompanying Statement of Financial Position as of **December 31, 2014** and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed 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.

**DESEREE D. FAJARDO**  
Director, Financial Management Service

MAY 21 2015  
Date Signed

**MATEO G. MONTAÑO**  
Undersecretary, GASSG

MAY 21 2015  
Date Signed



## DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

## Statement of Financial Position

As of December 31, 2014

Support to Foreign-Assisted Fund - General Fund - New General Appropriations - NCDDP-WB & ADB  
(in Philippine Peso)

	<u>2014</u>	
<b>ASSETS</b>		
<b>Current Assets</b>	<b>WB</b>	<b>ADB</b>
Cash and Cash Equivalents	235,380,089.98	429,646,326.71
Receivables	752,116.23	23,726,312.05
Inventories	1,995,889.25	96,073.36
<b>Total Current Assets</b>		691,596,807.58
<b>Non - Current Assets</b>		
Property, Plant and Equipment	10,038,652.12	5,616,405.00
Biological Assets	-	-
Intangible Assets	9,984.00	-
Other Assets	388,803.80	11,984.00
<b>Total Non-Current Assets</b>		16,065,828.92
<b>Total Assets</b>		<u>707,662,636.50</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Financial Liabilities	58,001,578.38	66,125,719.93
Inter-Agency Payables	16,114,137.78	3,256,352.29
Intra-Agency Payables	-	-
Trust Liabilities	-	-
Deferred Credits/Unearned Income	-	-
Other Payables	76,459.13	2.95
<b>Total Current Liabilities</b>		143,574,250.46
<b>Non- Current Liabilities</b>		
Financial Liabilities	-	-
Provisions	-	-
Deferred Credits/Unearned Income	-	-
Trust Liabilities	-	-
<b>Total Non- Current Liabilities</b>		-
<b>Total Liabilities</b>		<u>143,574,250.46</u>
<b>NET ASSETS/EQUITY</b>		
Accumulated Surplus/(Deficit)	174,373,360.09	389,715,025.95
<b>Total Net Assets/Equity</b>		<u>564,088,386.04</u>
<b>Total Liabilities and Net Assets/Equity</b>		<u>707,662,636.50</u>

**Annex D**



**Department of Social Welfare and Development**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
 For the period ending December 31, 2014  
**NCDDP-WB & ADB**  
 (in Philippine Peso)

Revenue	WB	ADB	
Service and Business Income	172,579.04	226,966.12	
<b>Total Revenue</b>			<b>399,545.16</b>
less: Current Operating Expenses			
Maintenance and Other Operating Expenses	788,138,672.45	141,232,155.38	
Financial Expenses		1,138.90	
Non-Cash Expenses	765.38		
<b>Current Operating Expenses</b>			<b>929,372,732.11</b>
<b>Surplus/(Deficit) from Current Operations</b>			<b>(928,973,186.95)</b>
Net Financial Assistance/Subsidy	955,262,000.00	516,414,410.00	
Gains	9,714,138.80	18,228,857.68	
Losses	(2,421,049.55)	(3,855,836.48)	
<b>Surplus(Deficit) for the period</b>			<b>1,493,342,520.45</b>
			<b>564,369,333.50</b>



## Annex E



Department of Social Welfare and Development  
**STATEMENT OF CASH FLOWS**  
 For the period ending December 31, 2014  
**NCDDP-WB & ADB**  
 (in Philippine Peso)

	WB	ADB
Cash Flows From Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation	1,806,041,002.87	679,222,605.86
Collection of Income/Revenues	12,503,172.52	18,561,440.89
Collection of Receivables	771,107.87	-
Receipt of Inter-Agency Fund Transfers	14,951,155.91	-
Other Receipts	145,544.54	27,977.75
Adjustments	2,761,504.85	483,698.45
Total Cash Inflows	1,837,173,488.56	698,295,722.95
Cash Outflows		
Remittance to National Treasury	2,051.50	-
Payment of Expenses	716,689,770.52	97,969,039.00
Purchase of Inventories	784,423.70	67,667.82
Grant of Cash Advances	310,060.00	125,990.00
Prepayments	162,000.00	-
Remittance of Personnel Benefit Contributions and Mandatory Deductions	25,229,269.99	1,860,691.80
Grant of Financial Assistance/Subsidy	850,779,002.87	161,539,746.48
Other Disbursements	2,589,984.53	3,924,201.57
Adjustments	1,881,525.06	-
Total Cash Outflows	1,598,428,088.17	265,487,336.67
Cash Provided by (Used in) Operating Activities	238,745,400.39	432,808,386.28
Cash Flows from Investing Activities		
Cash Inflows		
Total Cash Inflows	-	-
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	3,367,361.91	3,162,179.23
Total Cash Outflows	3,367,361.91	3,162,179.23
Cash Provided By (Used In) Investing Activities	(3,367,361.91)	(3,162,179.23)
Cash Flows From Financing Activities		
Cash Inflows		
Total Cash Inflows	-	-
Cash Outflows		
Total Cash Outflows	-	-
Cash Provided By (Used In) Financing Activities	-	-
Effects of Exchange Rate Changes on Cash and Cash Equivalents		
Total Cash Provided by Operating, Investing and Financing Activities	235,378,038.48	429,646,207.05
Add: Cash Balance, Beginning January 1, 2014	-	-
Cash Balance, Ending December 31, 2014	235,378,038.48	429,646,207.05



**DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT**

Statement of Changes in Net Assets/Equity

Consolidated Central and Regional Offices

NCDDP-WB & ADB

(in Philippine Peso)

For the Year Ended December 31, 2014

2014

Balance at December 31, 2013	
Changes in Accounting Policy	
Restated Balance	0.00
Changes in Net Assets/Equity for 2013	
Adjustment of net revenue recognized directly in net assets/equity	(280,947.46))
Surplus/(Deficit) for the period	564,369,333.50
Total recognized revenue and expense for the period	564,088,386.04
Balance at December 31, 2014 carried forward	564,088,386.04



**NOTES TO FINANCIAL STATEMENTS**  
**KALAHI-CIDSS: NCDDP**  
**CY 2014**

**1. General information**

**Department of Social Welfare and Development - KALAHI-CIDSS National Community Driven Development Project (NCDDP)** is a poverty alleviation program of the National Government implemented by the DSWD. It is supported by the Philippine Development Plan (2011-2016). Approved on 18 January 2013, it is the expansion into a national scale of the operations of the community-driven development (CDD), a strategy that has been tried and proven effective in KALAHI-CIDSS (Kapit-Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services), the parent project of KC-NCDDP. The development objective of KC-NCDDP is to have barangays/communities of targeted municipalities become empowered to achieve improved access to services and to participate in more inclusive local planning, budgeting, and implementation. KC-NCDDP will also be aligned into a program to support community-driven post-disaster response and development in Typhoon Yolanda-affected municipalities within provinces covered by KC-NCDDP.

**Loan Data**

<b>Description</b>	<b>Loan No. 8335-PH</b>	<b>Loan No. 3100-PHI</b>
Project Title :	Kapit-Bisig Laban sa Kahirapan- Comprehensive and Integrated Delivery of Social Services: National Community-Driven Development Project	Kapit-Bisig Laban sa Kahirapan- Comprehensive and Integrated Delivery of Social Services: National Community-Driven Development Project
Executing Agency :	Department of Social Welfare and Development	Department of Social Welfare and Development
Loan Account No. :	8335-PH	3100-PHI
Creditor :	Republic of the Philippines	Republic of the Philippines
Funding Source :	World Bank/ International Bank for Reconstruction and Development (IBRD) Loan	Asian Development Bank
Amount of Loan :	\$479,000,000.00	\$372,103,895.00
Effectivity Date :	After 90 days	After 90 days
Loan Agreement Signing Date :	2 April 2014	26 March 2014
Closing Date :	31 December 2019	30 June 2018
Maturity Date :	25 years	25 years
Grace Period :	10 years	10 years

## Financial Highlight

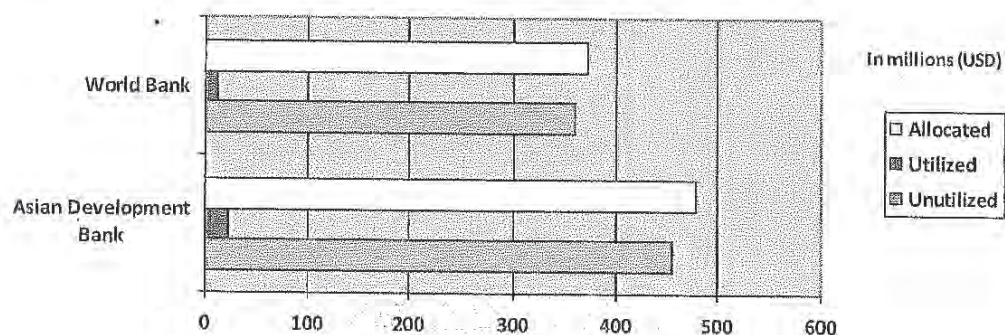
The funding sources for the NCDDP are the following:

Amount in Philippine Peso (Php)

Particulars	Amount	%
Loan Proceeds (LP)	34,555,000,000.00	78.63%
GOP Counterpart	9,389,000,000.00	21.37%
Total Project Cost	43,944,000,000.00	100%

As of December 31, 2014, Loan No. 8335-PH and 3100-PH utilized loan proceeds are, US\$23,197,500.00 and US\$12,000,000.00 or 5% and 3% leaving US\$455,802,500.00 and US\$360,103,895.00 unutilized loan proceeds, respectively.

PROJECT CATEGORY	ALLOCATION	UTILIZED	DISBURSEMENT RATE	UNUTILIZED
<b>8335-PH</b>				
GRANTS	380,192,500.00	-	0%	380,192,500.00
GOODS/CONSULTANCY/IOC	97,610,000.00	16,766,237.46	17%	80,833,762.54
FRONT END FEE	1,197,500.00	1,197,500.00	100%	-
WORKING FUND	-	5,223,762.54		(5,223,762.54)
<b>TOTAL PROJECT COST</b>	<b>479,000,000.00</b>	<b>23,197,500.00</b>	<b>5%</b>	<b>455,802,500.00</b>
<b>3100-PH</b>				
GRANTS	358,581,000.00	985,745.17	0%	357,595,254.83
EQUIPMENT, VEHICLE AND FURNITURE	1,073,000.00	107,542.48	10%	965,457.52
ADVOCACY AND IEC MATERIALS	156,000.00	4,573.00	3%	151,427.00
TRAINING, WORKSHOPS AND MEETINGS	9,413,000.00	1,263,913.88	13%	8,149,086.12
CONSULTING SERVICES	1,200,000.00	-	0%	1,200,000.00
MONITORING AND EVALUATION	1,180,000.00	15,612.23	1%	1,144,387.77
UNALLOCATED	520,895.00	-	0%	520,895.00
IMPREST FUND-WF	-	9,622,613.24		(9,622,613.24)
<b>TOTAL PROJECT COST</b>	<b>372,103,895.00</b>	<b>12,000,000.00</b>	<b>3%</b>	<b>360,103,895.00</b>



## 2. Statement of compliance and basis of preparation

2.1 The consolidated financial statements of the DSWD have been prepared in accordance with generally accepted government accounting principles and



pertinent laws, rules and regulations and comply with the Philippine Public Sector Accounting Standards (PPSAS).

2.2 Accounts were converted to conform to the Revised Chart of Accounts (RCA) for National Government Agencies under Commission on Audit Circular No. 2013-002 dated January 30, 2013.

2.3 Included in this Financial Statements of the Department are the transactions of the different Fund Clusters, as an amendment to the UACS in the recording of transactions, such as follows:

- 01 Regular Agency Fund – covering the annual authorizations for incurring obligations during the specified budget year, as listed in the GAA
- 02 Foreign Assisted Projects Fund – covering the appropriations for loan as listed in the GAA
- 03 Special Account - Local Fund/Domestic Grants Fund – covering the authorizations for domestic grant funds
- 04 Special Account - Foreign Account/Foreign Grants Fund - covering the authorizations for foreign grant funds
- 06 Business Related Funds – receipts derived from business-type activities of departments/agencies as authorized by law, i.e., Revolving Funds
- 07 Trust Receipts – receipts that are officially in the possession of government agencies or a public officer as trustee, agent, or administrator, or which have been received for the fulfillment of a particular obligation

2.4 The financial statements are presented in Philippine Pesos which is the functional and reporting currency of the agency.

2.5 The agency implemented the Enhanced eNGAS version 2.0 in December, 2014 to comply with the PPSAS, Unified Accounts Codes Structure (UACS) and the Revised Chart of Accounts.

2.6 The financial statements have been prepared on the basis of historical cost, unless stated otherwise.

2.7 The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flows statement is prepared using the direct method. The consolidated financial statements are prepared on an accrual basis.



### 3. Summary of significant accounting policies

- 3.1 Notice of Cash Allocation (NCA) is recorded in the Regular Agency (RA) Books as well as those income/receipts which the agency is authorized to use.
- 3.2 Petty Cash Fund (PCF) Account is maintained under the Imprest System. All replenishments are directly charged to the expense account. The PCF is not used to purchase regular inventory items for stock.
- 3.3 The cost of ending inventory of Office Supplies and Materials and other inventory items are computed using the Moving Average Method in accordance with PPSAS.
- 3.4 Supplies and Materials Purchased for inventory purposes and recorded using the Perpetual Inventory System in accordance with PPSAS.
- 3.5 All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. All other repair and maintenance costs are recognized in expenses as incurred.
- 3.6 Depreciation on assets is charged on a straight-line basis over the useful life of the asset. The residual value is computed at five percent effective January 1, 2014.

<u>Account Name</u>	<u>Est. Life</u>
Buildings	20-30 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Information and Communication Technology Equipment	5 years
Books	5 years
Communication Equipment	10 years
Construction and Heavy Equipment	10 years
Disaster Response and Rescue Equipment	7 years
Medical Equipment	10 years
Sports Equipment	5 years
Technical and Scientific Equipment	10 years
Other Machinery and Equipment	10 years
Motor Vehicles	7 years
Other Property, Plant and Equipment	5 years

- 3.7 Intangible assets acquired separately are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.
- 3.8 The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life is amortized over its useful life:

- 3.9 Payable Accounts are recognized and recorded in the book of accounts only upon delivery and acceptance of the goods/inventory/other assets and rendition of services to the agency.
- 3.10 Income/receipts which the agency are not authorized to use and are required to be remitted to the National Treasury are recorded in the National Government (NG) Books. However, Interest income from current bank accounts of projects funded by foreign donors were required to be reported and refunded back to the grantor in compliance with the provisions of the financial manual or grant agreements.
- 3.11 A foreign currency transaction is recorded, on initial recognition in the Philippine peso, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.
- 3.12 Unrealized gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held in a foreign currency is reported in the cash flow statement in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities, and includes the differences, if any, if those cash flows had been reported at end of period exchange rates.
- 3.13 Correction of fundamental errors of prior years are done by adjusting the Accumulated Surplus/(Deficit) beginning balance account. Fundamental errors affecting current year's operation are charged to the current year's accounts.

#### 4. Cash and Cash equivalents

Account Name	Code	CY 2014
Cash - Collecting Officer	10101010	14,577.48
Cash in Bank - Local Currency, Current Account	10102020	206,576,721.73
Cash in Bank - Foreign Currency, Savings Account	10103030	458,432,946.32
Cash - Treasury/Agency Deposit, Trust	10104030	2,171.16
<b>Total</b>		<b>665,026,416.69</b>

#### 5. RECEIVABLES

Account Name	Code	CY 2014
Due from National Government Agencies	10303010	118,972.04
Due from Local Government Units	10303030	23,717,788.00
Due from Officers and Employees	10305020	28,394.00
Other Receivables	10305990	613,274.24
<b>Total</b>		<b>24,478,428.28</b>



## 6. INVENTORIES

Inventory items of the Department consists of the following:

<u>Account Name</u>	<u>Code</u>	<u>Amount</u>
Office Supplies Inventory	10404010	2,057,862.61
Accountable Forms, Plates and Stickers Inventory	10404020	32,550.00
Other Supplies and Materials Inventory	10404990	1,550.00
<b>Total</b>		<b>2,091,962.61</b>

## 7. Other Current Assets

<u>Account Name</u>	<u>Code</u>	<u>Amount</u>
Advances for Operating Expenses	19901010	1.50
Advances to Special Disbursing Officer	19901030	26,984.00
Advances to Officers and Employees	19901040	211,802.30
Prepaid Rent	19902020	144,000.00
Guaranty Deposits	19903020	18,000.00
<b>Total</b>		<b>400,787.80</b>

## 8. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment for CY 2014 are summarized as follows:

<u>Account Name</u>	<u>Code</u>	<u>Cost at Jan. 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfer/ Adjust-ments</u>	<u>Cost at Dec. 31, 2014</u>
Office Equipment	1 06 05 020		300,361.50			300,361.50
Information and Communication Technology Equipment	1 06 05 030		7,910,580.00			7,910,580.00
Communication Equipment	1 06 05 070		17,490.00			17,490.00
Motor Vehicles	1 06 06 010		6,600,025.00			6,600,025.00
Furniture and Fixtures	1 06 07 010		827,366.00			827,366.00
<b>Total</b>			15,655,822.50			15,655,822.50
Less: Accumulated Depreciation						<b>765.38</b>
<b>Total</b>						<b>15,655,057.12</b>

Property, Plant and Equipment is carried at cost less accumulated depreciation. Regular maintenance, repair and minor replacements are charged against Maintenance and Other Operating Expense (MOOE).

## 9. Intangible Assets

Intangible asset of the Department is composed of Computer Software only to wit:



<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Computer Software	10801020	9,984.00

Computer Software is items reclassified from IT Equipment and Software and are amortized using the straight line method based on the remaining life of the software.

#### 10. Other Assets

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Other Assets	19999990	0.00

#### 11. Financial Liabilities

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Accounts Payable	20101010	115,445,033.89
Due to Officers and Employees	20101020	8,682,264.42
<b>Total</b>		<b>124,127,298.31</b>

#### 12. Interagency Payables

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Due to BIR	20201010	18,828,637.05
Due to Pag-Ibig	20201030	542,733.02
Due to Philhealth	20201040	(2,200.00)
Due to GOCC's	20201060	1,320.00
<b>Total</b>		<b>19,370,490.07</b>

#### 13. Trust Liabilities

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Guaranty/Security Deposits Payable	20401040	0.00
<b>Total</b>		<b>0.00</b>

#### 14. Other Payables

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Other Payables	29999990	76,462.08

#### 15. Accumulated Surplus/Deficit

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Accumulated Surplus/Deficit	30101010	(162,619.43)
<b>Total</b>		<b>(162,619.43)</b>

Accumulated Surplus/(Deficit) is the residual interest, which was the excess of the Department's assets over its liabilities. This account was used in lieu of the Government Equity account.

## 16. Service and Business Income

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Fines and Penalties - Service Income	40201140	563.61
Interest Income	40202210	398,981.55
Total		<u>399,545.16</u>

The account Fines and Penalties - Service Income is the amount charged or being collected by the Department from various contractors/ suppliers for late delivery of goods and services as specified in the Purchase Order.

Interest Income represents income earned from special bank accounts of the Department which were remitted to the Bureau of Treasury.

## 17. Shares, Grants and Donations

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Income from Grants and Donations in Cash	40402010	0.00
Total		<u>0.00</u>

This account is used to record grants and donations received as technical assistance and for project implementation from various foreign funding institutions such as the Asian Development Bank, Millennium Challenge Corporation and United Nation agencies.

## 18. Personnel Expenses

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Honoraria *	50102100	0.00
Total		<u>0.00</u>

## 19. Maintenance and Other Operating Expenses

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Traveling Expenses - Local	50201010	45,959,688.37
Training Expenses	50202010	207,433,186.33
Office Supplies Expenses	50203010	3,779,886.74
Accountable Forms Expenses	50203020	52,272.50
Fuel, Oil and Lubricants Expenses	50203090	702,760.21
Other Supplies and Materials Expenses	50203990	28,159.55
Water Expenses	50204010	127,641.99
Electricity Expenses	50204020	1,106,609.26
Postage and Courier Services	50205010	85,414.71
Telephone Expenses	50205020	11,264,555.75
Internet Subscription Expenses	50205030	10,158.47



Consultancy Services	50211030	27,068,103.16
Other Professional Services	50211990	625,852,307.74
Janitorial Services	50212020	197,835.39
Security Services	50212030	145,855.30
Repairs and Maintenance - Buildings and Other Structures	50213040	984,193.00
Repairs and Maintenance - Machinery and Equipment	50213050	25,740.00
Repairs and Maintenance - Transportation Equipment	50213060	685,647.31
Insurance Expenses	50215030	8,691.50
Advertising Expenses	50299010	412,017.60
Printing and Publication Expenses	50299020	488,651.30
Representation Expenses	50299030	1,498,983.66
Transportation and Delivery Expenses	50299040	9,220.92
Rent/Lease Expenses	50299050	748,638.64
Subscription Expenses	50299070	27,456.00
Other Maintenance and Operating Expenses	50299990	667,152.43
<b>Total</b>		<b><u>929,370,827.83</u></b>

Traveling Expenses - Foreign includes airfare, pre-travel allowance, accommodation and daily subsistence allowance of DSWD Officials and Employees during travels on official business to attend various trainings/seminars, consultation meetings for the period January to December 2014. It also includes liquidation of operating expenses by the Disbursing Officer in Foreign Posts.

Training Expenses consists of payment of honorarium of resource persons, board and lodging and or hotel accommodation of participants to various seminar, training - workshops. It also includes course fee and or registration fees of DSWD Officials and Employees to enhancement training and seminars.

Water Expenses are payments made to Maynilad Water Services, Inc. for the water consumption at DSWD Central Office, NHTO (Mahusay Building), Director's Dormitory and DSWD AHON Center, MIA Road, Pasay City. It also includes payment to Manila Water Company for water consumption of DSWD SWADCAP, Taguig City and DSWD 4Ps Training Center, Bago Bantay, Quezon City.

Postage and Courier Services represents payment made to the Philippine Postal Corporation and Airfreight 2100, Inc. for mailing services of various communication, door-to-door delivery of the Department. It also includes liquidation of Operating Expenses of the different Social Welfare Attache at foreign post.

Telephone Expenses are payments made to the Philippine Long Distance Telephone Company (PLDT) for current charges of DSWD Telephone (Landlines) lines. It also includes mobile expenses made to Globe Telecom, Inc. and Smart Communications, Inc. for Globe Amax and Smart BIZ load services corporate e-loading systems for use of DSWD Officials and Employees who are Globe/Touch Mobile and Smart/Talk and Text subscribers. Also included are reimbursement of individual postpaid lines payments in lieu of prepaid card allocation.

Internet Subscription Expenses are payments made to Globe Telecommunications, Inc. for the wireless internet subscription with Tablet Device



for use of DSWD Executive and Management Committee and to Smart Communications, Inc. for wireless internet subscription for DSWD Central Office. It also includes payment made to iOne Resources, Inc. as secondary internet service provider of DSWD DRRROO and NROC.

Auditing Services are payments made to PLDT for current charges of DSWD - COA telephone lines. It also includes traveling expenses of DSWD- COA staff during validation and or inspection of DSWD Projects of 4Ps and KC-AF projects and cell cards allocation for January to March 2014.

Janitorial Services are payment made to Philcare Manpower Services for janitorial services rendered by 58 janitors assigned at DSWD Central Office and satellite offices including special, additional and overtime services rendered at DSWD NROC and SWADCAP.

Security Services are payments made to Prime Security Agency, Inc. for security services rendered at DSWD Central Office, NROC and RSCC for the period January 1 to December 31, 2014.

Fidelity Bond Premium represents payment of 1.5% fidelity bond premium of Regular Disbursing Officers, Special Disbursing Officers and Approving/Signatory of each Bureau/Service of the Department.

Advertising Expenses includes newspaper publication or advertorial for Invitation to Bid for the procurement of goods and services.

Consultancy Expenses includes payment to service providers engaged in the development of systems and the program/project consultants.

Other Professional Services are payments to DSWD hired workers under a Cost of Service Contracts.

## 20. Financial Expenses

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Bank Charges	50301040	1,138.90
<b>Total</b>		<b>1,138.90</b>

The account Bank Charges generally refers to payment and accruals of interbank fees for cash card grants advanced by Land Bank of the Philippines (LBP) to other banks for ATM transactions and the bank service fees for over-the-counter payments of cash grants by the LBP conduits for the implementation of the Pantawid Pamilya program.

## 21. Non-Cash Expenses

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Depreciation - Machinery and Equipment	50501050	765.38
<b>Total</b>		<b>765.38</b>

The Depreciation for Land Improvements, Buildings and Other Structures, Machinery and Equipment, Transportation Equipment, Furniture and Fixtures and Books, Other Property, Plant and Equipment are periodic cost allocation for the wear and tear the Department's PPE. Amortization of Intangible Assets are also periodic cost allocation of the Computer Software.

## 22. Net Financial Subsidy

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Subsidy from National Government	40301010	1,475,270,000.00
Subsidies - Others	50214990	3,593,590.00
<b>Total</b>		<b>1,471,676,410.00</b>

The account Subsidy from National Government is further broken down as follows:

NCA Received from DBM	
• Operating Requirements	
NCDDP-WB	955,262,000.00
NCDDP-ADB	520,008,000.00
Field Offices	1,009,993,608.73
<b>Total</b>	<b>2,485,263,608.73</b>
Less:	
Notice of Transfer of Allocation	1,009,993,608.73
<b>Total</b>	<b>1,009,993,608.73</b>
<b>TOTAL Subsidy from National Government as of 12/31/14</b>	<b>1,475,270,000.00</b>

The account Financial Assistance to NGAs pertains to transfer of funds through funding checks charged against Loan Proceeds to Field Offices for the implementation of various projects/programs/activities.

The account Subsidies – Others pertains to community grants for the KC NCDDP program from January to December 2014.

## 23. Gains/Losses

<u>Account Name</u>	<u>Code</u>	<u>CY 2014</u>
Gain on Foreign Exchange (FOREX)	40501010	27,942,996.48
Loss on Foreign Exchange (FOREX)	50504010	8,276,886.03
<b>Total</b>		<b>21,666,110.45</b>



**Gains on Foreign Exchange** results from the translation of foreign currency into the presentation currency which the Philippine peso was using the prevailing exchange rate at every end of the period. This is the excess of current exchange rate (closing rate) at the reporting date over the rate initially or previously recognized multiplied by the balance of the foreign currency account.

**Loss on Foreign Exchange (FOREX)** are results from the translation of foreign currency into the presentation currency which was the Philippine peso using the prevailing exchange rate at every end of the period. This is the excess of the rate initially or previously recognized over current exchange rate (closing rate) at the reporting date multiplied by the balance of the foreign currency account.

The account **Other Gains** pertains to payments received from contractors/suppliers for non-refundable fee for bidding documents for participation in the bidding for the supply and delivery of various goods and services.

#### **24. Receipt of Notice of Cash Allocation**

The total receipt of notice of cash allocation to cover operating requirements for the implementation of various programs/projects/activities, replenishment of Working Fund for the program and project loan support while the amount of P12,674.00 pertains to trust receipt representing the refund of excess cash advance charged against ASEAN funds which was inadvertently deposited to the Bureau of Treasury (BTr) and subsequently refunded by the Bureau of Treasury.

#### **25. Remittance to National Treasury**

The Remittance to National Treasury refers to deposit of collections with the BTr for refunds of current and prior year expenses as well as disallowances, miscellaneous income, permits and licenses and remittance of interest income.

#### **26. Payment of Expenses**

This refers to payments of personnel services, maintenance and other operating expenses and financial expenses including cash grants to Pantawid Pamilya beneficiaries.

#### **27. Grant of Financial Assistance/Subsidy**

This refers payments financial assistance for assistance to individuals in crisis situation, cash grants to Pantawid Pamilya beneficiaries and community grants for the KC NCDDP program from January to November 2014 as a result of the adoption of the e-NGAS version 2.0.

#### **28. Release of Intra-Agency Fund Transfers**

This pertains to cash outflows for transfer of subsidy and capital seed fund to Field Offices.