



DON MARIANO MARCOS MEMORIAL STATE UNIVERSITY
Bacnotan, La Union

CONSOLIDATED COMPARATIVE CONDENSED STATEMENT OF FINANCIAL POSITION
FUND CLUSTER 01, 05, 06 & 07
As at December 31, 2024

	Note	<u>2024</u>	<u>2023 As Restated</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	446,735,895.92	428,501,081.17
Receivables	5	163,118,708.23	103,091,457.08
Inventories	6	30,597,058.32	17,360,616.80
Other Current Assets	7	11,694,149.73	79,932,521.16
Total Current Assets		<u>652,145,812.20</u>	<u>628,885,676.21</u>
Non-Current Assets			
Investment Property	8	8,819,092.04	29,246,511.53
Property, Plant and Equipment	9	5,457,839,871.25	5,136,327,110.34
Biological Assets	10	3,445,124.86	1,997,616.56
Intangible Assets	11	1,099,053.34	2,168,893.34
Other Non-Current Assets	12	1,096,043.08	1,085,313.69
Total Non-Current Assets		<u>5,472,299,184.57</u>	<u>5,170,825,445.46</u>
Total Assets		<u>6,124,444,996.77</u>	<u>5,799,711,121.67</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	13.1	76,725,706.04	58,710,098.32
Inter-Agency Payables	13.2	102,217,672.37	87,129,245.36
Intra-Agency Payables	13.3	47,360,197.43	14,687,703.87
Trust Liabilities	13.4	74,728,948.09	73,650,681.41
Other Payables	13.5	8,505,258.05	6,479,806.88
Deferred Credits/Unearned Income	13.6	2,070,938.73	3,848,064.67
Total Current Liabilities		<u>311,608,720.71</u>	<u>244,505,600.51</u>
Non-Current Liabilities			
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>311,608,720.71</u>	<u>244,505,600.51</u>
NET ASSETS/EQUITY			
Equity			
Accumulated Surplus/(Deficit)	14	5,812,836,276.06	5,555,205,521.16
Total Net Assets/Equity		<u>5,812,836,276.06</u>	<u>5,555,205,521.16</u>

Certified Correct:

DEXTER P. LICAY
Chief Accountant



DON MARIANO MARCOS MEMORIAL STATE UNIVERSITY
Bacnotan, La Union

CONSOLIDATED COMPARATIVE CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
FUND CLUSTER 01, 05, 06 & 07
For the Year Ended December 31, 2024

	Note	<u>2024</u>	<u>2023 As Restated</u>
Revenue			
Service and Business Income	15.1	351,989,017.61	171,726,435.96
Shares, Grants and Donations		-	121,325.00
Gains	15.2	1,964,185.57	790,449.19
Other Non-Operating Income	15.3	<u>386,850.68</u>	<u>1,178,940.77</u>
Total Revenue		<u>354,340,053.86</u>	<u>173,817,150.92</u>
Less: Current Operating Expenses			
Personnel Services	16	1,075,903,241.16	973,917,814.62
Maintenance and Other Operating Expenses	17	243,288,306.10	237,488,042.62
Non-Cash Expenses	18	<u>95,124,525.49</u>	<u>96,570,936.05</u>
Total Current Operating Expenses		<u>1,414,316,072.75</u>	<u>1,307,976,793.29</u>
Surplus/(Deficit) from Current Operations		<u>(1,059,976,018.89)</u>	<u>(1,134,159,642.37)</u>
Net Financial Assistance/Subsidy	19	1,309,828,727.62	1,158,500,663.07
Losses	20	<u>61,490.00</u>	<u>32,938.03</u>
Surplus/(Deficit) for the Period		<u><u>249,791,218.73</u></u>	<u><u>24,308,082.67</u></u>

Certified Correct:

DEXTER P. LICAY
Chief Accountant



DON MARIANO MARCOS MEMORIAL STATE UNIVERSITY
Bacnotan, La Union

CONSOLIDATED COMPARATIVE CONDENSED STATEMENT OF CASH FLOWS
FUND CLUSTER 01, 05, 06 & 07
For the Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation	1,492,287,769.00	1,190,461,937.00
Collection of Income/Revenues	180,703,505.27	167,317,558.75
Receipt of Assistance and Subsidy from Other NGAs, LGUs and GOCCs	317,805,887.39	266,922,427.58
Collection of Receivables	37,773,033.17	25,924,144.17
Receipt of Inter-Agency Fund Transfers	81,655,219.24	86,973,659.23
Receipt of Intra-Agency Fund Transfers	227,555,937.65	191,014,836.20
Trust Receipts	29,904,523.27	27,830,157.17
Other Receipts	13,492,918.32	24,872,018.42
Adjustments	23,076,285.74	30,677,944.95
Total Cash Inflows	<u>2,404,255,079.05</u>	<u>2,011,994,683.47</u>
Cash Outflows		
Remittance to National Treasury	9,702,139.72	4,709,815.23
Payment of Expenses	911,760,732.84	811,831,096.56
Purchase of Inventories	53,819,651.88	49,727,054.66
Grant of Cash Advances	20,645,051.56	99,134,150.40
Prepayments	6,720,665.02	8,310,913.56
Refund of Deposits	-	138,868.95
Payment of Accounts Payable	81,202,001.68	67,464,137.90
Remittance of Personnel Benefit Contributions and Mandatory Deductions	261,312,393.48	247,106,975.89
Grant of Financial Assistance/Subsidy	526,297,122.04	348,397,377.58
Release of Inter-Agency Fund Transfers	-	15,084,080.71
Release of Intra-Agency Fund Transfers	162,587,103.80	52,377,970.34
Other Disbursements	77,066,825.36	95,211,997.70
Adjustments	26,804,420.50	123,222,380.78
Total Cash Outflows	<u>2,137,918,107.88</u>	<u>1,922,716,820.26</u>
Net Cash Provided by (Used in) Operating Activities	<u>266,336,971.17</u>	<u>89,277,863.21</u>
Cash Flows from Investing Activities		
Cash Inflows		
Adjustments	-	25,200.00
Total Cash Inflows	<u>-</u>	<u>25,200.00</u>
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	248,102,156.42	170,723,380.76
Purchase of Bearer Biological Assets	-	254,880.00
Total Cash Outflows	<u>248,102,156.42</u>	<u>170,978,260.76</u>
Net Cash Provided by (Used in) Investing Activities	<u>(248,102,156.42)</u>	<u>(170,953,060.76)</u>
Increase (Decrease) in Cash and Cash Equivalents	18,234,814.75	(81,675,197.55)
Cash and Cash Equivalents, January 1	<u>428,501,081.17</u>	<u>510,176,278.72</u>
Cash and Cash Equivalents, December 31	<u><u>446,735,895.92</u></u>	<u><u>428,501,081.17</u></u>

Certified Correct:

DEXTER P. LICAY
Chief Accountant



DON MARIANO MARCOS MEMORIAL STATE UNIVERSITY
Bacnotan, La Union

CONSOLIDATED COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS/ EQUITY
FUND CLUSTER 01, 05, 06 & 07
For the Year Ended December 31, 2024

	<i>Accumulated Surplus/ (Deficit)</i>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	3,277,805,227.65	3,137,831,463.37
Add/(Deduct):		
Change in Accounting Policy	-	(1,150,490.92)
Prior Period Errors	(3,958,993.82)	(963,747.64)
Other Adjustments	2,281,359,287.33	44,679,998.92
Restated Balance	<u>5,555,205,521.16</u>	<u>3,180,397,223.73</u>
Add/(Deduct):		
Changes in Net Assets/Equity for the Calendar Year		
Surplus(Deficit) for the period	249,791,218.73	24,308,082.67
Adjustment of net revenue recognized directly in net assets/equity	(14,414,941.55)	(2,283,993.77)
Others	22,254,477.72	2,352,784,208.53
Balance at December 31	<u><u>5,812,836,276.06</u></u>	<u><u>5,555,205,521.16</u></u>

Certified Correct:

DEXTER P. LICAY
Chief Accountant

DON MARIANO MARCOS MEMORIAL STATE UNIVERSITY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024

1. GENERAL INFORMATION /AGENCY PROFILE

The Consolidated financial statements of Don Mariano Marcos Memorial State University (DMMMSU) were authorized for issue on February 14, 2025 as shown in the Statement of Management Responsibility for Financial Statements signed by Dr. Jaime I. Manuel Jr., the Head of Agency/University President.

Established by virtue of Presidential Decree 1778 on January 15, 1981, Don Mariano Marcos Memorial State University was created to cater to the aspirations of the people merging five (5) former schools of La Union as follows: Don Mariano Marcos Memorial State College (formerly known as Don Mariano Marcos Memorial College of Agriculture and La Union Agricultural School) founded on June 18, 1960, located in Barangay Sapilang, Bacnotan, La Union; La Union School of Arts and Trades (located in San Fernando, La Union, founded in 1907); Southern Ilocos Polytechnic State College (composed of Southern La Union National High School in Agoo, Sto. Tomas College of Fisheries, and Rosario National Agricultural School established on July 28, 1977); Community College of La Union (located in San Fernando founded in 1968); and Sapilang Elementary School (located in Barangay Sapilang, Bacnotan, La Union founded in June 1969).

Helping transform lives and communities through high-quality education, DMMMSU maintains three major campuses: the North La Union Campus in Bacnotan as the Main Campus and the seat of the Central Administration, the Mid La Union Campus in San Fernando City, and the South La Union Campus, which is spread in the towns of Agoo, Sto. Tomas, and Rosario, La Union. DMMMSU also houses the Open University System that caters to the needs of lifelong learners as well as learners with disabilities, OFWs, working students, and solo parents, among others. DMMMSU is the proud home of two national centers – the National Apiculture Research, Training, and Development Institute (NARTDI), which is a leading authority in beekeeping and honey production, and the Sericulture Research and Development Institute (SRDI), which is dedicated to advancing silk production. The university also houses the Fisheries Research and Training Institute (FRTI), the DMMMSU Pig Extension and Research Farm (DPERF), the Lam-ang Institute, the Philippine Carabao Center (PCC), the Metals and Engineering Innovation Center (MEIC), and the Agri-Aqua Technology Incubation Center (ATBI). These centers, along with other research and training institutes, contribute significantly to DMMMSU's reputation as a hub of innovation and excellence.

The principal office address of DMMMSU is in Sapilang, Bacnotan, La Union where the Central Administration is situated.

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

The financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS).

The financial statements are presented in Philippine peso, which is the functional and reporting currency of the University.

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

The Statement of Cash Flows is prepared using the direct method.

3. Summary of Significant Accounting Policies

3.1 Basis of Accounting

The Consolidated Financial Statements of the Don Mariano Marcos Memorial State University are prepared on accrual basis in accordance with the International Public Sector Accounting Standards.

3.2 Consolidation of Financial Statements

The different operating units or campuses of the University maintain their own separate set of books of accounts for Fund 01 (Regular Fund), Fund 07 (Trust Fund), Fund 05 (Special Trust Fund) and Fund 06 (Revolving Fund) where their financial transactions and operations are accounted and recorded in conformity with existing accounting rules and regulations. Financial statements generated from these funds of the operating units are submitted to the University Central Administration for consolidation.

All significant intra-agency receivables/ intra-agency payables transactions are eliminated in the consolidation of financial statements.

3.3 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.

3.4 Receivables

Receivables are measured at fair value of the receivable for school fees and selling price of goods and services of the Income Generating Projects (IGPs) of DMMMSU less provision for impairment or allowance for estimated irrecoverable amounts arising from non-collection based on a review of the outstanding amounts at the reporting date.

Receivables from school fees not covered by the Free Higher Education Program of the government are recognized as an asset upon enrolment or submission by the Registrar's Office of the list of officially registered students or student assessment forms to the Accounting Office with revenue normally being recognized at the same point.

Allowance for impairment-accounts receivable

The policy of providing allowance includes the aging of receivables method of estimating uncollectible accounts. By this method, the accounts are classified according to age from ninety (90) days or less to over three (3) years and provisions for the allowance for impairment-accounts receivable shall be as follows:

<u>Age of Accounts</u>	<u>Percentage</u>
Less than 90 days	2
91-365 days	3
Over 1 year	10
Over 2 years	25
3 years and above	50

Writing-off of receivables

DMMMSU adopts the guidelines provided for under existing government accounting and auditing rules when writing-off dormant receivables. The following conditions must be present to support the request for approval to COA:

- A. Absence of records or documents to validate/support the claim and/or unreconciled reciprocal accounts
- B. Death of the accountable officer/employee/debtor;
- C. Unknown whereabouts of the accountable officer/employee/debtor, and that he/she could not be located despite diligent efforts to find him/her;
- D. Incapacity to pay or insolvency;
- E. Exhaustion of all possible remedies by the Management to collect the receivables and to demand liquidation of each advances and fund transfers; or
- F. No pending case in court involving the subject dormant accounts.

3.5 Inventories

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

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

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

Inventories comprising agricultural produce harvested from biological assets shall be measured on initial recognition of their fair value less costs to sell at the point of harvest.

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

3.6 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.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over its estimated useful life.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

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

DMMMSU uses the cost model for the measurement of investment property after initial recognition.

3.7 Property, Plant and Equipment

Recognition

An item is recognized as property, plant and equipment (PPE) if it meets the characteristics and recognition criteria as PPE.

The characteristics of PPE are as follows:

- Tangible items;
- Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- Are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

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

Measurement at Recognition

An item recognized as property, plant and equipment is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value 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 the 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 the period.

Measurement After Recognition

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

When significant parts of property, plant and equipment are required to be replaced at intervals, the Don Mariano Marcos Memorial State University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

Depreciation

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Initial Recognition of Depreciation

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

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

Depreciation Method

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

Estimated Useful Life

The estimation of the useful life of the asset is a matter of judgment based on the experience of the entity with similar assets. The agency/entity is in the best position to estimate the expected useful life of its PPE.

The Don Mariano Marcos Memorial State University uses the following estimated useful life for each PPE based on experience:

<u>Property Plant and Equipment</u>	<u>Estimated Useful Life</u>
Investment Property <ul style="list-style-type: none"> ▪ Building 	30 years
Land Improvements <ul style="list-style-type: none"> ▪ Land Improvements 	10 years
Infrastructure Assets	10 years
Buildings and Other Structures <ul style="list-style-type: none"> ▪ Buildings ▪ School Buildings ▪ Hostels and Dormitories ▪ Other Structures 	30 years 30 years 30 years 30 years
Leasehold Improvements <ul style="list-style-type: none"> ▪ Building 	Over the useful life of the leased asset or the lease term, whichever is shorter.
Machinery and Equipment <ul style="list-style-type: none"> ▪ Machinery ▪ Office Equipment ▪ ICT Equipment ▪ Agricultural and Forestry Equipment ▪ Communication Equipment ▪ Medical Equipment ▪ Military and Police Equipment 	5 years 5 years 5 years 10 years 10 years 10 years 10 years

<ul style="list-style-type: none"> ▪ Sports Equipment ▪ Technical and Scientific Equipment ▪ Other Equipment 	10 years 10 years 10 years
Transportation Equipment <ul style="list-style-type: none"> ▪ Motor Vehicles Other Transportation Equipment	7 years 7 years
Furniture, Fixtures and Books <ul style="list-style-type: none"> ▪ Furniture and Fixtures Books	10 years 5 years
Other Property, Plant and Equipment	5 years

The Don Mariano Marcos Memorial State University uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

Impairment

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

Derecognition

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

3.8 Biological Assets

Biological Assets are valued on initial recognition and at each reporting date at its fair value less cost to sell. The basis in determining the fair value of the biological assets is the price existing in the market in the Province of La Union. Changes in the fair value of the assets are adjusted in the month where the change in the price occurred. The price during the last week of the month is used as the basis in the valuation of the biological assets.

Biological assets that are attached to land such as fruit-bearing trees are measured at standard/estimated cost on the basis of prevailing market prices in the absence of a separate market for biological assets that are attached to the land at the reporting date.

Agricultural produce is initially measured at its fair value less cost to sell at the time of produce. The fair value of agricultural produce is based on market prices in the local area.

Livestock Inventories for sale

These are valued on initial recognition and at each reporting date at its fair value less cost to sell. Gain or loss arising on initial recognition of biological assets/livestock at its fair value less cost to sell and from a change in fair value less costs to sell of a biological asset/livestock due to price and physical change is recorded in the book and included in surplus or deficit for the period in which it arises.

Breeding Stocks

Biological assets/livestock selected as breeders are recorded on initial recognition and at each reporting date at its fair value less cost to sell. Gain on sales of biological assets is recognized upon sale when the selling price is more than the book value or recorded cost. Loss on sales of biological assets is recorded for the mortality of Breeders and Inventories or when the allocated cost of the inventory is greater than the selling price. Gain or loss arising from a change in fair value less costs to sell of a biological asset/livestock due to price change is also recorded in the book and included in surplus or deficit for the period in which it arises.

3.9 Leases***DMMMSU as a lessor*****Operating Lease**

Leases in which the Don Mariano Marcos Memorial State University does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

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.

3.10 Intangible Assets***Recognition and Measurement***

Intangible assets acquired are initially recognized at cost.

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.

3.11 Revenue from non-exchange transactions***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 were recognized as an asset if the following criteria were 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.

Recognition 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.

As DMMMSU satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

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.

Measurement of Liabilities on Initial Recognition from Non-Exchange Transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

Gifts and Donations

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

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

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

Transfers

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities and the related assets were measured at fair value and recognized on obtaining control of

the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to DMMMSU and can be measured reliably.

3.12 Revenue from Exchange transactions

Measurement of Revenue

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

Rendering of Services

DMMMSU recognizes revenue from tuition fees and other school fees based on the approved rates by the Board of Regents.

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

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

Sale of Goods

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

Rental income

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

Interest income

Interest income is recognized based on the computed interest income on bank deposits as reflected in the bank statement issued by the authorized government depository banks of DMMMSU.

3.13 Changes in accounting policies and estimates

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

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

DMMMSU corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or

- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.14 Budget information

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

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

3.15 Employee benefits

The employees of the Don Mariano Marcos Memorial State University are members of the Government Insurance System (GSIS), which provides life and retirement insurance coverage.

The Don Mariano Marcos Memorial State University recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonus allowances, etc. as an expense.

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

3.16 Subsequent Events

Non-adjusting events after the balance sheet date which are so significant that non-disclosure would affect the ability of the users of the financial statements to make proper evaluation and decisions have to be disclosed by stating the nature of the event and an estimate of its financial effects.

Information received after the balance sheet date about conditions that exist at the date to be stated to update the disclosures made.

3.17 Measurement uncertainty

The preparation of financial statements in conformity with IPSAS, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, impairment of assets, etc.

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

3.18 Prior Period Adjustments

DMMMSU has determined some prior year adjustments in the financial statements pertinent to prior year transactions and were reflected by restating the comparative amounts for the prior period.

4. Cash and Cash Equivalents

Broken down by fund as follows:

Accounts	2024	2023
Fund 01		
Petty Cash	20,000.00	-
Cash in Bank-LC, Current Account	446,831.09	88,591.28
Fund 05		
Cash- Collecting Officers	461,097.78	5,027.00
Petty Cash	50,000.00	47,023.00
Cash in Bank-LC, Current Account	275,876,286.11	261,512,956.19
Fund 06		
Cash- Collecting Officers	729,350.92	50,445.10
Petty Cash	270,000.00	475,000.00
Cash in Bank-LC, Current Account	21,820,688.77	26,359,637.53
Fund 07		
Cash- Collecting Officers	4.81	32,734.03
Cash in Bank-LC, Current Account	147,028,575.08	131,353,778.71
Cash in Bank-LC, Savings Account	33,061.36	8,575,888.33
TOTAL	446,735,895.92	428,501,081.17

The Cash in Bank, LCCA under Fund 01 pertains to LBP Account No. 0202-0172-15 which is being maintained by the University to facilitate the remittance of withholding taxes. At present, this bank account is enrolled with the BIR's e-FPS or Electronic Filing and Payment System, and serves as the depository account for taxes withheld from other funds maintained by the University.

The cash balance of Fund 05 comprises income collections from tuition fees and other school fees at year end including net profit from Income Generating Projects. Income collected is remitted to the Central Office of DMMMSU for budget programming which shall be approved by the Board of Regents.

The cash balance of Fund 06 pertains to the Revolving Fund/Business Related Funds of DMMMSU. All transactions and income derived from the Income Generating Projects (IGPs) of DMMMSU are accounted under Fund 06.

The cash balance of Fund 07 are funds received by the University for a specific purpose such as scholarship funds, grants for the implementation of research and extension projects/programs and other funds held in trust by DMMMSU. The Landbank of the Philippines – Savings Account under Fund 07 pertains to the funds received from the Department of Education for the Senior High School Voucher Program of the Mid-La Union Campus.

All cash accounts of DMMMSU for all fund clusters are maintained in the Land Bank of the Philippines (LBP) except for the Open University System which maintains an account with the Development Bank of the Philippines (DBP) for Fund 05. Likewise, the South La Union Campus also maintains an account with DBP for the Student Financial Assistance Program (STUFAP).

During the year, the PNB Current Account No. 154-719500011 previously maintained by the Open University System (OUS) under Fund 07 has already been closed and derecognized from the book of accounts of DMMMSU.

5. Receivables

Account Title	2024	2023 (As Restated)
Loans and Receivable Accounts		
Accounts Receivable	48,385,527.37	56,607,076.47
Allowance for Impairment	(19,760,102.71)	(18,213,714.05)
Lease Receivables	1,819,968.17	1,028,333.82
Inter-Agency Receivables	9,031,620.29	8,839,182.85
Intra-Agency Receivables	90,500,676.39	22,300,259.10
Other Receivables		
Receivables-Disallowances/Charges	11,358,512.76	18,475,675.49
Due from Officers and Employees	14,955,970.57	8,272,842.90
Due from NGOs/CSOs	12,230.00	12,230.00
Other Receivables	6,973,061.25	5,928,326.36
Allowance for Impairment	(158,755.86)	(158,755.86)
TOTAL	163,118,708.23	103,091,457.08

5.1 Loans and Receivable Accounts

Accounts Receivable

Accounts Receivable represents uncollected tuition fees and other school fees due from students covering 2nd semester SY 2004-2005 up to 1st semester SY 2024-2025. Starting CY 2017, only uncollected tuition fees and other school fees which are not covered by the Unified Student Financial Assistance System for Tertiary Education (UNIFAST) under the “Universal Access to Quality Tertiary Education Act of 2017” are recognized as accounts receivables while tuition fees and other school fees billed to CHED are accounted as inter-agency receivables.

This account also includes uncollected credit sales of the various Income Generating Projects of the University under Fund 06.

5.2 Aging/Analysis of Accounts Receivables

Particulars	Amount	Amount				
		Not Past Due		Past Due		
		1-90 days (2%)	91-365 days (3%)	> 1 year (10%)	> 2 years (25%)	> 3 years (50%)
Accounts Receivables						
FUND 05	46,260,682.57	829,686.43	1,195,701.85	1,568,243.95	9,759,086.01	32,907,964.33
FUND 06	2,124,844.80	476,725.25	156,777.00	174,825.00	131,053.00	1,185,464.55
TOTAL	48,385,527.37	1,306,411.68	1,352,478.85	1,743,068.95	9,890,139.01	34,093,428.88
Allowance for Impairment - Accounts Receivables	(19,760,102.71)	(26,062.24)	(40,484.37)	(174,306.90)	(2,472,534.75)	(17,046,714.45)
Net Value - Accounts Receivables	28,625,424.67	1,280,349.44	1,311,994.48	1,568,762.05	7,417,604.26	17,046,714.44

The above percentages are adjusted on an annual basis in order to arrive at an accurate forecast of the allowance for bad debts based on actual experience of the University and relevant data pursuant to Volume 1, Chapter 5, Section 9 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) which states that “Entities shall evaluate the collectability of accounts receivable on an on-going basis based on historical bad debts, customer/recipient credit-worthiness, current economic trends and changes in payment activity. An allowance is provided for known and estimated bad debts”.

DMMMSU reviewed the collectability of accounts receivable during the year. Based on its evaluation, the above percentages provide an accurate forecast of the allowance for bad debts.

5.3 Lease Receivables

Operating Lease Receivable account includes the accrual of rental/lease income from the lease of buildings and stalls of the North La Union Campus, Mid – La Union Campus and South La Union Campus under operating lease agreements. It also comprises accrued rental/lease income at year end derived from the leasing out of some parcels of land and properties of DMMMSU to Globe and Smart telecommunication towers and cell sites under existing lease agreements.

5.4 Inter-Agency Receivables

Due from NGAs

The Due from NGAs account represents receivables of tuition fees and other school fees billed to the Commission on Higher Education (CHED) under the “Universal Access to Quality Tertiary Education Act of 2017”.

The amount represents the amount billed to CHED for the Second Semester of School Year 2018-2019 and School Year 2019-2020 that are remained unpaid as of the reporting date in the books of accounts of South La Union Campus and Open University System respectively. It also includes uncollected income of various Income Generating Projects of DMMMSU due from other national government agencies.

5.5 Intra-Agency Receivables

Due from Operating Units

Due from Operating Units account is used to recognize fund transfers to the operating units of DMMMSU from its central office/central administration or other operating units. It also consists of uncollected credit sales of the various Income Generating Projects of DMMMSU due from the different operating units or campuses of the University. The balance at year end represents unfunded allotment released to the operating units of DMMMSU in the last quarter of CY 2024.

Due from Other Funds

Due from Other Funds Account comprises uncollected income of the various Income Generating Projects due from other funds or offices within an operating unit of DMMMSU. This account is also used to recognize transfers from one fund to another fund maintained within an operating unit of DMMMSU for erroneous deposits or disbursements.

5.6 Due from NGOs/CSOs

This account was used to recognize the unpaid cost of silk products due from “SARUSAR”, an NGO located in Ilocos Norte, previously recorded in the books of accounts of SRDI as “Accounts Receivables”.

5.7 Other Receivables

Accounts Receivable-Disallowances/Charges

The Accounts Receivable-Disallowances/Charges refers to the amount of audit disallowances/charges due from Officers and Employees that have become final and executory. The bulk of the total disallowances represents amount due from

employees and scholar grantees of the University whose personnel benefits were disallowed in audit including the disallowed travel allowances of the College of Law Professors at the Mid-La Union Campus.

Due from Officers and Employees

Due from Officers and Employees includes the cash shortage of Inocencia T. Quero, former cashier of the South La Union Campus, as a result of the cash examination conducted by the COA Resident Auditor on May 30, 2013 amounting to P1, 288,801.12 as of the reporting date. However, in an unexpected turn of events, the Regional Trial Court declared Ms. Quero not guilty in January 2024, thereby acquitting her of the crime charged and absolving Ms. Quero from any civil liability. Pending the confirmation of whether there was no subsequent rebuttal made from the plaintiff, the amount has been retained in the Due from Officers and Employees account. Also, included in this account is the amount of collections lost on August 9, 2019 due to an alleged incident of robbery at the Mid La Union Campus amounting to P618, 142.03. The amount was recorded in the books as due from the cashier of the said campus pending the result of the investigation conducted by authorities. Receivables arising from unpaid lease/rental, water fee and electric bill due from officers and employees of DMMMSU under the University faculty and staff housing program comprises the remaining balance.

Due from Officers and employees account is also used to record the accountabilities of project managers from the various IGPs of the North La Union Campus that remained unsettled as of the reporting date. Included also under this account are disallowed salaries and benefits received by the personnel of the North La Union Campus who were on scholarship under the CHED K to 12 Transition Program pending resolution of the appeal filed by the concerned employees amounting to P8,398,418.13. This account also consists of the uncollected credit sales of the various Income Generating Projects of DMMMSU due from its officers and employees, and receivables from the employees of the Mid-La Union Campus who were granted scholarship under the DMMMSU Faculty and Staff Development Program due to breach of contract amounting to P1,851,137.50.

Other Receivables

The Other Receivables account comprises receivables from customers of the Laboratory Kitchenette of the Mid-La Union Campus that are already long overdue since August 2008. The schedule was not prepared because no listing nor pertinent documents were turned over by the former bookkeeper. The account also includes the unliquidated amount transferred to the Publication Unit of the Mid-La Union Campus in 2010, collectibles from suppliers which represent excess payment of expenses due to errors in preparing the check as well as electric bills due from the contractors, contract of service personnel, students, and lessees of the University.

Also included in the Other Receivables account is the amount due from Ronald Estoque, a former faculty member of the North La Union Campus, who was granted scholarship under the DMMMSU Faculty and Staff Development Program but failed to fulfill his contractual obligations resulting to the forfeiture of all salaries and benefits paid to him during the scholarship grant amounting to P1, 455,141.00. Out of the total amount, P1, 1125,000.00 are still collectible as of the reporting date. It also includes receivables from former employees of the Mid – La Union Campus who were separated from the University without clearance for similar reasons amounting to P1, 991,234.95.

Financial assistance extended to students in the form of a loan without interest under CHED Memorandum Order No. 4, s. 2004, otherwise known as the “SAFE Loan – Student Assistance for Financial Education” formerly called “STUFAP” – Student Financial Assistance Program” also makes up the Other Receivables account. The loan is payable within two (2) years from date of graduation.

6. Inventories

This account comprises Inventory Held for Sale (Merchandise Inventory), Inventory Held for Manufacturing (Raw Materials, Work-in-Process and Finished Goods Inventory) Inventory Held for Consumption (Office Supplies, Accountable Forms, Drugs and Medicine, Medical, Dental and Laboratory Supplies, Agricultural and Marine Supplies Expenses, Textbooks and Instructional Materials Inventory and Other Supplies and Materials Inventories). Movements of Inventory accounts for the year are summarized as follows:

PARTICULARS	Inventory Held For Sale	Inventory Held For Manufacturing	Inventory Held For Consumption	Semi-Expendable Machinery and Equipment	Semi-Expendable F&F, Books	TOTAL
Carrying Amount, 1/1/24	2,960,860.13	2,228,361.42	8,375,713.46	2,990,255.79	805,426.00	17,360,616.80
Additions/ Acquisitions, net of adjustments	25,949,126.14	1,427,172.33	39,403,397.85	18,187,437.29	12,676,039.72	97,643,173.33
Expensed during the year except write-down	(25,417,865.60)	(1,315,280.14)	(33,689,133.76)	(17,131,383.59)	(11,415,450.72)	(88,969,113.81)
Transfer to Inventories	-	-	-	4,562,382.00	-	4,562,382.00
Carrying Amount, 12/31/24	3,492,120.67	2,340,253.61	14,089,977.55	8,608,691.49	2,066,015.00	30,597,058.32

Inventory held for manufacturing comprises the raw materials, work in process and finished goods inventories that are used in the production of silk products produced by SRDI. Transfer to Inventories in the Semi-Expendable Equipment account pertains to the medical equipment costing less than P50, 000.00 which were previously included in the Construction in Progress account of the College of Medicine.

7. Other Current Assets

7.1 Prepayments

Accounts	2024	2023 (As Restated)
Advances to Contractors	5,934,923.17	70,849,686.52
Prepaid Registration	5,435.84	13,058.60
Prepaid Insurance	5,160,229.39	5,279,665.81
Prepaid Subscription	593,561.33	2,802,000.13
Other Prepayments	-	80,718.66
Total	11,694,149.73	79,025,129.72

Advances to Contractors

Advances to Contractors account represents advance payments made to contractors as authorized by law in an amount not exceeding fifteen percent (15%) of the contract price and is granted to cover mobilization cost.

Advances made to Aquino-Dela Cruz Engineering and Construction as mobilization cost for the continuation of the College of Medicine Academic

Building Project had already been recovered during the year due to the project's completion, hence the significant decrease in the balance at year end.

Prepaid Registration

This account pertains to the unexpired portion of the amount advanced for registration of government property such as motor vehicles owned by DMMMSU.

Prepaid Insurance

Prepaid Insurance account includes unexpired portion of the amount advanced for the insurance of buildings, machineries, equipment, motor vehicles and other properties of DMMMSU.

Prepaid Subscription

The Prepaid Subscription pertains to the unexpired portion of the cost of Turnitin Software and Grammar Checker Software utilized by the University Research Office with a one year term. The remaining balance comprises the cost of e-book subscription of the Library Services.

8. Investment Property

PARTICULARS	Investment Property
Carrying Amount, January 1, 2024	9,246,511.53
Additions/Acquisitions/Transfer/ Reclassification	-
Other Changes/Adjustments	-
Total	9,246,511.53
Disposals	0.00
Depreciation (As per Statement of Financial Performance)	(427,419.49)
Carrying amount December 31, 2024 (As per Statement of Financial Position)	8,819,092.04

e

PARTICULARS	Investment Property
Gross Cost	13,497,458.28
Accumulated Depreciation	(4,678,366.24)
Carrying amount December 31, 2024 (As per Statement of Financial Position)	8,819,092.04

Investment Property account comprises the building that houses the stalls for rent of the Mid-La Union Campus. It also includes the IGP/Alumni building of the South La Union Campus as well as the food courts, and other buildings and structures maintained by the University as income generating projects.

9. Property, Plant and Equipment

Particulars	Land	Land Improvement	Infrastructure Assets	Buildings and Other Structures	Machinery, Eqpt, F&F, Books, Other PPE	Construction in Progress	TOTAL
Carrying Amount, 1/1/24	3,423,982,702.58	25,243,089.66	31,452,829.59	1,281,842,769.15	268,841,336.01	104,964,383.35	5,136,327,110.34
Additions/ Acquisitions, net of adjustments	35,840.00	18,683,362.73	(9,917,771.20)	61,706,461.52	(6,476,559.08)	354,728,512.00	418,759,845.97
Transfer fr. CIP	-	-	-	216,840,467.80	92,035,307.85	(313,438,157.65)	(4,562,382.00)
Total	3,424,018,542.58	43,926,452.39	21,535,058.39	1,560,389,698.47	354,400,084.78	146,254,737.70	5,550,524,574.31
Depreciation	-	(4,916,752.16)	(1,874,367.27)	(50,228,709.33)	(35,664,874.30)	-	(92,684,703.06)
Carrying amount, 12/1/24	3,424,018,542.58	39,009,700.23	19,660,691.12	1,510,160,989.14	318,735,210.48	146,254,737.70	5,457,839,871.25

Particulars	Land	Land Improvement	Infrastructure Assets	Buildings and Other Structures	Machinery, Eqpt, F&F, Books, Other PPE	Construction in Progress	TOTAL
Gross Cost	3,424,018,542.58	68,340,420.84	28,808,604.94	1,974,029,656.44	597,162,414.79	146,254,737.70	6,238,614,377.29
Accumulated Depreciation	-	(29,330,720.61)	(9,147,913.82)	(463,868,667.30)	(278,427,204.31)	-	(780,774,506.04)
Carrying amount, Dec. 31, 2024	3,424,018,542.58	39,009,700.23	19,660,691.12	1,510,160,989.14	318,735,210.48	146,254,737.70	5,457,839,871.25

Significant increases in the PPE are due to constructions, reclassifications, acquisitions or additions during the year. Likewise, the other properties and equipment does not include equipment acquired in prior years thru fabrication/purchase where the funding came from MOOE. Whereas, equipment/properties acquired through donation were included. Adjustments pertain to unrecorded prior years' accumulated depreciation due to delayed reclassification of the Construction in Progress accounts to their appropriate asset accounts upon completion.

Properties, Plant & Equipment which are already carried in the books at their salvage value or which had been fully depreciated and previously reclassified to Other Assets account were reverted back to their original PPE accounts. Further, all properties, plant & equipment with an acquisition cost of less than the capitalization threshold of P50,000.00 were also reclassified in accordance with COA Circular No. 2022-004 dated May 31, 2022.

DMMMSU reviewed the carrying value of property and equipment for any impairment as at December 31, 2024. Based on its evaluation, no impairment loss has occurred and no property and equipment has been pledged as security for liabilities.

DMMMSU conducts one-time cleansing of PPE accounts pursuant to COA Circular No. 2020-006. As of the reporting date, properties, plant and equipment per books were not compared with the records of the Property Custodian at the Supply Office as to their physical existence since the activity has not been completed yet. Hence, no report on the result of the physical count of assets is available as of December 31, 2024.

Lands

Lands owned by DMMMSU are valued at fair market value or assessed value, whichever is higher. The lots recorded in the books were carried over from the previous years as a result of the acquisitions made by the University since its inception which were acquired either through sale or donation. Due to the absence of documents evidencing the acquisitions or lost/missing deeds of sale and deeds of donation, some of the lots occupied by the University remained in the name of the original owners or private individuals. Nevertheless, the University has been in open and continuous possession of these lots for decades. While titles of some of these lands were not yet transferred in the name of the University, these lots, however, are covered by tax declarations in the name of DMMMSU which are prima facie proofs of ownership or possession of the property.

By virtue of BOR Resolution No. 2019-481 dated March 25, 2019, DMMMSU created the Land Acquisition, Transfer and Titling Office (LATTO) under the Office of the Director for Administrative Services, which is the unit in-charge in retrieving/recovering/transferring/titling/updating documents pertaining to the University's landholdings.

Based on the latest report prepared by the LATTO, the status of the DMMMSU's landholdings as of October 31, 2024 is presented below:

Area in sq. meter	No. of Lots	Remarks
306,468	21	Title is in the name of DMMMSU but Tax Declaration is in the name of private person or entity
2,913,183	3	Title is in the name of private person or entity but Tax Declaration is in the name of DMMMSU (claimed and occupied by DMMMSU)
730,589	4	Subject of a pending case (claimed and occupied by DMMMSU) Title is in the name of private person but with Conveyance in favor of DMMMSU
215,372	17	Both Title and Tax Declaration in the name of DMMMSU
81,590	3	Title is in the name of private person or entity but with Conveyance in favor of DMMMSU
4,816,478	97	No Title but Tax Declaration is in the name of DMMMSU
962,261	106	No Title and Tax Declaration in the name of private person or entity/ no known claimant but claimed and occupied by DMMMSU
481,478	6	No Title and Tax Declaration in the name of private person or entity but with Conveyance in favor of DMMMSU
10,507,419	257	TOTAL

The above data were based on the actual survey conducted during the year by LATTO on lands actually occupied by DMMMSU. The data do not include the lot occupied by DMMMSU Pig and Extension Farm (DPERF) which has a separate book of accounts. The total area of 1,120 hectares reported in the prior year financial statements of the University were carried over from the previous years as a result of the mergers of former schools which formed DMMMSU including acquisitions by way of deed of sale and/or deed of donation. The discrepancy of 69.62 hectares noted between the accounting records and the report prepared by LATTO may pertain to unoccupied lands belonging to the former schools over which the University has general administration by virtue of Presidential Decree 1778. These lands, by public knowledge, belong to DMMMSU.

During the year, adjustments in the land account were made in the books to reflect only those lots belonging to DMMMSU that are supported with title certificates (TCT/OCT), tax declarations or deeds of conveyance. Pursuant to audit recommendations, all lots that are declared or registered in the name of private individuals or entities in which the University has an adverse claim are no longer recognized in the books of DMMMSU for reporting purposes only; however the aforesaid lots remain in the inventory record of LATTO as of the reporting date. Likewise, the University has not in any way renounce its claim or interest in the aforementioned lots as a result of the derecognition.

Usufruct Agreement

In year 2023, the Department of Trade and Industry (DTI) turned over the custodianship of the following items to SRDI as Cooperator under the Shared Service Facilities Project, by virtue of the Usufruct Agreement signed on March 21, 2016 and Memorandum of Agreement signed on October 11, 2018.

EQUIPMENT WITH SPECIFICATIONS Usufruct Agreement (March 21, 2016)	COST	REMARKS
1 unit Once Through Steam Bean Jau Boiler -with 1 set Automatic Water Softener -with 1 set Chimney -with commissioning and test run including tapping of steam line & water line to the boiler	P1,650,000.00	Fabricated

EQUIPMENT WITH SPECIFICATIONS Memorandum of Agreement (October 11, 2018)		DATE ACQUIRED
1 unit	Electronic feature-rich sewing machine with 60 built-in stitches, 7 styles of 1 step auto-size buttonholes, quilting table, and hard cover	Dec. 12, 2019
1 unit	Digital embroidery machine, 10-needle with stand, software and designs	Dec. 12, 2019
1 unit	Diesel generator set, silent type, 4BTA 3.9G2 rated at 75kVA	Dec. 12, 2019
1 unit	Cocoon dryer, 50-100 kgs fresh cocoons capacity	Jan. 22, 2020
1 unit	Cocoon cooking machine, 3-phase motor, stainless steel, 40 kgs of cocoons per batch	Jan. 22, 2020
1 unit	Multi-end reeling machine, 6 basins, 50-100 tons cocoons capacity per annum, 120 reels	Jan. 22, 2020
1 unit	Closed type re-reeling machine, 6 reels capacity	Jan. 22, 2020
1 unit	Cocoon sorting table	Jan. 22, 2020
1 unit	Vacuum treatment tank, 200 liters loading capacity	Jan. 22, 2020
1 unit	Hot air dryer, village type, 20 kg capacity	Jan. 22, 2020
1 unit	Winding machine, semi-automatic, 60 bobbins/drums capacity/ 2 layers	Jan. 22, 2020
1 unit	Doubling machine, 60 bobbins capacity	Jan. 22, 2020
1 unit	Silk twisting machine, straight type, 200 spindles, S or Z twist direction	Jan. 22, 2020
1 unit	Boiler machine, automatic once through steam boiler, 10 kg/cm ² maximum pressure	Jan. 22, 2020
1 unit	Serigraphic screen printing semi-automatic	Jan. 22, 2020
1 unit	8-basket conditioning oven, touchable screen with PLC control system	Jan. 22, 2020
1 unit	Cohesion tester, electronic textile testing instrument, 90 millimeters, stroke	Jan. 22, 2020
1 unit	Seri-plane machine, 80-100 rpm, 12.7 millimeters winding panel	Jan. 22, 2020
1 unit	Distribution transformer, 37.5kVA, oil-immersed, pole mounted	February 2020
1 unit	Distribution transformer, 25kVA, oil-immersed, pole mounted	February 2020
1 unit	Degumming and dyeing vats	(awaiting issuance of PAR by DTI)
1 unit	Flying shuttle weaving loom	(awaiting issuance of PAR by DTI)

Properties, Plant & Equipment under Usufruct agreement are not recognized in the book since ownership of these properties does not belong to DMMMSU.

10. Biological Assets

10.1 Bearer Biological Assets

Accounts	2024	2023 (As Restated)
Breeding Stocks	888,597.66	877,451.66
Trees, Plants and Crops	2,381,340.00	866,040.00
Other Bearer Biological Assets	-	18,085.50
Total	3,269,937.66	1,761,577.16

From the total amount of Breeding Stocks reported at year end, P53, 790.00 has been carried over in the books of the North La Union Campus since CY 2007. It has remained unadjusted at the reporting date due to lack of documents as basis to make the necessary adjusting entries. Breeding Stocks account also consists of silkworm eggs intended for the production of more seed eggs, maintained by the Sericulture Research and Development Institute (SRDI).

The Trees, Plants and Crops account consists of trees for forestry, bearer plants, and, annual or perennial cropping, cultivating orchards and plantations maintained

by the North La Union Campus which are valued at standard cost in accordance with COA Circular No. 84-239.

Other Bearer Biological Assets account reported in the previous year comprises costs of silkworm eggs held by the Egg Production Unit of SRDI. However, the amount was reclassified to Merchandise Inventory during the year as its purpose is to hold the said assets for sale to cooperator-farmers for the production of cocoons.

10.2 Consumable Biological Assets

Accounts	2024	2023 (As Restated)
Livestock Held for Consumption/Sale/Distribution	146,742.20	214,264.40
Trees, Plants and Crops Held for Consumption/Sale/Distribution	28,445.00	21,775.00
Total	175,187.20	236,039.40

These Biological Assets accounts pertain to the assets of the agriculture related Income Generating Projects (IGPs) of the University which are held for sale.

10.3 Reconciliation of changes in the carrying amount of biological assets

As required under paragraph 48 of International Public Sector Accounting Standards IPSAS 27, the reconciliation of changes in the carrying amount of biological assets is presented below:

Reconciliation of the Carrying Amount of Bearer Biological Assets As at December 31, 2024		
Particulars	Breeding Stocks	Trees, Plants and Crops
Carrying Amount as at January 1, 2024	648,053.66	866,040.00
Increases due to initial recognition	265,044.00	1,483,990.00
Gain arising from changes in fair value less costs to sell attributable to physical changes	27,000.00	-
Gain arising from changes in fair value less costs to sell attributable to price changes	-	40,800.00
Decreases due to sales	-	-
Decreases due to mortality	(51,500.00)	(9,490.00)
Carrying amount at December 31, 2024	888,597.66	2,381,340.00

Reconciliation of the Carrying Amount of Consumable Biological Asset As at December 31, 2024		
Particulars	Livestock Held for Consumption/Sale /Distribution	Trees, Plants and Crops Held for Consumption/Sale/ Distribution
Carrying Amount as at January 1, 2024	214,264.40	21,775.00
Increases due to initial recognition	7,500.00	6,670.00
Gain arising from changes in fair value less costs to sell attributable to physical changes	64,700.00	-
Gain arising from changes in fair value less costs to sell attributable to price changes	-	-
Decreases due to sales	(139,722.20)	-
Decreases due to mortality	-	-
Carrying amount at December 31, 2024	146,742.20	28,445.00

11. Intangible Assets

Particulars	Computer Software
Carrying Amount, January 1, 2024	2,168,893.34
Additions-Internally Developed	-
Additions-Purchased/Acquired thru exchange on non-exchange transaction	-
Impairment Loss Reversed (As per Statement of Financial Performance)	-
Total	2,168,893.34
Disposals	(836,000.00)
Amortization recognized	(233,840.00)
Carrying amount December 31, 2024 (As per Statement of Financial Position)	1,099,053.34

Particulars	Computer Software
Gross Cost	1,532,560.00
Accumulated Amortization	(433,506.66)
Carrying amount December 31, 2024 (As per Statement of Financial Position)	1,099,053.34

This account represents the Financial Management System software installed at the North La Union Campus and Open University System, the statistical software purchased for the University Research and Extension Office as well as the Math and SPSS software installed at the South La Union Campus - College of Arts and Sciences.

12. Other Non-Current Assets

Accounts	2024	2023
Prepaid Registration	-	331.67
Prepaid Insurance	-	13,424.38
Other Assets	1,096,043.08	1,071,557.64
Other Non-Current Assets	1,096,043.08	1,085,313.69

Other Assets

Prior to the conversion of the old Chart of Accounts to the 2019 Revised Chart of Accounts (RCA) under the Government Accounting Manual, the Other Assets account was used to recognize fully depreciated and/or unserviceable Properties, Plant & Equipment (PPEs). However, PPEs which are previously recorded under this account were reverted back to their original PPE accounts last CY 2022 in compliance with COA audit recommendation. The remaining balance represents unaccounted PPEs carried over in the books from prior years. Due to the unavailability of documents to support the necessary adjusting entries, the total amount remained dormant and nonmoving for several years.

13. Current Liabilities

13.1 Financial Liabilities

Accounts	2024	2023 (As Restated)
	Current	
Accounts Payable	50,928,961.13	43,714,132.20
Due to Officers and Employees	25,796,744.91	14,995,966.12
Total	76,725,706.04	58,710,098.32

Accounts payable

Accounts payable is set up at the end of the year for expenses incurred but not yet paid. Only due and demandable Accounts Payable is recorded in the books. These pertain to the goods purchased which have already been delivered or services which have already been rendered. The significant increase in the CY 2024 is due to the adjustment on the restoration of cash for unreleased checks.

Due to Officer and Employees

Due to Officer and Employees account is credited to recognize incurrence of liability to officers and employees of DMMMSU for salaries, benefits and other emoluments including honoraria of tutors at the Open University System, cash incentives and cash awards of qualified personnel of DMMMSU.

13.2 Inter-Agency Payables

Accounts	2024	2023 (As Restated)
	Current	
Due to BIR	1,926,187.51	2,341,045.52
Due to GSIS	3,403,304.56	33,007.91
Due to Pag-IBIG	396,633.28	155,665.56
Due to PhilHealth	10,673.10	221,660.08
Due to NGAs	96,464,288.77	84,330,064.96
Due to GOCCs	1,585.15	32,801.33
Due to LGUs	15,000.00	15,000.00
Total	102,217,672.37	87,129,245.36

Due to BIR

Due to BIR represents taxes withheld from employees and entities which were remitted to BIR on the 10th day of January 2025.

Due to GSIS/Due to Pag-IBIG/Due to PhilHealth

Due to GSIS, Due to Pag-IBIG and Due to PhilHealth accounts represent the unremitted employee's share of contractual employees at year end. These were remitted on January 10, 2025.

Out of the total amount in the Due to GSIS account, P 2,839,536.25 has been recorded in the books of South La Union Campus representing the unsettled premiums of Contractual Instructors from CY 2007 up to the present including underpayment of premiums of some regular employees per the reconciliation report prepared by the GSIS.

Due to NGAs

Due to NGAs account represents Trust Receipts received from various National Government Agencies such as the Department of Science and Technology (DOST), DOST- Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development, Department of Agriculture (DA), DA – BAI, DA – BAR, DA – BPI, DA – ACEF, PAGCOR and Commission on Higher Education among others for the implementation of special projects or programs and scholarship grants which are not yet liquidated as of the reporting date.

Due to GOCCs

Due to GOCCs account consists of amount carried over from previous years which remained unadjusted due to lack of documents as basis to make the

necessary adjusting entries. Unremitted payroll deductions representing salary loans of employees due to Land Bank of the Philippines also comprise the balance of the account at reporting date.

Due to LGUs

Due to LGUs refers to the amount payable to the City Government of San Fernando, La Union amounting to P 15,000.00 recorded in the book of accounts of the Open University System in CY 2019.

13.3 Intra-Agency Payables

Accounts	2024	2023 (As Restated)
	Current	
Due to Central Office	-	177,229.64
Due to Operating Units	40,788,702.47	4,954,221.26
Due to Other Funds	6,571,494.96	9,556,252.97
Total	47,360,197.43	14,687,703.87

During the process of consolidation, all intra-agency transactions are eliminated in order to ensure that there is no overstatement in the financial statements. The balances of the reciprocal accounts were due to timing difference in recording.

Due to Central Office

Due to Central Office account is used to recognize unexpended budget of the various operating units of DMMMSU under Fund 05 that are due to the Central Administration for budget programming or reprogramming.

Due to Operating Units

Due to Operating Units account is used to recognize payables from other operating units or campuses of DMMMSU.

Due to Other Funds

Due to Other Funds is the reciprocal account of the Due from Other Funds which represents balances which were inadvertently deposited to or charged against another fund. This account is also used to record transactions between offices or units within an operating unit of DMMMSU.

13.4 Trust Liabilities

Accounts	2024	2023 (As Restated)
	Current	
Trust Liabilities	69,171,433.50	59,269,687.27
Guaranty/Security Deposits Payable	5,085,715.16	14,380,994.14
Customers' Deposit Payable	194,870.00	-
Trust Liabilities-Disallowances/Charges	276,929.43	-
Total	74,728,948.09	73,650,681.41

Trust Liabilities

Trust Liabilities account is used to account receipts of funds which are held in trust for specific purpose. This includes funds received from NGOs, CSOs and other instrumentalities of the government for the implementation of special projects or programs in pursuance of the mandates and functions of the University.

Likewise, the Mutual Aid Fund maintained by the University to cover mutual aid benefit claims of students arising from hospitalization/medical expenses due to injury or illnesses including death are accounted using the Trust Liabilities. The Mutual Aid Fund is approved by the Board of Regents of DMMMSU per BOR No. 2021-615.

Guaranty/Security Deposits Payable

The Guaranty/Security Deposits Payable is the amount of retention fees deducted from the payment of infrastructure projects as warranty against defects. This retention money shall be due for release upon final acceptance of the works.

Trust Liabilities-Disallowances/Charges

Trust Liabilities-Disallowances/Charges account is used to record the receipt of settlement for disallowances/charges in audit due from employees of the South La Union Campus pending finality of decision.

Customers' Deposit Payable

Customers' Deposit Payable was used to account the receipt of cash deposits from customers/tenants for the leased properties of Mid La Union Campus.

13.5 Other Payables

Accounts	2024	2023 (As Restated)
	Current	
Other Payables	8,505,258.05	6,479,806.88
Total	8,505,258.05	6,479,806.88

These are payables to agencies and other funds not classified as financial liabilities such as payroll deductions of the employees of the University which remained unremitted as of the reporting date.

13.6 Deferred Credits/Unearned Income

Accounts	2024	2023
	Current	
Other Deferred Credits	1,170,872.17	3,848,064.67
Other Unearned Revenue	900,066.56	-
Total	2,070,938.73	3,848,064.67

Biological assets such as livestock, silkworm eggs, trees, crops and soil products which are valued at standard cost are recorded in the books with a credit to Other Deferred Credits account.

Other Unearned revenue account pertains to tuition fees, other school fees and all other income collected in advance by the Open University System from its students in the month of December 2024 for the 2nd Semester SY 2024-2025. The related income shall be recognized in the books as earned in the subsequent year after the end of the 2nd semester on May 2025. It also includes the receipt of advance rent/lease income from the IGP stalls of the South La Union Campus for the CY 2025.

14. Accumulated Surplus/ (Deficit)

Balance at January 1, 2024		3,277,805,227.65
Add/(Deduct):		
Changes in Accounting Policy		-
Prior Period Errors		(3,958,993.82)
	Understatement of recorded Expenses	(2,499,223.27)
	Overstatement of recorded Expenses	1,332,697.98
	Understatement of recorded Income	1,310,561.73
	Overstatement of recorded Income	(476,346.22)
	Liquidation of prior year Cash Advances	(1,012,500.00)
	Unrecorded prior year Depreciation/Amortization	(2,614,184.04)
Other Adjustments		2,281,359,287.33
	Revaluation/Set up of Landholdings	2,209,540,149.98
	Reclassification of accounts	639,686.86
	Adjustment in Liability accounts	30,317.00
	Adjustment in Property, Plant and Equipment	70,524,590.53
	Adjustment in Receivable accounts	(17,283.04)
	Adjustment in Biological assets	229,398.00
	Adjustment in Inventory accounts	412,428.00
Restated Balance		5,555,205,521.16
Add/(Deduct):		
Changes in Net Assets/Equity		
Surplus for the period		249,791,218.73
Adjustment of net revenue recognized directly in net assets/equity		(14,414,941.55)
	Adjustment of Prior Years' Revenues/Refund of School Fees	(1,624,492.20)
	Receipt of Prior Year Income from Fund 05	44,919,879.34
	Receipt of Prior Year Income from Fund 06	6,995,644.14
	Receipt of Funds for other Intra-agency transactions	669,669.00
	Remittances of Prior Years' Income to CA	(55,999,380.62)
	Closing of Cash-Treasury to Accumulated Surplus	(9,376,261.21)
Others		22,254,477.72
	Remittances of unexpended balance to Fund 05-CO	(3,248,367.98)
	Adjustment/Set-up of Receivables accounts	(785,997.55)
	Adjustment in Inventory accounts	3,148.08
	Adjustment in Property, Plant and Equipment	65,922,194.60
	Adjustment in Biological assets	102,396.00
	Adjustment/Reversion of Payable accounts	470,749.42
	Receipt of Property, Plant and Equipment from operating units	12,603,920.78
	Adjustment of Impairment/Recovery of Bad Debts	46,652.17
	Receipt of Property, Plant and Equipment from other NGAs	21,902,721.19
	Reclassification of accounts	29,740.00
	Transfer of Property, Plant and Equipment to operating units	(74,701,832.99)
	Transfer of Inventories to operating units	(90,846.00)
Balance at December 31, 2024		5,812,836,276.06

15. Revenue

15.1 Service and Business Income

Service Income is composed of the following:

Accounts	2024	2023
Fines and Penalties - Service Income	1,250.00	-
Other Service Income	51,036.00	28,123.75
Total Service Income	52,286.00	28,123.75

Fines and Penalties - Service Income account is used to recognize the fines and penalties related to service income such as late registration fees assessed and collected from students who register after the deadline, or after the opening of classes in a semester.

Other Service Income account is used to recognize other service income not falling under any of the specific service income accounts enumerated in the Revised Chart of Accounts. It includes the cost of services rendered by the Income Generating Projects of DMMMSU to its clients or customers.

Business Income is composed of the following:

Accounts	2024	2023(As Restated)
School Fees	318,215,127.60	141,723,377.94
Seminar/Training Fees	842,000.00	2,707,202.00
Rent/Lease Income	16,817,276.18	15,505,557.61
Income from Hostels/Dormitories and Other Like Facilities	2,561,092.18	1,353,260.00
Income from Printing and Publication	463,906.00	83,113.75
Sales Revenue	34,841,943.12	30,784,182.58
Cost of Sales	(25,417,865.60)	(23,628,256.04)
Interest Income	128,677.68	136,360.60
Other Business Income	3,484,574.45	3,033,513.77
Total Business Income	351,936,731.61	171,698,312.21

School Fees pertains to income earned from tuition fees, other school fees and all other income collected from students including fiduciary fees such as athletic fee, cultural fee, computer fee, laboratory fee, student development fee, library fee and the like. The significant increase in the School Fees account pertains to the subsidy received from the national government for the 1st Semester, SY 2024-2025 under the Free Higher Education Program of the government.

Sales Revenue, Rent/Lease Income, Income from Hostels/Dormitories and Other Like Facilities, Income from Printing and Publication and Other Business Income are the accounts used to record income generated or earned from the Income Generating Projects or Business-related activities of DMMMSU.

15.2 Gains

Accounts	2024	2023(As Restated)
Gain on Initial Recognition of Biological Assets	7,000.00	5,150.00
Gain on Sale of Biological Assets	76,850.80	200,735.00
Gain from Changes in Fair Value Less Cost to Sell of Biological Assets Due to Physical Change	92,200.00	90,863.00
Gain from Changes in Fair Value Less Cost to Sell of Biological Assets Due to Price Change	40,800.00	-
Gain on Sale of Agricultural Produce	29,114.00	175.00
Gain on Initial Recognition of Agricultural Produce	1,612,193.00	276,432.72
Other Gains	106,027.77	217,093.47
Total	1,964,185.57	790,449.19

The Gain on Initial Recognition of Biological Assets account is used to recognize gains on the initial recognition of biological assets. Initial gains on biological assets arise when new biological assets are generated (e.g. a calf or a piglet is born).

Biological transformation in biological assets or changes in the fair value less cost to sell of biological assets as a result of physical growth is recognized with a credit to Gain from Changes in Fair Value Less Cost to Sell of Biological Assets Due to Physical Change.

Gain from Changes in Fair Value Less Cost to Sell of Biological Assets Due to Price Change is used to record the increase in the market price of biological assets. The gain is recorded in the month where the increase occurred.

Gain on Initial Recognition of Agricultural Produce account represents the difference between the change in carrying value of the biological assets due to harvest and the fair value less costs to sell of the harvested agricultural produce. It reflects the last stage of the value creation of the biological process, and the harvested produce is transferred to inventory.

15.3 Other Non-Operating Income

Accounts	2024	2023 (As Restated)
Reversal of Impairment Loss	82,792.88	-
Miscellaneous Income	304,057.80	1,178,940.77
Total	386,850.68	1,178,940.77

Miscellaneous Income account is used to recognize the revenues and other receipts not elsewhere classified under any specific income account such as proceeds from liquidated damages.

16. Personnel Services

16.1 Salaries and Wages

Accounts	2024	2023(As Restated)
Salaries and Wages-Regular	497,192,329.97	450,138,762.86
Salaries and Wages-Casual/Contractual	140,119,360.26	125,881,994.63
Total	637,311,690.23	576,020,757.49

With the issuance of Executive Order (EO) No. 64, s. 2024, the salaries of DMMMSU employees, whether regular, casual or contractual increased during the CY 2024, thereby causing the Salaries and Wages account to rise up by 10.45% from the previous year or equivalent to P 47,053,567.11 at year end.

16.2 Other Compensation

Accounts	2024	2023 (As Restated)
Personnel Economic Relief Allowance	34,412,660.05	33,620,786.41
Representation Allowance	2,424,000.00	2,082,318.18
Transportation Allowance	2,331,375.00	1,980,318.18
Clothing/Uniform Allowance	9,779,000.00	8,406,000.00
Subsistence Allowance	159,343.16	152,575.00
Laundry Allowance	23,525.71	23,511.96
Honoraria	37,629,348.32	19,707,584.39
Hazard Pay	1,653,097.24	1,563,032.74
Overtime and Night Pay	2,628,526.16	1,598,056.15
Year-End Bonus	55,574,055.18	50,636,322.76
Cash Gift	7,066,239.55	7,563,411.46
Mid-Year Bonus	53,662,177.64	50,550,370.28
Other Bonuses and Allowances	50,250,898.76	70,355,190.45
Total	257,594,246.77	248,239,477.96

Pursuant to the general provisions of FY 2024 GAA and DBM NBC No. 593 dated May 03, 2024, the monthly Representation and Transportation Allowances (RATA) of authorized government officials were increased during the year; hence the total amount went up by 17.05% equivalent to P 692,738.64 as of reporting date.

Additionally, in accordance with DBM Budget Circular No. 2024-1 dated April 4, 2024, the clothing/uniform allowance of civilian government personnel was raised to P7, 000.00, which resulted in a 16.33% increase in the Clothing/Uniform Allowance account for the CY 2024.

Honoraria account is used to recognize payments to tutors, project personnel, BAC and TWG members, NSTP trainers, dissertation and thesis committee members, lecturers, resource persons, coordinators and facilitators in seminars, trainings and other similar activities including those who render services beyond their regular workload. Honoraria were also given to the Trainers under the TESDA Tulong Trabaho Scholarship Program in its Training Program entitled “Cocoon Production Level II.”

Other Bonuses and Allowances account is used to recognize other authorized bonuses and allowances granted to government officials/employees not falling under any of the specific other compensation accounts such as PEI and CNA incentives granted to qualified employees for the CY 2024.

16.3 Personnel Benefit Contributions

Accounts	2024	2023 (As Restated)
Retirement and Life Insurance Premiums	79,516,997.32	68,912,103.25
PAG-IBIG contributions	3,437,163.64	1,764,663.33
Philhealth contributions	16,008,984.88	11,422,700.81
Employees Compensation Insurance Premiums	1,915,981.56	1,771,263.33
Total	100,879,127.40	83,870,730.72

16.4 Other Personnel Benefits

Accounts	2024	2023 (As Restated)
Terminal Leave Benefit	4,745,363.72	11,854,261.52
Other Personnel Benefits	75,372,813.04	53,932,586.93
Total	80,118,176.76	65,786,848.45

Terminal Leave Benefit

The Terminal Leave Benefit account is used to recognize the payment of terminal leave benefits of retirees/separated employees of DMMMSU.

Other Personnel Benefits

The Other Personnel Benefits account is used to account the payment for monetization of earned leave, loyalty pay, step increments and Service Recognition Incentive (SRI).

16.5 Short – Term Employee Benefits

Short-term employee benefits are employee benefits, other than termination benefits, that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service such as wages, salaries, social security contributions, and paid annual leave and paid sick leave among others.

Unmonetized Leave Credits

COA Circular No. 2024-009, dated July 16, 2024, provides that “an entity shall measure the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the Philippine government setting, accumulating paid absences refers to the leave credits earned by the government employees.”

Likewise, all NGAs, GCs classified as Non-CPSEs, and LGUs shall measure the earned leave credits based on the computation provided in Section 3.1 of Department of Budget Management Budget Circular No. 2016-2 dated March 29, 2016 for consistency and uniformity.

Unused entitlements that have accumulated at the reporting date were not recognized as expense. While the aforesaid circular provides for a three (3) year transitional period within which to recognize and make necessary adjustments in employee benefits, to update and reconcile employee leave credits, an estimate of the amount of earned leave credits of DMMMSU Employees as of December 31, 2024, nonetheless, is presented hereunder:

Operating Unit	Amount
Central Administration	10,666,059.52
Mid – La Union Campus	26,967,177.34
North La Union Campus	19,595,105.19
South La Union Campus	24,163,956.65
Open University System	671,785.77
Sericulture Research and Development Institute	9,166,453.23
Total	91,230,537.70

17. Maintenance and Other Operating Expenses

17.1 Traveling Expenses

Accounts	2024	2023 (As Restated)
Traveling Expenses - Local	9,850,191.04	9,200,946.28
Traveling Expenses - Foreign	2,583,770.04	1,996,571.21
Total	12,433,961.08	11,197,517.49

Travel expenses pertain to attendance to seminars, trainings and other similar activities of DMMMSU officers and employees locally and abroad. These include transportation, travel per diems, ferriage, passport and visa processing, and all other related expenses.

17.2 Training and Scholarship Expenses

Accounts	2024	2023 (As Restated)
Training Expenses	7,842,961.08	7,302,901.23
Scholarship Grants/Expenses	5,086,892.60	6,597,507.52
Total	12,929,853.68	13,900,408.75

Training Expenses

Training Expenses represents the costs incurred for the participation/attendance in and conduct of trainings, conventions and seminars/workshops. It also includes training fees, honoraria of lecturers, cost of handouts, supplies, materials, meals, snacks and all other training related expenses incurred during the year.

Scholarship Grants/Expenses

The Scholarship Grants/Expenses include the payments to faculty and staff on scholarship or study leave under the University Faculty and Staff Development Program (FSDP). Benefits granted to scholar grantees include monthly stipend, book allowance and thesis/dissertation aid. The rate of benefits granted to the scholars varies depending on the academic ranking of the HEIs where they are enrolled. The procedures and guidelines on the implementation of the FSDP are

embodied in the Revised Faculty and Staff Development Program duly approved by the Board of Regents as per BOR Resolution No. 2019-48 dated July 11, 2019.

17.3 Supplies and Materials Expenses

Accounts	2024	2023 (As Restated)
Office Supplies Expense	9,463,936.69	11,135,892.35
Accountable Forms Expenses	396,043.73	890,605.11
Non-Accountable Forms Expenses	23,850.00	18,450.00
Drugs and Medicine Expenses	378,805.03	927,859.97
Medical, Dental, & Lab. Supplies	819,691.90	1,191,042.34
Fuel, Oil and Lubricants Expenses	6,997,191.43	6,868,287.45
Agricultural & Marine Supplies Expenses	1,002,074.44	745,117.00
Textbooks & Instructional Mat. Expenses	2,689,317.50	3,354,149.00
Chemical and filtering Supplies Expenses	150,182.50	319,469.00
Semi-Expendable Machinery & Equipment	17,131,383.59	15,658,358.20
Semi-Expendable, Furniture, Fix. & Books	11,415,450.72	23,577,838.36
Other Supplies and Materials Expense	18,789,081.97	16,869,602.14
Total	69,257,009.50	81,556,670.92

17.4 Utility Expenses

Accounts	2024	2023 (As Restated)
Water Expenses	92,751.10	115,321.10
Electricity Expenses	26,254,888.62	26,144,504.14
Total	26,347,639.72	26,259,825.24

17.5 Communication Expenses

Accounts	2024	2023 (As Restated)
Postage and Courier Services	13,557.16	24,609.00
Telephone Expenses	3,476,509.72	2,796,248.72
Internet Subscription Expenses	2,281,416.08	4,295,470.90
Cable, Satellite, Telegraph & Radio Expenses	28,415.00	16,693.33
Total	5,799,897.96	7,133,021.95

During the year, Internet Subscription Expenses decreased by P 2,014,054.82 following the termination of the several internet subscription accounts from various internet service providers (ISPs) maintained by the University in compliance with COA Audit recommendation.

17.6 Awards and Prizes

Account	2024	2023 (As Restated)
Awards/Rewards Expenses	5,004,379.72	3,789,455.50
Prizes	282,200.00	175,450.00
Total	5,286,579.72	3,964,905.50

The Awards/Rewards Expenses account pertains to the cash incentives given to researchers, extension workers and faculty members of the University for their Exemplary Contributions in the Research and Extension activities of DMMMSU. The grant of cash incentives is embodied in the University's Standard Operating Instruction for Research and Extension duly approved by the Board of Regents (BOR) per BOR Resolution No. 2019-487.

The Awards and Prizes accounts also include incentives granted to employees in recognition of their achievements and excellent work performance. Cash incentives granted to students as recognition for their exemplary performance in

professional board examination and in various University-sanctioned competitions, athletic and cultural events are recorded using this account. The grant of incentives is approved by the Board of Regents per BOR. No. 2020-537.

17.7 Survey, Research, Exploration and Development Expenses

Account	2024	2023
Survey Expenses	20,639.23	9,602.00
Total	20,639.23	9,602.00

The Survey Expenses account was used to recognize the cost incurred in the survey of lands conducted by the Land Acquisition, Transfer and Titling Office (LATTO) and other incidental expenses incurred in the CY 2024.

17.8 Confidential, Intelligence and Extraordinary Expenses

Account	2024	2023
Extraordinary and Miscellaneous Expenses	198,000.00	198,000.00
Total	198,000.00	198,000.00

This account pertains to the annual extraordinary expenses of the University President amounting to P108, 000.00 and annual miscellaneous expenses not exceeding P90, 000.00 as authorized by the 2024 GAA.

17.9 Professional Services

Accounts	2024	2023 (As Restated)
Other Professional Services	33,317,648.13	27,806,898.70
Total	33,317,648.13	27,806,898.70

This account is used to recognize payment of wages to Contract of Service/Job Order workers of the University who are contracted to perform clerical, administrative, and other office related works not performed by regular employees of the University. It is also used to recognize all other costs of other professional services contracted by DMMMSU not otherwise classified under any of the specific professional services accounts.

17.10 General Services

Account	2024	2023 (As Restated)
Environmental/Sanitary Services	12,000.00	12,000.00
Security Services	10,869,466.99	3,160,500.00
Other General Services	17,512,050.50	19,093,328.84
Total	28,393,517.49	22,265,828.84

The Security Services account pertains to the cost of security services contracted by DMMMSU. During the year, the amount of security services rose by 243.92% or equivalent to P 7,708,966.99 due to the implementation of National Budget Circular No. 589, s. 2022 on the Revised `Organization and Staffing Standards (Oss) for SUCs - Phase I. Existing plantilla positions of DMMMSU for security guards are now marked as coterminous with the incumbent, to be abolished once vacated pursuant to the above-mentioned budget circular.

The Other General Services account is used to recognize the cost of other general services contracted by DMMMSU not otherwise classified under any of the specific general services accounts such as the amount paid for laboratory tests analysis.

Payments made to Contract of Service/Job Order workers who are performing auxiliary and security services including those assigned to farms and agri-based IGPs are recorded as Other General Services.

17.11 Repairs and Maintenance

Accounts	2024	2023 (As Restated)
Repairs & Maintenance - Infrastructure Assets	490,500.50	-
Repairs & Maintenance - Bldgs. and Other Structures	9,604,914.91	8,396,949.47
Repairs & Maintenance - Machinery & Equipment	447,262.76	1,191,323.80
Repairs & Maintenance - Transportation Equipment	3,597,734.90	2,233,682.67
Total	14,140,413.07	11,821,955.94

17.12 Taxes, Insurance Premiums and Other Fees

Accounts	2024	2023
Taxes, Duties and Licenses	396,548.65	308,732.80
Fidelity Bond Premium	875,570.25	662,406.36
Insurance Expenses	6,687,975.39	7,050,039.02
Total	7,960,094.29	8,021,178.18

Insurance Expenses is used to recognize the amount of premiums paid by the University for the Insurable Risks of government properties.

Fidelity Bond Premium account refers to the amount of premiums paid by DMMMSU for the fidelity bonds of its accountable officers. In compliance with COA recommendations, the amount of fidelity bond of the accountable officers was increased in order to cover the full extent of their estimated accountabilities.

17.13 Labor and Wages

Account	2024	2023
Labor and Wages	169,942.81	57,263.33
Total	169,942.81	57,263.33

Payment of wages to students engaged by the University through the Special Program for Employment of Students (SPES) program is recognized in the books using the Labor and Wages account. SPES is DOLE's youth employment-bridging program which aims to provide temporary employment to poor but deserving students during summer and/or Christmas vacation or any time of the year to augment the family's income to help ensure that beneficiaries are able to pursue their education. This account is also used to recognize payment of wages to laborers under "pakyaw" basis or task basis engagement.

17.14 Other Maintenance and Operating Expenses

Accounts	2024	2023 (As Restated)
Advertising Expenses	10,714.00	69,833.20
Printing and Publication Expenses	5,004,263.70	3,040,134.56
Representation Expenses	17,854,362.20	15,789,188.64
Rent/Lease Expenses	241,500.00	195,270.00
Membership Dues & Contributions to Organizations	1,372,133.03	1,192,816.34
Subscription Expenses	2,067,800.36	2,495,767.08
Bank Transaction Fee	-	2,188.08
Other Maintenance & Operating Expenses	482,336.13	509,767.88
Total	27,033,109.42	23,294,965.78

Printing and Publication Expenses account is used to recognize the costs of printing and binding of manuscripts/documents, forms, manuals, brochures, pamphlets, and the like. It also includes the cost of publication of research papers in local and international research journals undertaken by the University Research, Development and Innovation (URDI) Office.

Representation expenses went up by 13.08% or P 2,065,173.56 during the CY 2024 due to the increase in official meetings, conferences and other University activities conducted such as accreditation, ISO certification and the like. The rise might also be attributed to the fact that more SUCs nationwide are visiting DMMMSU for their benchmarking initiatives.

Membership Dues & Contributions to Organizations account is used to recognize membership fees/ institutional dues/ contributions of DMMMSU to recognized/ authorized professional organizations.

Subscription Expenses account is used to recognize the cost of subscriptions for ICT software, data center service, cloud computing service, library and other reading materials, and the like contracted by DMMMSU amounting to P2,067,800.36 as of reporting date.

18. Non-Cash Expenses

18.1 Depreciation

Accounts	2024	2023 (As Restated)
Depreciation- Investment Property	427,419.49	412,306.11
Depreciation- Land Improvements	4,916,752.16	3,534,439.62
Depreciation- Infrastructure Assets	1,874,367.27	3,653,129.55
Depreciation- Buildings&Other Structures	50,228,709.33	51,679,576.30
Depreciation- Machinery and Equipment	29,846,164.23	26,694,775.19
Depreciation-Transportation Equipment	4,192,089.97	4,804,629.40
Depreciation- Furniture, Fixtures & Books	1,313,340.65	1,211,164.09
Depreciation- Other PPE	313,279.45	1,613,833.43
Total Depreciation	93,112,122.55	93,603,853.69

18.2 Amortization

Account	2024	2023
Amortization – Intangible Assets	233,840.00	75,000.00
Total	233,840.00	75,000.00

This account is used to recognize the periodic allocation of cost of intangible assets with finite useful lives in accordance with the prescribed policy on amortization.

18.3 Impairment Loss

Account	2024	2023
Impairment Loss- Loans Receivables	1,687,573.71	2,835,960.86
Impairment Loss- Inventories	64,049.23	409.50
Total	1,751,622.94	2,836,370.36

This account is used to recognize the loss in the future economic benefits or service potential of loans and receivables and other financial assets where amortized cost is greater than the value of estimated future cash flows discounted at original effective interest rate.

Bad debts or doubtful accounts receivables are recorded using this account based on the ageing of accounts receivable prepared by DMMMSU.

18.4 Losses

Account	2024	2023
Loss on Sale of Biological Assets	26,940.00	55,712.00
Total	26,940.00	55,712.00

Loss on Sale of Biological Assets account is used to recognize the amount of loss on sale of biological assets or when the allocated cost of the inventory or biological asset is greater than the selling price.

Loss on Sale of Biological Assets account is used to recognize the amount of loss on sale of biological assets of DMMMSU during the year. The amount recorded pertains to the sale of biological assets maintained by the South La Union Campus amounting to P 26, 940.00.

19. Net Financial Assistance/Subsidy

Account	2024	2023 (As Restated)
Net Subsidy from National Government	1,309,828,727.62	1,158,500,663.07
Total	1,309,828,727.62	1,158,500,663.07

19.1 Subsidy from National Government

This account includes NCA received from DBM for payment of expenses for Agency's operational requirements including terminal leave of retired employees less reversion of unused NCA. It also includes the approved budget of DMMMSU from the use of income under Fund Cluster 05.

The Subsidy from National Government is also used to record remittances of taxes covered by Tax Remittance Advice.

19.2 Assistance/Subsidy to

Accounts	2024	2023 (As Restated)
Subsidy to Operating Units	352,855,964.85	196,414,443.85
Subsidy to Other Funds	-	263,216.00
Subsidies - Others	259,807,050.00	82,655,150.00
Total	612,663,014.85	279,332,809.85

Subsidy to Operating Units account is used to recognize fund releases to the operating units of DMMMSU through sub-allotment advice under Fund Cluster 05.

Subsidies – Others account pertains to the subsidy/fund releases from the National Government covering tuition fees and other school fees of DMMMSU students under the Free Higher Education (FHE). The account includes tuition fees and other school fees covering 1st Semester of SY 2023-2024, 2nd Semester of SY 2023-2024, and 1st Semester of SY 2024-2025, hence the significant increase in the balance at reporting date.

20. Losses

Account	2024	2023
Loss of Assets	60,990.00	32,938.03
Other Losses	500.00	-
Total	61,490.00	32,938.03

The “Loss of Assets” account refers to the amount of loss suffered due to theft/fortuitous events/calamities/civil unrest and events of same nature for which relief has been granted. Loss of Assets recognized in the book during the year pertains to the cost of mortality of biological assets maintained by the North La Union Campus and South La Union amounting to P60, 990.00.

21. Net Cash Flows from Operating Activities

This represents the amount of cash DMMMSU generates or utilizes from carrying out its operating activities during the year. Details on the cash flow from Operating Activities are reflected in the Statement of Cash Flows.

Other Disbursements includes payments made under the Due to NGAs account for the implementation of various projects, transfer from other funds and/or payables to other funds, payment of trust liabilities, other payables and refund of retention fees. It also includes the release of funds under the Free Higher Education (FHE) to the operating units of the University recorded in the books as Subsidies-Others.

22. Status of Funds

Hereunder is the Agency’s Status of Fund as of December 31, 2024, to wit:

Fund Source	Allotment Received	Obligations Incurred	Unexpended Balance
Fund 01			
Personal Services	1,057,593,050.76	1,053,116,524.78	4,476,525.98
MOOE	259,584,601.24	256,002,967.38	3,581,633.86
Capital Outlay	52,382,000.00	42,974,860.00	9,407,140.00
Sub-Total	1,369,559,652.00	1,352,094,352.16	17,465,299.84
Fund 05			
Personal Services	8,190,876.03	5,954,040.65	2,236,835.38
MOOE	204,101,884.93	160,714,514.24	43,387,370.69
Capital Outlay	140,563,203.89	100,617,779.64	39,945,424.25
Sub-Total	352,855,964.85	267,286,334.53	85,569,630.32
GRAND TOTAL	1,722,415,616.85	1,619,380,686.69	103,034,930.16

Hereunder is the breakdown of the Obligations Incurred:

Particulars	Obligations Incurred	Paid Obligations	Unpaid
			Obligations
Fund 01			
Personal Services	1,053,116,524.78	1,048,993,645.20	4,122,879.58
MOOE	256,002,967.38	189,143,451.47	66,859,515.91
Capital Outlay	42,974,860.00	13,088,318.90	29,886,541.10
Sub-Total	1,352,094,352.16	1,251,225,415.57	100,868,936.59
Fund 05			
Personal Services	5,954,040.65	5,356,429.37	597,611.28
MOOE	160,714,514.24	123,583,663.79	37,130,850.45
Capital Outlay	100,617,779.64	45,931,128.31	54,686,651.33
Sub-Total	267,286,334.53	174,871,221.47	92,415,113.06
GRAND TOTAL	1,619,380,686.69	1,426,096,637.04	193,284,049.65

Hereunder is the breakdown of the Unpaid Obligations:

Particular	Unpaid Obligations	Due and Demandable	Not Yet Due and
			Demandable
Fund 01			
Personal Services	4,122,879.58	4,122,879.58	-
MOOE	66,859,515.91	56,459,748.95	10,399,766.96
Capital Outlay	29,886,541.10	-	29,886,541.10
Sub-Total	100,868,936.59	60,582,628.53	40,286,308.06
Fund 05			
Personal Services	597,611.28	597,611.28	-
MOOE	37,130,850.45	17,169,431.56	19,961,418.89
Capital Outlay	54,686,651.33	5,137,417.38	49,549,233.95
Sub-Total	92,415,113.06	22,904,460.22	69,510,652.84
GRAND TOTAL	193,284,049.65	83,487,088.75	109,796,960.90

23. NCA Releases

The following table summarizes the Notice of Cash Allocation received by DMMMSU for the CY 2024:

DATE	NCA NO.	PARTICULARS	AMOUNT
1/2/2024	NCA -ROI-24-0000474	Specific Budgets of NGA/RLIP	222,060,000.00
1/31/2024	NCA -ROI-24-0001189	Specific Budgets of NGA (FHE)	91,458,050.00
2/7/2024	NCA -ROI-24-0001351	Specific Budgets of NGA (PY Accounts Payable)	28,503,724.00
2/20/2024	NCA -ROI-24-0001695	Specific Budgets of NGA (PY Accounts Payable)	38,526,517.00
3/22/2024	NCA -ROI-24-0003547	Specific Budgets of NGA/RLIP	275,250,000.00
4/16/2024	NCA -ROI-24-0004611	Specific Budgets of NGA (PY Accounts Payable)	35,817,470.00
5/31/2024	NCA -ROI-24-0006679	Specific Budgets of NGA (FHE)	83,320,870.00
6/25/2024	NCA -ROI-24-0008217	Specific Budgets of NGA/RLIP	399,457,000.00
7/17/2024	NCA -ROI-24-0009387	Specific Budgets of NGA (PY Accounts Payable)	24,977,326.00
7/17/2024	NCA -ROI-24-0009388	Specific Budgets of NGA (College of Medicine)	14,507,845.00
9/2/2024	NCA-ROI-24-0012086	Specific Budgets of NGA	29,581,000.00
10/15/2024	NCA-ROI-24-0014415	Specific Budgets of NGA (PY Accounts Payable)	37,997,107.00
11/28/2024	NCA-ROI-24-0016980	Specific Budgets of NGA	64,204,948.00
12/4/2024	NCA ROI 24-0017272	Specific Budgets of NGA	146,625,912.00
TOTAL			1,492,287,769.00

24. Budget Information

The approved budget of DMMMSU was sourced from the internally generated income of the University and the subsidy from national government as reflected in the 2024 General Appropriations Act. The budget for the use of income was prepared in accordance with the provisions set forth in CHED Memorandum Order No. 11, s. 2011 and duly approved by the Board of Regents (BOR) of DMMMSU. Budget authorized by the BOR shall be implemented within the Calendar Year for which it was formulated.

The CY 2024 budget for the use of income is prepared on the basis of cash collections. This includes income from tuition fees and other school fees collected from students during the 2nd Semester SY 2023-2024 and 1st Semester SY 2024-2025, collection from CHED under the Free Higher Education Program for the 1st Semester SY 2023-2024 and 2nd Semester SY 2023-2024, net income of the Income Generating Projects (IGPs) of

DMMMSU for the CY 2023 and unobligated allotment/unutilized budget for the CY 2023.

For the CY 2024, the total approved budget of DMMMSU amounted to P1,722,415,616.85. Out of the total amount, P1,369,559,652.00 represents adjusted allotment of DMMMSU per Statement of Appropriations, Allotments, Obligations, Disbursements and Balances/FAR No. 1 under the Regular Agency Fund (Fund 01) while P352,855,964.85 represents the approved budgeted revenue per Statement of Approved Budget, Utilizations, Disbursements and Balances (For Off-Budgetary Funds) FAR No. 2 in Fund 05. These amounts are reported in the Statement of Comparison of Budget and Actual Amounts under the Original Budgeted Amounts. Same amounts are reported under the Final Budgeted Amounts as approved appropriations of DMMMSU after effecting the adjustments (transfers and realignments/modifications of allotments). The total allotments received by DMMMSU are shown in Item No. 22 of the Notes to Financial Statements.

Changes between the final and actual budget in Fund 01 were due to the unreleased appropriations, unobligated allotments, unpaid obligations and other modifications for the payment of Collective Negotiation Agreement (CNA) Incentive for FY 2024 in compliance with Budget Circular 2024-4. Details are presented below:

PARTICULARS	FINAL	ACTUAL	VARIANCE
PS	1,087,344,398.76	1,048,993,645.20	38,350,753.56
MOOE	259,584,601.24	189,143,541.47	70,441,059.77
CO	52,382,000.00	13,088,318.90	39,293,681.10
TOTAL	1,399,311,000.00	1,251,225,505.57	148,085,494.43

DATE	REFERENCE	PARTICULARS	AMOUNT
December	Certification/Attachment 2	C N A (to PS)	42,845,398.76
	Certification/Attachment	C N A (from MOOE)	(42,845,398.76)
	FAR 1	Unreleased Appropriation - PS	29,751,348.00
	FAR 1	Unobligated Allotment - PS	4,476,525.98
	FAR 1	Unobligated Allotment - MOOE	3,581,633.86
	FAR 1	Unobligated Allotment - CO	9,407,140.00
	FAR 1	Unpaid Obligation - PS	4,122,879.58
	FAR 1	Unpaid Obligation - MOOE	66,859,515.91
	FAR 1	Unpaid Obligation - CO	29,886,541.10
		TOTAL	148,085,584.43

Material differences between the actual amounts as against the budget as presented in SCBAA are also noted particularly on the following:

1. Since the budget for the use of income is prepared on the basis of cash collections, there are income or collections during the year which were not used or programmed as budget due to the belated release of funds from the Department of Budget and Management (DBM), and the limitation of the BOR members to meet on a regular basis since they are only allowed to meet once every quarter and to conduct two (2) special meetings in a year.
2. Difference in the final budget and actual amounts also pertains to unobligated allotment/unutilized budget and unpaid obligations/utilizations.

25. Restatement of Financial Statements

Certain accounts in the CY 2023 financial statements were restated to conform to the CY 2024 financial statements presentation.

The following table summarizes the effect of prior period adjustments and reclassification of assets and liabilities:

Accounts Affected	Previously Reported	Restatement/ Reclassification	As Restated
Statement of Final Position			
Receivables	101,865,121.40	1,226,335.68	103,091,457.08
Inventories	15,193,912.20	2,166,704.60	17,360,616.80
Other Currents Assets	79,606,521.16	326,000.00	79,932,521.16
PPEs	2,861,806,722.50	2,274,520,387.84	5,136,327,110.34
Biological Assets	1,769,218.56	228,398.00	1,997,616.56
Intangible Assets	1,332,893.34	836,000.00	2,168,893.34
Financial Liabilities	57,329,755.90	1,380,342.42	58,710,098.32
Inter-Agency Payables	88,066,718.56	(937,473.20)	87,129,245.36
Intra-Agency Payables	14,667,840.05	19,863.82	14,687,703.87
Trust Liabilities	72,258,476.79	1,392,204.62	73,650,681.41
Other Payables	6,431,211.93	48,594.95	6,479,806.88
Statement of Final Performance			
Service and Business Income	170,863,144.65	863,291.31	171,726,435.96
Gains	944,133.19	(153,684.00)	790,449.19
Other Non-Operating Income	1,186,732.97	(7,792.20)	1,178,940.77
Personnel Services	972,517,653.50	1,400,161.12	973,917,814.62
MOOE	238,202,303.60	(714,260.98)	237,488,042.62
Non-Cash Expenses	89,001,852.28	7,569,083.77	96,570,936.05
Net Financial Assistance	1,159,084,082.11	(583,419.04)	1,158,500,663.07