



*Republic of the Philippines*  
**COMMISSION ON AUDIT**  
*Commonwealth Avenue, Quezon City, Philippines*

**INDEPENDENT AUDITOR'S REPORT**

**THE BOARD OF DIRECTORS**  
Development Academy of the Philippines  
DAP Building  
San Miguel Avenue, Pasig City

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Development Academy of the Philippines, which comprise the statement of financial position as at December 31, 2016, statement of profit or loss, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with state accounting principles generally accepted in the Philippines, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

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

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

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


*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Development Academy of the Philippines as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with state accounting principles generally accepted in the Philippines.

**Report on Supplementary Information Required Under  
BIR Revenue Regulation No. 15-2010**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees paid or accrued during the taxable year described in Note 24 to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The information has been subjected to auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**COMMISSION ON AUDIT**

  
**REBECCA Y. RAGSAG**

Supervising Auditor

Audit Group H - Development, Media and Other Agencies Group

Cluster 6, Corporate Government Sector

June 8, 2017



## STATEMENT OF PROFIT OR LOSS (Audited)

For the Year ended December 31, 2016

<b>INCOME</b>	
01. General Income	
01.1. Consultancy/Research Fees	325,020,522
01.2. Income From Operation of Restaurant & Cafeteria	43,293,947
01.3. Income From Operation of Dormitories/Cottages	35,597,361
01.4. Rent Income	15,098,879
01.5. Other Service Income	1,112,891
01.6. Miscellaneous Income	1,969,874
<b>GROSS INCOME</b>	<b>422,093,474</b>
<b>EXPENSES</b>	
02. Personal Services	
02.1. Salaries and Wages	114,825,369
02.2. Other Compensation	38,345,121
02.3. Personnel Benefits Contribution	15,778,851
02.4. Other Personnel Benefits	26,076,860
<i>Total Personal Services</i>	<b>195,026,201</b>
03. Maintenance and Other Operating Expenses	
03.1. Professional Services	189,334,598
03.2. Supplies and Materials Expenses	53,665,111
03.3. Utility Expenses	18,202,317
03.4. Training and Scholarship Expenses	78,164,843
03.5. Travelling Expenses	20,609,397
03.6. Repairs and Maintenance Expenses	16,648,609
03.7. Communication Expenses	9,586,175
03.8. Rent Expenses	4,483,195
03.9. Advertising Expenses	2,462,489
03.10. Taxes, Insurance Premiums and Other Fees	1,901,787
03.11. Extraordinary and Miscellaneous Expenses	461,672
03.12. Other Maintenance & Other Operating Expenses	22,960,836
<i>Total Maintenance &amp; Other Operating Expenses</i>	<b>418,481,029</b>
03.13. Non-Cash Expenses	23,006,260
<b>TOTAL EXPENSES</b>	<b>636,513,490</b>
<b>INCOME (LOSS) FROM OPERATION</b>	<b>(214,420,016)</b>
04. Other Income (Expenses)	
04.1. Interest Income	4,079,968
04.2. Gain on Forex (Loss on Forex/Assets )	85,114
04.3. Financial Expenses	(43,272)
<b>NET INCOME (LOSS) BEFORE SUBSIDY</b>	<b>(210,298,206)</b>
<b>Subsidy from the National Government</b>	<b>220,409,108</b>
<b>NET INCOME</b>	<b>10,110,902</b>



## STATEMENT OF FINANCIAL POSITION (Audited)

December 31, 2016

<b>ASSETS</b>	
<b>01. CURRENT ASSETS</b>	
01.1. Cash and Cash Equivalents	91,536,194
01.2. Investments	150,288,000
01.3. Trade and Other Receivables - Net	185,988,920
01.4. Inventories - Net	4,278,105
01.5. Prepaid Expenses	44,655,442
01.6. Other Current Assets	1,171,330
<i>TOTAL CURRENT ASSETS</i>	<b>477,917,991</b>
<b>02. NON-CURRENT ASSETS</b>	
02.1. Investments	140,007,000
02.2. Property, Plant and Equipment - Net	179,002,830
02.3. Research & Development	129,973
02.4. Other Non-Current Assets	400,478
<i>TOTAL NON-CURRENT ASSETS</i>	<b>319,540,281</b>
<b>TOTAL ASSETS</b>	<b>797,458,272</b>
<b>LIABILITIES AND EQUITY</b>	
<b>03. CURRENT LIABILITIES</b>	
03.1. Payables	184,650,469
03.2. Inter-Agency Payables	13,200,827
03.3. Other Payables	48,830,749
<i>TOTAL CURRENT LIABILITIES</i>	<b>246,682,045</b>
<b>04. NON-CURRENT LIABILITIES</b>	
04.1. Deferred Credits	207,671,334
04.2. Other Long-Term Liabilities	51,633,960
<i>TOTAL NON-CURRENT LIABILITIES</i>	<b>259,305,294</b>
<b>TOTAL LIABILITIES</b>	<b>505,987,339</b>
<b>05. EQUITY</b>	291,470,933
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>797,458,272</b>



## STATEMENT OF CASH FLOW (Audited)

For the Year Ended December 31, 2016

<b>01. CASH FLOWS FROM OPERATING ACTIVITIES</b>	
01.1. Cash Receipts From Customers	1,140,345,441
01.2. Cash Paid to Suppliers And Employees	(1,018,657,261)
<i>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</i>	121,688,180
<b>02. CASH FLOWS FROM INVESTING ACTIVITIES</b>	
02.1. Net Proceeds From Investment Maturities	1,205,314,955
02.2. Placements In Short-Term Investments	(1,291,389,000)
02.3. Proceeds of Matured/Placements In Treasury Bonds	581,865
02.4. Acquisition of Property, Plant And Equipment	(34,602,649)
02.5. Interest Income	4,079,968
<i>NET CASH USED IN INVESTING ACTIVITIES</i>	(116,014,861)
<b>03. UNREALIZED FOREIGN EXCHANGE GAIN (LOSS)</b>	466,354
<b>04. NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	6,139,673
<b>05. CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	85,396,521
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>91,536,194</b>