



ANNUAL
REPORT
2015



REFORMING
THE BUDGET
PROCESS
TO ENSURE
PAGGUGOL
NA **MATUWID**

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Annual Report for 2015: Reforming the Budget Process to Ensure *Paggugol na Matuwid*

The Aquino Administration believed that the Budget is the government's most potent tool to achieve inclusive development through good governance. From day one, the administration considered public financial management (PFM) reform as central to its good governance agenda.

As such, the Department of Budget and Management (DBM) implemented its mandate to ensure the sound, efficient, and effective management and utilization of government resources. Together with the Commission on Audit (COA), the Department of Finance (DOF), the National Economic and Development Authority (NEDA), and other oversight agencies, the DBM implemented a PFM Reform Roadmap to ensure that the government spends within its means, on the right priorities, with measurable results, and in the most transparent, accountable, and participative manner.

For a more in-depth and forward-looking discussion of the accomplishments of the DBM and the progress of PFM reforms in 2015 and throughout the previous administration, please refer to the publication *Kuwento sa Bawat Kuwenta: A Story of Budget and Management Reforms 2010 to 2016* (consists of a comprehensive volume and an executive summary, which are available online at http://www.dbm.gov.ph/?page_id=16070).

A. Spending Within Means

With the reforms it pursued, the previous administration started a new regime of fiscal stability. Since 2010, it has successfully reduced and kept the fiscal deficit to within 2 percent of the gross domestic product (GDP), and subsequently shrank the national government's outstanding debt through strategic liability management. It has also increased government revenues by vigorously running after tax evaders and smugglers, and by revamping revenue collection systems and institutions.

By implementing zero-based budgeting (ZBB) in 2010, the government has set the stage for greater discipline in resource allocation over the medium term. In crafting the 2016 Budget, the government introduced the Two-Tier Budgeting Approach (2TBA): an exercise that rigorously evaluates proposed expenditures. Under Tier 1, the government determines the true cost of government's operating expenditures and ongoing programs and projects over the three-year period. This then determines the Budget's fiscal space for the year: the available resources to support more programs and projects. Tier 2, meanwhile, entails the evaluation of proposed new programs and projects

or the expansion of existing ones. Only programs and projects that are aligned with the Budget Priorities Framework, designed with a clear-cut implementation plan, and have measurable outcomes were considered for funding using the fiscal space.

Fiscal and Expenditure Performance. In 2015, the national government recorded a fiscal deficit of P121.7 billion. This is equivalent to 0.9 percent of GDP, or much lower than the targeted deficit of 2.0 percent of GDP. Full year revenue collections reached P2.1 trillion, growing by 11 percent year-on-year but behind program by 7 percent.

As of end-2015, government expenditures reached P2.23 trillion: an increase of 12.6 percent from 2014. This annual growth rate is so far the fastest recorded in the last three years. Despite the remarkable growth rate, disbursements still fell below program 12.8 percent, although this is a slight improvement from the 13.3-percent shortfall in 2014. In particular, infrastructure and other capital outlays increase by 25.1 percent year-on-year because of the government's push to accelerate infrastructure projects. However, infrastructure and other capital outlays fell short of target by 20.0 percent (See table).

Table 1. NG Disbursements, January to December.

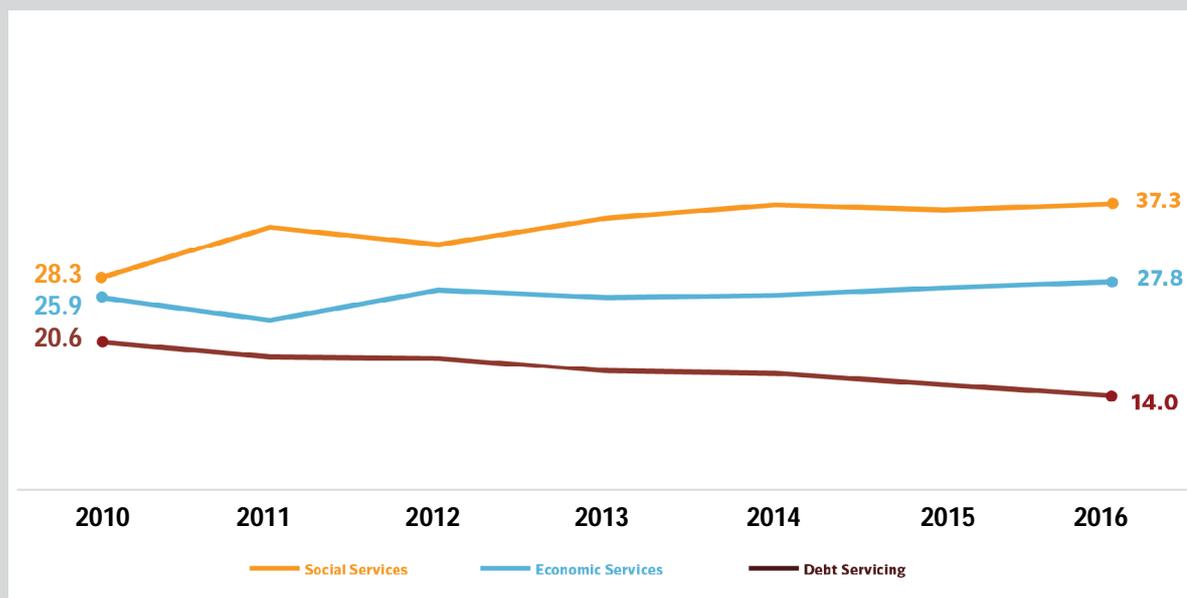
Amounts in billion pesos, unless otherwise indicated

Expenditure Items	January to December			Deviation		Inc/(Dec)	
	2014	2015		Amount	%	Amount	%
		Program	Actual				
CURRENT OPER. EXP.	1,616.7	1,985.7	1,784.9	(200.8)	(10.1)	168.2	10.4
PS	603.6	743.2	664.4	(78.7)	(10.6)	60.8	10.1
MOOE	308.7	424.8	403.4	(21.4)	(5.0)	94.7	30.7
Subsidy	80.4	118.6	78.0	(40.6)	(34.2)	(2.4)	(3.0)
Allotment to LGUs	273.2	311.9	311.9	-	-	38.7	14.1
IP	321.2	361.8	309.4	(52.5)	(14.5)	(11.8)	(3.7)
TEF	29.5	25.5	17.8	(7.7)	(30.0)	(11.7)	(39.7)
CAPITAL OUTLAYS	351.5	546.7	436.0	(110.6)	(20.2)	84.5	24.1
Infra & Other CO	276.0	431.6	345.3	(86.3)	(20.0)	69.3	25.1
Equity	1.7	2.9	0.8	(2.2)	(73.8)	(1.0)	(56.1)
Capital Transfers to LGUs	73.8	112.2	90.0	(22.2)	(19.8)	16.2	22.0
NET LENDING	13.4	26.5	9.7	(16.8)	(63.4)	(3.7)	(27.6)
TOTAL	1,981.6	2,558.9	2,230.6	(328.3)	(12.8)	249.0	12.6

A more detailed disbursement report is available online: <http://www.dbm.gov.ph/wp-content/uploads/DBCC/2015/NG%20DISBURSEMENT%20PERFORMANCE%20AS%20OF%20DECEMBER%202015.pdf>.

B. Investing in the Right Priorities

To make inclusive growth an achievable goal, the government has sought to transform the Budget by focusing on the people's most urgent needs and utilizing scarce resources for these. The government increased its investments in providing basic services and ample social safety nets to the poorest. To illustrate, social and economic spending increased to P65 for every P100 in the 2016 Budget from only P54 in 2010.

Figure 1: The Budget for Key Sectors (% of Total)

Reforms for Efficient Resource Allocation. Since 2010, the government through the DBM has launched reforms to allocate scarce resources exclusively on programs and projects that can impact people’s lives. For instance:

➡ ZBB facilitated a more stringent examination of the outcomes of existing programs and projects. This resulted in the revamp or even the cancellation of programs or projects that were fraught with leakages, and those that failed to deliver results.

➡ The Key Result Areas (KRAs) of the Aquino Social Contract, laid down by the administration in 2011, have mandated Cabinet Clusters to set tangible and measurable targets and to align their budgets along these KRAs.

➡ The Program Budgeting Approach fostered collaboration among agencies in implementing cross-cutting programs, such as the Human Development and Poverty Reduction Program and the Tourism Development Program.

The Budget Priorities Framework. Building on the said reforms, the government crafted the Budget Priorities Framework. First introduced in 2013, this annual document guides departments and agencies in crafting budget proposals that are focused on achieving the priorities of the Aquino Social Contract and the Philippine Development Plan (PDP).

Beginning with the preparation of the 2016 Budget, the government further improved the Framework by using it along with 2TBA as basis for evaluating agencies’ proposals for new programs or to expand existing ones. The exercise of closely linking the Framework with the 2TBA has ensured that every new program or project addresses gaps in meeting the priority goals identified in the PDP:



Good Governance and Anti-Corruption: institutionalize reforms that strengthen the integrity of public institutions and their ability to deliver social and economic services, as well as improve the ease of doing business in the country.



Making Growth Inclusive: reduce poverty incidence to 18 to 20 percent by end-2016 through adequate investments in social protection, universal healthcare, the K to 12 Basic Education Program, and socialized housing.



Sustaining the Growth Momentum: achieve 7 to 8 percent GDP growth in the medium term and create additional jobs by bringing infrastructure spending to 5 percent of GDP and boosting support to agriculture, manufacturing, and tourism.



Managing Disaster Risks: enhance the resilience of communities most vulnerable to disasters and support the rehabilitation and reconstruction of those affected by Typhoon Yolanda and other recent calamities.



Forging Just and Lasting Peace: establish an environment of peace, security, and the rule of law by investing in the delivery of services in conflict zones, modernizing the police and military, and improving the justice system.

Focus Geographic Areas. The Budget Priorities Framework also identifies the 44 poorest and most climate-vulnerable provinces where government resources and interventions should be focused:

- ➡ Provinces with the highest poverty magnitude, where opportunities for growth are present but the poor could not participate;
- ➡ Provinces with the highest poverty incidence, which have smaller populations and less access to opportunities, and;
- ➡ Provinces vulnerable to shocks and disasters, where the poor can slide into deeper poverty and the non-poor can slide into poverty when calamities strike.

C. Spending with Measurable Results

To ensure credibility and integrity throughout the PFM process, the Budget must be spent efficiently and effectively to best serve the people. Thus, in order to produce the best intended results for the people, the government rolled-out reforms to streamline budget execution, strengthen the capacity of agencies to deliver services, and tighten the linkage between spending and performance.

Faster Budget Execution. The reforms introduced have resulted in a more efficient implementation of the Budget. For six consecutive years, the annual GAA has been enacted on time. Before 2010, the Budget was frequently re-enacted, which gave the previous President vast amount of discretion over the allocation of public funds. Under the Aquino administration, a new Budget is implemented at the start of every fiscal year, effectively eliminating the abuses of Budget re-enactment.

The 2016 Budget also consolidates reforms that streamline the budget execution process and enable the rollout of crucial programs and projects as early as the first quarter of the fiscal year. These include:

➔ The disaggregation of lump sum funds into detailed and implementation-ready programs and projects;

➔ The GAA-As-Release Document regime, introduced in 2014, which means that the Enacted Budget itself serves as the allotment release document for appropriations. This new policy regime eliminated the need for voluminous allotment release documents such as Agency Budget Matrices and Special Allotment Release Orders;

➔ Cashless and checkless disbursement schemes, which allow agencies to pay their suppliers on time through bank-to-bank transactions, and;

➔ Procurement innovations, such as allowing agencies to bid out projects, short of award, even before the Budget is enacted; and the expansion of the Philippine Government Electronic Procurement System in order to eventually enable online bidding.

Institutional Strengthening. The government implemented important measures to address institutional impediments to budget execution and strengthen the capacity of agencies to deliver services more effectively:¹

➔ To strengthen procurement, the government directed the creation of additional Bids and Awards Committees and the assignment of full-time support staff to these bodies;

➔ To improve program and project planning and design, the government mandated agencies to propose only those that are ready for implementation;

➔ The government created and convened Full-Time Delivery Units to closely monitor the progress of programs and projects, quickly address implementation issues, and regularly assess agency performance against their targets;

➔ The government strengthened the capacity of the Department of Public Works and Highways (DPWH) by hiring additional civil engineers to support its role as the government's lead construction agency and enable other agencies to focus on their core mandates for service delivery.

Budget Integrity. PFM reforms have been introduced to ensure that each peso of the Budget is spent as approved by Congress:

➔ Clearer definition of savings and parameters for their use. For instance, the provisions of the Proposed Budget prohibit agencies to declare savings from programs or projects that failed to start or continue due to the fault or negligence of the agency concerned.

¹Administrative Order No. 46, "Directing all heads of departments and agencies to implement measures to facilitate budget execution for fiscal year 2015."

➡ Reduction in the number of lump sum funds. Lump sums were pared down to those that cannot be realistically disaggregated into detailed activities and projects during budget preparation. As a result, only three lump sum Special Purpose Funds remain in the 2016 Budget: the National Disaster Risk Reduction and Management Fund; the Contingent Fund; and Allocations for Local Government Units, specifically their special shares in the proceeds of national taxes.

➡ The Unified Accounts Code Structure (UACS): this reform lays the groundwork for an integrated PFM system in government by providing a single harmonized classification system for all financial transactions throughout the budget process: from budgeting, to implementation, to accounting, and to auditing.

Alternative Service Delivery Schemes. By forging partnerships with the private sector, civil society, and local government units (LGUs), the government continues to innovate new ways to deliver much-needed services.

Local Governments. Since 2010, the government has been introducing reforms that support meaningful devolution by strengthening the ability of LGUs to manage public funds, enforce greater transparency and citizen's participation, and deliver services. These include the LGU PFM Reform Program, which seeks to improve the PFM capacity of LGUs along good governance and financial stewardship standards; as well as the initiatives of the Department of the Interior and Local Government (DILG) like the Seal of Good Local Governance (SGLG), the Mandatory Disclosure Policy, and the Performance Challenge Fund.

Building on these, the government introduced the performance-based downloading of funds to LGUs. Under the 2016 Budget, P18.2 billion was allocated for programs and projects to be carried out by LGUs that meet good local governance standards:



➡ P11.7 billion - for local poverty reduction projects identified through Bottom-Up Budgeting (BuB). These are to be implemented by cities and municipalities that engaged BuB and met benchmarks of good financial housekeeping under the SGLG and the LGU PFM Program;



➡ P6.5 billion - for the rehabilitation and upgrading of provincial roads. These are to be implemented by provincial governments that comply with the standards set by the SGLG and the LGU PFM Program. Qualified provinces are required to submit provincial network plans and other reports at the start of the fiscal year.

Private Sector. To entice private resources and expertise in the implementation of big-ticket projects, the government strengthened the Public-Private Partnership (PPP) Program. So far, 12 infrastructure and other big-ticket projects under the PPP have already been awarded, while 11 more are currently being bid out. The government currently seeks the enactment of the proposed PPP Act, in order to ensure its sustainability.

Stronger Performance Accountability. To link resources to results, the administration introduced the Performance-Informed Budgeting (PIB) scheme to align each government peso with performance indicators and tangible targets of government agencies as indicated in the GAA. Building on the Organizational Performance Indicator

Framework, the government reviewed and improved the agencies' major final outputs (i.e. tangible services such as families covered by social protection programs) and their performance targets.

Through the PIB in the 2014 Budget, the performance targets of all the agencies have been included in the enacted GAA. Beginning with the 2015 Budget, the government improved on the PIB by refining agencies' organizational outcomes (i.e., results of service delivery, such as improving families' well-being from survival to self-sufficiency) and assigning indicators and targets.

The government is scaling up the PIB further by introducing the Program Expenditure Classification (PREXC). PREXC restructures all the activities and projects under a few major programs, which will then be assigned with performance targets both at the output and outcome level. PREXC will be implemented in 2017 for the preparation of the 2018 Budget.

To link performance and compensation, the government implemented the Performance-Based Incentive System (PBIS) in 2012 to provide performance-based bonuses to individual public servants who meet or even surpass their performance targets.

The 2016 Budget allocates P15.8 billion for the continued rollout of PBIS. Furthermore, through Executive Order No. 201 s. 2016, the government updated the salary schedule of the Salary Standardization Law to bring public sector salaries and benefits closer to private sector pay. The said order also institutionalized the PBIS.

Improving Technology to Integrate PFM Systems. Through the support of international development partners, the government continues to upgrade and automate PFM functions, through initiatives such as:

 The Budget and Treasury Management System (BTMS), which will replace the currently fragmented budget, treasury, and financial management and reporting systems of the DBM and the DoF-BTr. BTMS will be linked to the TSA and will likewise make use of UACS.

 The Enhanced Government Manpower Information System (E-GMIS), which will serve as a comprehensive and unified system to manage human resource information of agencies. It aims to expand and integrate manpower and payroll management.

These systems will eventually be integrated and scaled into an envisioned government-wide financial management information system that fully integrates all the PFM functions, transactions, and processes of oversight and implementing agencies.

D. Empowerment Through the Budget

Streamlining and creating a more efficient and effective budget process goes hand in hand with empowering the citizens. Strategic allocation and effective utilization of resources will not be as effective nor meaningful if the government does not let the citizens have a greater voice and stake in how their taxes are spent. Since 2010, the

administration has emphasized the need for policies that promote greater transparency, accountability, and participation.



Fiscal Transparency. Since 2010, the government has been strengthening efforts for budget transparency to enable citizens to hold government agencies and officials accountable for how they use public funds. From enumerating pertinent details to publishing performance targets in the Budget, these PFM reforms has made more information available to the public, which enables them to hold their government accountable. As part of the government's efforts to increase fiscal transparency, the following has been put in place:

The Transparency Seal requires all government agencies to release key information—approved budgets, accountability reports, status of programs, and contracts awarded—through their respective websites.



Open Data

The Open Government Data Portal (data.gov.ph) enables citizens to access information in open and usable formats.



Additional publications and reports have been published by the Development Budget Coordination Committee (DBCC) to meet international fiscal transparency standards, such as the Mid-Year Report, the Year-End Report, and the Fiscal Risks Statement.



The People's Budget, published since 2011, provides citizens with summaries of the proposed and enacted Budgets.

Through these efforts, the Philippines was commended and globally recognized. The country is now among the most transparent in the world, receiving a score of 64 out of 100 in the 2015 Open Budget Index (OBI) of the International Budget Partnership (IBP). Improving from a score of 48/100 in the 2012 OBI, the Philippines' performance in the 2015 OBI places the country at 21st in the world², 4th in Asia³, and 1st in Southeast Asia. Moreover, the International Monetary Fund's Fiscal Transparency Evaluation in 2014 also recognized the country's good and advanced practices in several areas of its new Fiscal Transparency Code.

Participatory Budgeting. In its efforts to have a more inclusive budget process, the government has been engaging more and more stakeholders in its PFM reforms. First, it introduced Budget Partnership Agreements between government agencies and CSOs in crafting the agencies' budget proposals, as well as in monitoring and evaluating the implementation of their projects and programs.

²Tied with Portugal and Poland.

³Following Russia, Georgia, and South Korea.

In 2012, the Bottom-up Budgeting (BuB) process was also created in order to further include people in the budget process. Through BuB, LGUs and local CSOs can now determine poverty reduction projects that they think their own community needs. BuB began with P8 billion for 595 cities and municipalities back in 2013. Under the 2016 Budget, the allocation for BuB has expanded to P24.7 billion to cover the programs and projects of 1,514 cities and municipalities, which is more than 90% of all cities and municipalities across the country.

In order to participate in the program, LGUs need to adopt and meet good governance standards and requirements set by the national government. However, more importantly, LGUs also have to ensure that communities and local CSOs are present in the planning of a BuB project. As BuB grew, it was also eventually integrated with the National Community-Driven Development Program and local development councils, which allowed capable LGUs to implement BuB-identified projects themselves. Moreover, by launching a BuB monitoring portal (openbub.gov.ph), citizens can now track the progress of each project identified through BuB, holding their local government accountable.

Because of these efforts, the IBP's 2015 Open Budget Survey ranks the Philippines 5th in the world⁴ and 2nd in Asia for participatory budgeting.

E. PFM Reforms Beyond 2016

The 2016 Budget was designed not only to consolidate the budget reforms introduced by the administration, but to lay out a path that will ensure their irreversibility beyond 2016. Moreover, the government also seeks the passage of the Public Financial Accountability Act to cement a policy framework for a PFM program that is comprehensive and aligned with global best practices. The bill was filed in Congress in 2015.

The PFM reforms that the Aquino administration had introduced have focused on two key areas. On the one hand, the government wants to ensure that the taxpayers' money will be efficiently and effectively used. This has meant streamlining the budget processes to create more efficient budgeting, and a proper way of prioritizing and allocating how the Budget will be used that will best serve the people, especially the poor.

The government also wants to empower the citizens to have a voice and a stake in how their money is being used. Ultimately, this means that creating a more efficient process will only be as meaningful and effective if the citizens also play their role in these PFM reforms. Only by continuously demanding and supporting transparency, accountability, and participation in the budget process will PFM

⁴Following South Korea, Norway, Brazil, and United States.

ANNEXES

DBM Financial Statements

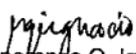


Department of Budget and Management
Gen. Solano St., San Miguel, Manila
Consolidated Post-Closing Trial Balance
All Funds
For the Fiscal Year Ended December 31, 2015

Account Title	Account Code	Debit	Credit
Cash - Collecting Officer	10101010	129,048.75	0.70
Petty Cash	10101020	65,166.60	-
Cash in Bank - Local Currency, Current Account	10102020	172,214.90	-
Cash - Treasury/Agency Deposit, Trust	10104030	1,940,604.52	0.40
Cash - Modified Disbursement System (MDS), Regular	10104040	7,102,484.59	-
Other Investments	10203990	1,000.00	-
Accounts Receivable	10301010	14,508.33	-
Due from National Government Agencies	10303010	563,353,322.90	-
Due from Local Government Units	10303030	485,741,670.00	-
Receivables - Disallowances/Charges	10305010	4,803,481.57	-
Due from Officers and Employees	10305020	880,250.76	-
Other Receivables	10305990	412,335.79	-
Office Supplies Inventory	10404010	6,033,240.72	-
Accountable Forms, Plates and Stickers	10404020	5,213.00	-
Other Supplies and Materials Inventory	10404990	328,326.90	-
Land	10601010	47,454,282.62	-
Other Land Improvements	10602990	31,993,429.58	-
Accumulated Depreciation - Other Land Improvements	10602991	-	21,908,246.30
Buildings	10604010	286,910,922.79	-
Accumulated Depreciation - Buildings	10604011	-	131,010,837.35
Other Structures	10604990	15,499,856.55	-
Accumulated Depreciation - Other Structures	10604991	-	3,584,235.78
Machinery	10605010	-	-
Accumulated Depreciation - Machinery	10605011	-	-
Office Equipment	10605020	49,671,354.61	-
Accumulated Depreciation - Office Equipment	10605021	-	35,705,272.36
Information and Communication Technology Equipment	10605030	259,496,663.56	-
Accumulated Depreciation - Information and Communication Technology	10605031	-	190,516,467.93
Communication Equipment	10605070	23,265,459.89	-
Accumulated Depreciation - Communication Equipment	10605071	-	9,857,317.17
Disaster Response and Rescue Equipment	10605090	5,255,883.48	-
Accumulated Depreciation - Disaster Response and Rescue Equipment	10605091	-	3,401,960.13
Military, Police and Security Equipment	10605100	27,245.00	-
Accumulated Depreciation - Military, Police and Security Equipment	10605101	-	24,520.50
Medical Equipment	10605110	46,788.00	-
Accumulated Depreciation - Medical Equipment	10605111	-	12,181.18
Sports Equipment	10605130	1,464,686.71	-
Accumulated Depreciation - Sports Equipment	10605131	-	631,374.85
Other Machinery and Equipment	10605990	4,366,066.42	-
Accumulated Depreciation - Other Machinery and Equipment	10605991	-	1,682,008.93
Motor Vehicles	10606010	106,079,422.95	-
Accumulated Depreciation - Motor Vehicles	10606011	-	66,088,329.36
Furniture and Fixtures	10607010	97,269,905.37	-
Accumulated Depreciation - Furniture and Fixtures	10607011	-	44,528,859.17
Books	10607020	627,986.18	-
Accumulated Depreciation - Books	10607021	-	398,941.38
Leased Assets Improvements, Buildings	10609020	3,702,277.74	-
Accumulated Depreciation - Leased Assets Improvements, Buildings	10609021	-	1,297,549.36
Other Leased Assets Improvements	10609990	277,344.85	-
Construction in Progress - Buildings and Other Structures	10610030	658,449,170.41	-
Other Property, Plant and Equipment	10699990	16,493,166.53	-

Account Title	Account Code	Debit	Credit
Accumulated Depreciation - Other Property, Plant and Equipment	10699991	-	11,152,924.76
Computer Software	10801020	87,376,876.94	-
Accumulated Amortization - Computer Software	10801021	-	81,329,148.77
Advances to Officers and Employees	19901040	37,059.75	-
Advances to Contractors	19902010	1,738,670.07	-
Prepaid Insurance	19902050	190,636.68	-
Other Prepayments	19902990	900.00	-
Guaranty Deposits	19903020	141,045.00	-
Other Deposits	19903990	924.46	-
Other Assets	19999990	128,657,633.68	-
Accounts Payable	20101010	-	23,087,382.40
Due to Officers and Employees	20101020	0.01	13,304,734.89
Due to BIR	20201010	-	2,716,070.65
Due to GSIS	20201020	-	98,066.03
Due to Pag-IBIG	20201030	-	5,885.75
Due to PhilHealth	20201040	-	3,562.55
Due to NGAs	20201050	-	480,775,001.00
Due to LGUs	20201070	-	982,579,084.66
Guaranty/Security Deposits Payable	20401040	-	3,059,826.88
Other Deferred Credits	20501990	-	10,400.00
Other Payables	29999990	-	43,724.92
Accumulated Surplus/(Deficit)	30101010	873,945,495.23	1,662,610,108.28
TOTAL		3,771,424,024.39	3,771,424,024.39

Certified Correct:


 Esperanza Q. Ignacio
 Chief Accountant
 Accounting Division



DEPARTMENT OF BUDGET AND MANAGEMENT
CONDENSED STATEMENT OF FINANCIAL POSITION
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>NOTE</u>	<u>AMOUNT</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	5	9,409,518.26
Receivables	7	1,055,205,569.35
Inventories	8	6,366,780.62
Other Current Assets	11	<u>130,766,869.64</u>
Total Current Assets		<u>1,201,748,737.87</u>
Non - Current Assets		
Investments	6	1,000.00
Property, Plant and Equipment	9	1,086,550,886.73
Intangible Assets	10	<u>6,047,728.17</u>
Total Non-Current Assets		<u>1,092,599,614.90</u>
TOTAL ASSETS		<u>2,294,348,352.77</u>
LIABILITIES AND NET ASSETS/EQUITY		
Liabilities		
Current Liabilities		
Financial Liabilities	12	36,392,117.28
Inter-Agency Payables	13	1,466,177,670.64
Trust Liabilities	14	3,059,826.88
Deferred Credits/Unearned Income	15	10,400.00
Other Payables	16	<u>43,724.92</u>
Total Current Liabilities		<u>1,505,683,739.72</u>
Total Liabilities		<u>1,505,683,739.72</u>
Net Assets/Equity		
Equity		
Accumulated Surplus/(Deficit)		<u>788,664,613.05</u>
Total Net Assets/Equity		<u>788,664,613.05</u>
TOTAL LIABILITIES AND NET ASSETS/EQUITY		<u>2,294,348,352.77</u>

STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES

December 31, 2015

Department : Department of Budget and Management

Agency/OU : Office of the Secretary - Central Office

Fund : 171

ALLOTMENT CLASS/OBJECT OF EXPENDITURE	ALLOTMENT	Obligations Incurred	Unobligated Balance of Allotment	Remarks
		To Date		
(1)	(2)	(4)	(5)=(2)-(4)	(6)
AUTOMATIC APPROPRIATIONS				
Grant Proceeds				
CURRENT APPROPRIATION				
Performance Informed Budgeting - Kreditanstalt für Wiederaufbau - Interest Differential Fund (KfW-IDF) Grant	6,549,525.00	3,641,400.00	2,908,125.00	
MAINTENANCE AND OTHER OPERATING EXPENSES	6,549,525.00	3,641,400.00	2,908,125.00	
Training and Seminar Expenses	5,340,725.00	3,299,750.00	2,040,975.00	
Other Professional Services	238,500.00	238,500.00	-	
Printing & Publication Expenses	150,000.00	103,150.00	46,850.00	
Representation Expenses	820,300.00	-	820,300.00	
Institutionalizing Zero-Based Budgeting /Program Evaluation(IDF Grant No. TF-011843)	2,142,039.00	282,740.15	1,859,298.85	
MAINTENANCE AND OTHER OPERATING EXPENSES	842,039.00	282,740.15	559,298.85	
Training Expenses	600,000.00	282,740.15	317,259.85	
Representation Expenses	242,039.00	-	242,039.00	
Consultancy Services		-	-	
CAPITAL OUTLAYS	1,300,000.00	-	1,300,000.00	
ICT Equipment	1,000,000.00	-	1,000,000.00	
Communication Equipment	300,000.00	-	300,000.00	
TOTAL - CURRENT APPROPRIATION	8,691,564.00	3,924,140.15	4,767,423.85	
<i>Prior Year's Allotment</i>				
CONTINUING APPROPRIATION				
TOTAL - CONTINUING APPROPRIATION	-	-	-	
GRAND TOTAL	8,691,564.00	3,924,140.15	4,767,423.85	

Prepared by:


 JESSICA DIANNE R. ANICETO
 Administrative Officer II

STATEMENT OF ALLOTMENT, OBLIGATIONS AND BALANCES
As of December 31, 2015

DBM BAR No.4

Department : Department of Budget and Management
Agency/OU : Office of the Secretary - Consolidated
Fund : 103

Particulars	Allotment	Obligations Incurred		Unobligated Balance
		This Report	To date	
A. CURRENT APPROPRIATION	399,679,396,020.00	28,205,497,949.14	399,509,871,376.88	169,524,643.12
1. ARMM Regular Budget				
RLIP - Employees' Share (ARMM-Dep Ed)	524,658,533.00	44,926,216.00	524,658,533.00	-
2. Special Purpose Fund				
Retirement Benefits Fund (Personnel Gratuity Fund)	70,910,790.00	3,757,231.06	70,910,776.86	13.14
Terminal Leave Benefits	30,529,731.00	2,667,711.06	30,529,722.06	8.94
Retirement Gratuity	3,382,370.00	92,592.00	3,382,370.00	-
Monetization of Leave Credits	36,998,689.00	996,928.00	36,998,684.80	4.20
Allocations to Local Government Units	8,489,313,758.00	370,836,828.08	8,321,872,134.02	167,441,623.98
Special Shares of LGUs in the Proceeds of Natl. Taxes	8,489,313,758.00	370,836,828.08	8,321,872,134.02	167,441,623.98
Virginia Tobacco Excise Tax	897,756,144.00	-	897,756,144.00	-
Burley & Native Tobacco Excise Tax	910,101,000.00	(4,983,242.00)	910,101,000.00	-
Share in Utilization & Devt. Of National Wealth				
Mining Taxes, RA 7160	625,416,067.00	222,102,299.08	536,468,855.22	88,947,211.78
Energy Resources	842,277,176.00	-	842,277,176.00	-
Royalty Income	474,119,999.00	-	474,119,999.00	-
Share in Value Added Tax	42,839,345.00	-	42,839,345.00	-
ECOZONES	23,504,672.00	-	23,504,672.00	-
IRA Monetization	1,235,391,093.00	-	1,235,391,093.00	-
IRA Differential	525,416,560.00	-	525,408,163.00	8,397.00
Rehabilitation & Reconstruction Program	4,095,500.00	-	4,095,500.00	-
Local Government Support Fund (LGSF)	2,896,497,702.00	150,826,271.00	2,820,903,186.80	75,594,515.20
Calamity Fund	11,898,500.00	2,891,500.00	9,007,000.00	2,891,500.00
AUTOMATIC APPROPRIATIONS	390,594,512,939.00	27,785,977,674.00	390,592,429,933.00	2,083,006.00
RLIP - Employer's Share (ARMM-Dep Ed)	698,185,706.00	59,967,297.00	698,185,706.00	-
Military Camps Sales Proceeds				
Internal Revenue Allotment	389,896,327,233.00	27,726,010,377.00	389,894,244,227.00	2,083,006.00
IRA Regular	387,436,854,845.00	27,529,192,377.00	387,434,771,839.00	2,083,006.00
5% contribution of Metro Manila Mayors to MMDA	2,371,513,000.00	196,818,000.00	2,371,513,000.00	-
Loan Amortization of LGUs to MDFO	87,959,388.00	-	87,959,388.00	-
B. CONTINUING APPROPRIATIONS	8,303,469,952.76	455,369,895.00	8,301,562,436.00	1,907,516.76
1. Special Purpose Fund				
Retirement Benefits Fund (Personnel Gratuity Fund)	14.76	-	-	14.76
Terminal Leave Benefits	12.20	-	-	12.20
Monetization of Leave Credits	2.56	-	-	2.56
Allocations to Local Government Units	7,960,093,683.00	453,619,895.00	7,960,066,345.00	27,338.00
Special Shares of LGUs in the Proceeds of Natl. Taxes	7,960,093,683.00	453,619,895.00	7,960,066,345.00	27,338.00
Virginia Tobacco Excise Tax	4,807,593,000.00	294,104,882.00	4,807,593,000.00	-
Burley & Native Tobacco Excise Tax	832,402,000.00	480,381,529.00	832,402,000.00	-
Share in Utilization & Devt. Of National Wealth				
Mining Taxes, RA 7160	69,464,957.00	(26,761,634.00)	69,446,017.00	18,940.00
Energy Resources				
IRA Differential	8,397.00	-	-	8,397.00
ECOZONES				
Share in Value Added Tax	2,250,625,329.00	-	2,250,625,328.00	1.00
Calamity Fund	30,760,000.00	-	30,760,000.00	-
Local Government Support Fund (LGSF)	304,286,091.00	47,492,822.00	304,286,091.00	-
2. Automatic Appropriation	1,880,164.00	-	-	1,880,164.00
IRA Regular	1,880,164.00	-	-	1,880,164.00
3. Supplemental Appropriation	6,450,000.00	1,750,000.00	6,450,000.00	-
Calamity Fund RA. 10634	6,450,000.00	1,750,000.00	6,450,000.00	-
Grand Total	407,982,865,972.76	28,660,867,844.14	407,811,433,812.88	171,432,159.88

Prepared by:

E. F. Nita A. Roctot
E. F. NITA A. ROCTOT

Certified Correct:

E. P. Angilina
EDEN P. ANGININA



DEPARTMENT OF BUDGET AND MANAGEMENT
DETAILED STATEMENT OF FINANCIAL POSITION
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>NOTE</u>	<u>AMOUNT</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	5	<u>9,409,518.26</u>
Cash on Hand		194,214.65
Cash - Collecting Officer		129,048.05
Petty Cash		65,166.60
Cash in Bank - Local Currency		172,214.90
Cash in Bank - Local Currency, Current Account		172,214.90
Treasury/Agency Cash Accounts		9,043,088.71
Cash - Treasury/Agency Deposit, Trust		1,940,604.12
Cash - Modified Disbursement System (MDS), Regular		7,102,484.59
Receivables	7	<u>1,055,205,569.35</u>
Loans and Receivable Accounts		14,508.33
Accounts Receivable		14,508.33
<i>Net Value - Accounts Receivable</i>		14,508.33
Inter-Agency Receivables		1,049,094,992.90
Due from National Government Agencies		563,353,322.90
Due from Local Government Units		485,741,670.00
Other Receivables		6,096,068.12
Receivables - Disallowances/Charges		4,803,481.57
Due from Officers and Employees		880,250.76
Other Receivables		412,335.79
<i>Net Value - Other Receivables</i>		6,096,068.12
Inventories	8	<u>6,366,780.62</u>
Inventory Held for Consumption		6,366,780.62
Office Supplies Inventory		6,033,240.72
Accountable Forms, Plates and Stickers Inventory		5,213.00
Other Supplies and Materials Inventory		328,326.90
Other Current Assets	11	<u>130,766,869.64</u>
Advances		37,059.75
Advances to Officers and Employees		37,059.75
Prepayments		1,930,206.75
Advances to Contractors		1,738,670.07
Prepaid Insurance		190,636.68
Other Prepayments		900.00
Deposits		141,969.46
Guaranty Deposits		141,045.00
Other Deposits		924.46

	NOTE	AMOUNT
Other Assets		128,657,633.68
Other Assets		128,657,633.68
Total Current Assets		1,201,748,737.87
Non - Current Assets		
Investments	6	1,000.00
Financial Assets - Others		1,000.00
Other Investments		1,000.00
Property, Plant and Equipment	9	1,086,550,886.73
Land		47,454,282.62
Land		47,454,282.62
Accumulated Impairment Losses- Land		-
Net Value		47,454,282.62
Land Improvements		10,085,183.28
Other Land Improvements		31,993,429.58
Accumulated Depreciation - Other Land Improvements		(21,908,246.30)
Net Value		10,085,183.28
Buildings and Other Structures		167,815,706.21
Buildings		286,910,922.79
Accumulated Depreciation - Buildings		(131,010,837.35)
Net Value		155,900,085.44
Other Structures		15,499,856.55
Accumulated Depreciation - Other Structures		(3,584,235.78)
Net Value		11,915,620.77
Machinery and Equipment		101,763,044.62
Machinery		-
Accumulated Depreciation - Machinery		-
Net Value		-
Office Equipment		49,671,354.61
Accumulated Depreciation - Office Equipment		(35,705,272.36)
Net Value		13,966,082.25
Information and Communication Technology Equipment		259,496,663.56
Accumulated Depreciation - Information and Communication Technology Equipment		(190,516,467.93)
Net Value		68,980,195.63
Communication Equipment		23,265,459.89
Accumulated Depreciation - Communication Equipment		(9,857,317.17)
Net Value		13,408,142.72
Disaster Response and Rescue Equipment		5,255,883.48
Accumulated Depreciation - Disaster Response and Rescue Equipment		(3,401,960.13)
Net Value		1,853,923.35
Military, Police and Security Equipment		27,245.00
Accumulated Depreciation - Military, Police and Security Equipment		(24,520.50)
Net Value		2,724.50
Medical Equipment		46,788.00
Accumulated Depreciation - Medical Equipment		(12,181.18)
Net Value		34,606.82

	NOTE	AMOUNT
Sports Equipment		1,464,686.71
<i>Accumulated Depreciation - Sports Equipment</i>		<i>(631,374.85)</i>
<i>Net Value</i>		<u>833,311.86</u>
Other Machinery and Equipment		4,366,066.42
<i>Accumulated Depreciation - Other Machinery and Equipment</i>		<i>(1,682,008.93)</i>
<i>Net Value</i>		<u>2,684,057.49</u>
Transportation Equipment		39,991,093.59
Motor Vehicles		106,079,422.95
<i>Accumulated Depreciation - Motor Vehicles</i>		<i>(66,088,329.36)</i>
<i>Net Value</i>		<u>39,991,093.59</u>
Furniture, Fixtures and Books		52,970,091.00
Furniture and Fixtures		97,269,905.37
<i>Accumulated Depreciation - Furniture and Fixtures</i>		<i>(44,528,859.17)</i>
<i>Net Value</i>		<u>52,741,046.20</u>
Books		627,986.18
<i>Accumulated Depreciation - Books</i>		<i>(398,941.38)</i>
<i>Net Value</i>		<u>229,044.80</u>
Leased Assets Improvements		2,682,073.23
Leased Assets Improvements, Buildings		3,702,277.74
<i>Accumulated Depreciation - Leased Assets Improvements, Buildings</i>		<i>(1,297,549.36)</i>
<i>Net Value</i>		<u>2,404,728.38</u>
Other Leased Assets Improvements		277,344.85
<i>Net Value</i>		<u>277,344.85</u>
Construction in Progress		658,449,170.41
Construction in Progress - Buildings and Other Structures		658,449,170.41
Other Property, Plant and Equipment		5,340,241.77
Other Property, Plant and Equipment		16,493,166.53
<i>Accumulated Depreciation - Other Property, Plant and Equipment</i>		<i>(11,152,924.76)</i>
<i>Net Value</i>		<u>5,340,241.77</u>
Intangible Assets	10	<u>6,047,728.17</u>
Intangible Assets		6,047,728.17
Computer Software		87,376,876.94
<i>Accumulated Amortization - Computer Software</i>		<i>(81,329,148.77)</i>
<i>Net Value</i>		<u>6,047,728.17</u>
Total Non-Current Assets		<u>1,092,599,614.90</u>
TOTAL ASSETS		<u>2,294,348,352.77</u>
LIABILITIES AND NET ASSETS/EQUITY		
Liabilities		
Current Liabilities		
Financial Liabilities	12	<u>36,392,117.28</u>
Payables		36,392,117.28
Accounts Payable		23,087,382.40
Due to Officers and Employees		13,304,734.88

	<u>NOTE</u>	<u>AMOUNT</u>
Inter-Agency Payables	13	<u>1,466,177,670.64</u>
Due to BIR		2,716,070.65
Due to GSIS		98,066.03
Due to Pag-IBIG		5,885.75
Due to PhilHealth		3,562.55
Due to NGAs		480,775,001.00
Due to LGUs		982,579,084.66
Trust Liabilities	14	<u>3,059,826.88</u>
Guaranty/Security Deposits Payable		3,059,826.88
Deferred Credits/Unearned Income	15	<u>10,400.00</u>
Other Deferred Credits		10,400.00
Other Payables	16	<u>43,724.92</u>
Total Current Liabilities		<u>1,505,683,739.72</u>
Total Liabilities		<u>1,505,683,739.72</u>
Net Assets/Equity		
Equity		<u>788,664,613.05</u>
Accumulated Surplus/(Deficit)		788,664,613.05
Total Net Assets/Equity		<u>788,664,613.05</u>
TOTAL LIABILITIES AND NET ASSETS/EQUITY		<u>2,294,348,352.77</u>