REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF AGRICULTURE
PHILIPPINE COCONUT AUTHORITY
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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Philippine Coconut Authority (PCA)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the PCA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the PCA or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the PCA's financial reporting process.

The Board of Directors reviews and approves the financial statements, including schedules attached therein, and submits the same to the stakeholders.

The Commission on Audit, through its authorized representative, has examined the financial statements of the PCA pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 28 of the Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions and the auditor, in its report to the Board of Directors, has expressed its opinion on the fairness of presentation upon completion of such audit.

WILLIAM D. DAR, PhD
Chairman, Governing Board

DEPARTMENT OF AGRICULTURE
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ROEL M. ROSALES
OIC-Administrator

EDUARDO F. SUAREZ
Manager II, Finance Department

Signed this 22nd day of September, 2020.

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2019 and 2018
(in Philippine Peso)

	Note	2019	2018 Restated
ASSETS			
Current assets			
Cash and cash equivalents	5	1,005,022,575	518,238,029
Receivables - net	6	743,075,775	955,067,011
Inventories	7	182,828,950	153,224,835
Other current assets	8	12,425,743	18,366,299
		1,943,353,043	1,644,896,174
Non-current assets			
Receivables - net	6	2,953,434	4,840,416
Investments	9	88,515	88,515
Investment properties - net	10	7,761,634	6,504,727
Property, plant and equipment - net	11	888,461,860	818,768,418
Biological assets	12	399,718,438	553,940,281
Other non-current assets	13	25,116,974	23,948,413
		1,324,100,855	1,410,108,770
TOTAL ASSETS		**3,267,453,898**	**3,055,004,944**
LIABILITIES			
Current liabilities			
Financial liabilities	14	592,807,008	723,066,792
Intra-agency payables	15	-	9,912,783
Inter-agency payables	16	54,848,303	72,672,741
Trust liabilities	17	10,592,730	8,943,361
Other payables	18	50,073,652	54,612,735
		708,321,693	869,208,412
Non-current liability			
Provisions	19	220,396,660	344,523,152
Deferred credits/unearned income	20	21,851,021	21,547,711
		242,247,681	366,070,863
TOTAL LIABILITIES		**950,569,374**	**1,235,279,275**
NET ASSETS (TOTAL ASSETS LESS TOTAL LIABILITIES)		**2,316,884,524**	**1,819,725,669**
NET ASSETS/EQUITY			
Government equity	32	471,952,526	471,952,526
Accumulated surplus	32	1,825,076,998	1,327,918,143
Revaluation surplus	32	19,855,000	19,855,000
TOTAL NET ASSETS/EQUITY		**2,316,884,524**	**1,819,725,669**

The notes on pages 11 to 54 form part of these Financial Statements

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2019 and 2018
(In Philippine Peso)

	Note	2019	2018 Restated
REVENUE			
Service and business income	21	424,613,582	372,807,931
Shares, grants and donations	22	552,075	-
		425,165,657	372,807,931
CURRENT OPERATING EXPENSES			
Personnel services	23	415,584,918	383,635,041
Maintenance and other operating expenses	24	1,626,516,550	1,710,408,691
Financial expenses	25	1,184	450
Non-cash expenses	26	80,289,027	208,262,733
		2,122,391,679	2,302,306,915
DEFICIT FROM CURRENT OPERATIONS		**1,697,226,022**	**1,929,498,984**
Net financial assistance/subsidy	28	2,062,690,150	1,373,549,227
Other non-operating income	29.1	114,641,090	216,808,796
Gains	29.2	5	175,230
Losses	27	303,416	43,206,425
SURPLUS/(DEFICIT) FOR THE PERIOD		**479,801,807**	**(382,172,156)**

The notes on pages 11 to 54 form part of these Financial Statements

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2019 and 2018

(In Philippine Peso)

	Government equity Note 32	Accumulated surplus/(deficit) Note 32	Revaluation surplus Note 32	Total
BALANCE AT JANUARY 1, 2018	471,952,526	1,254,443,409	19,855,000	1,746,250,935
ADJUSTMENTS				
Add/(Deduct):				
Change in accounting policy		(168,745)		(168,745)
Prior period errors				
Reversal of doubtful accounts expense		506,547,341		506,547,341
Distribution of equipment to farmer-beneficiaries		(44,211,120)		(44,211,120)
Adjustment on accrual of leave credits		(30,272,869)		(30,272,869)
Distribution of semi-expendable assets to end-users		(3,274,284)		(3,274,284)
Other prior period errors		13,260,997		13,260,997
RESTATED BALANCE AT JANUARY 1, 2018	471,952,526	1,696,324,929	19,855,000	2,188,132,455
CHANGES IN NET ASSETS/EQUITY FOR CY 2018				
Add/(Deduct):				
Deficit for the period		(382,172,156)		(382,172,156)
Additional investment from utilization of fund transfer		9,126,718		9,126,718
Disallowances and other payments		(22,759)		(22,759)
Additional investment in fixed assets held in trust		4,661,411		4,661,411
RESTATED BALANCE AT DECEMBER 31, 2018	471,952,526	1,327,918,143	19,855,000	1,819,725,669
CHANGES IN NET ASSETS/EQUITY FOR CY 2019				
Add/(Deduct):				
Surplus for the period		479,801,807		479,801,807
Additional investment from utilization of fund transfer		19,121,891		19,121,891
Additional investment in fixed assets held in trust		(1,394,964)		(1,394,964)
Disallowances and other payments		(366,991)		(366,991)
Others		(2,888)		(2,888)
BALANCE AT DECEMBER 31, 2019	471,952,526	1,825,076,998	19,855,000	2,316,884,524

The notes on pages 11 to 54 form part of these Financial Statements

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

(In Philippine Peso)

	Note	2019	2018 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Receipt of notice of cash allocation		2,032,690,150	1,373,549,227
Collection of income/revenues		636,354,751	421,771,848
Receipt of assistance/subsidy		19,500,811	-
Collection of receivables		200,855,972	52,106,821
Receipt of inter-agency fund transfers		307,925,491	20,786,683
Receipt of intra-agency fund transfers		311,244,077	59,003,271
Trust receipts		69,937,949	63,199,042
Other receipts		96,200,403	68,175,546
Adjustments		66,714,590	-
		3,741,424,194	2,078,592,438
Cash outflows			
Remittance to National Treasury		27,030	5,683,185
Payment of expenses		1,631,944,204	1,507,131,959
Purchase of inventories		85,720,367	75,378,070
Purchase of consumable biological assets		20,159,893	14,709,232
Grant of cash advances		91,968,140	149,453,591
Prepayments		1,111,328	1,386,530
Refund of deposits		581,498	689,525
Payment of accounts payable		311,948,414	183,301,201
Remittance of personnel benefit contributions and mandatory deductions		208,990,453	140,983,752
Grant of financial assistance/subsidy/contribution		419,319,269	10,399,498
Release of inter-agency fund transfers		48,430,719	10,986,835
Release of intra-agency fund transfers		246,257,645	35,507,063
Other disbursement		49,040,139	190,236,882
Adjustments		20,852,487	-
		3,134,349,714	2,326,786,723
Net cash provided by/(used in) operating activities		**607,074,480**	**(248,194,285)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from sale/disposal of property, plant and equipment		26,956	-
Receipt of interest earned		163,983	463,013
Proceeds from sale of other assets		14,260	-
		205,199	463,013
Cash outflows			
Purchase/construction of investment property		477,900	-
Purchase/construction of investment property, plant and equipment		118,928,344	118,841,397
Purchase of bearer biological assets		1,058,200	-
		120,464,444	118,841,397
Net cash used in investing activities		**120,259,245**	**118,378,384**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows			
Payment of interest expense		1,308	-
Total Cash Outflows		1,308	-
Net cash used in financing activities		1,308	-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		486,813,927	(366,572,669)
Effects of Exchange Rate Changes on Cash and Cash Equivalents		(29,381)	175,184
CASH AND CASH EQUIVALENTS, JANUARY 1		518,238,029	884,635,514
CASH AND CASH EQUIVALENTS, DECEMBER 31	5	1,005,022,575	518,238,029

The notes on pages 11 to 54 form part of these Financial Statements

PHILIPPINE COCONUT AUTHORITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

For the Year Ended December 31, 2019

(In Philippine Peso)

	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
RECEIPTS					
Service and business income		646,339,935	646,339,935	424,613,582	221,726,353
Assistance and subsidy		1,251,356,000	1,251,356,000	280,074,000	971,282,000
Shares, grants and donations		2,921,425	2,921,425	552,075	2,369,350
Reprogrammed subsidy from prior years		2,104,283,356	2,104,283,356	1,782,616,150	321,667,206
Gains		-	-	5	(5)
Other non-operating income		-	-	114,337,674	(114,337,674)
		4,004,900,716	4,004,900,716	2,602,193,486	1,402,707,230
PAYMENTS					
Personnel services		596,057,684	449,059,000	415,584,918	33,474,082
Maintenance and other operating expenses		2,581,181,701	2,397,264,000	1,626,516,550	770,747,450
Capital outlay		827,501,331	827,501,000	120,464,444	707,036,556
Financial expenses		160,000	160,000	1,184	158,816
		4,004,900,716	3,673,984,000	2,162,567,096	1,511,416,904
NET RECEIPTS		-	330,916,716	439,626,390	(108,709,674)

The notes on pages 11 to 54 form part of these Financial Statements