



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

ANNUAL AUDIT REPORT

on the

**PHILIPPINE COCONUT AUTHORITY
(PCA)**

For the Years Ended December 31, 2022 and 2021

EXECUTIVE SUMMARY

INTRODUCTION

The Philippine Coconut Authority (PCA or the Authority) was created on June 30, 1973 by virtue of Presidential Decree (PD) No. 232, as amended by PD No. 1468, otherwise known as the Revised Coconut Industry Code. Its primary objective is to promote the rapid integrated development and growth of the coconut and other palm oil industry in all its aspects and ensure that the coconut farmers become direct participants in, and beneficiaries thereof.

By virtue of Executive Order (EO) No. 165 issued on May 15, 2014, former President Benigno Simeon C. Aquino III reassigned the PCA and three other government-owned and/or controlled corporations (GOCCs) under the Department of Agriculture (DA) back to the Office of the President of the Philippines. The former head of the Senate's Committee on Agriculture, Francis N. Pangilinan, was appointed by former President Aquino as the first Secretary of the then Office of the Presidential Assistant for Food Security and Agricultural Modernization (OPAFSAM) and was given the oversight responsibilities over the three GOCCs. On June 30, 2016, pursuant to EO No. 01, the PCA is among the 12 agencies placed under the supervision of the Office of the Cabinet Secretary. The declaration of supervision of the Authority was enacted to develop and evaluate poverty reduction programs. On September 17, 2018, pursuant to Section 2 of EO No. 62, the supervision of the PCA was transferred back to the DA.

The corporate powers and functions of the Authority are vested in and exercised by the Board of Directors (BOD) chaired by the DA Secretary with eight members, five of which are from the government, while three are from the private sector, based on the reconstitution of the PCA pursuant to Republic Act (RA) No. 11524, otherwise known as the "Coconut Farmers and Industry Trust Fund Act". The day-to-day affairs and operations of the Authority are being managed by the Administrator in accordance with the policies established by the BOD.

The PCA adopts the regionalization scheme except for Regional Office (RO) No. I - III and Cordillera Administrative Region (CAR) located in Quezon City. The Authority has 12 ROs, 67 Provincial Offices (POs), three Research Centers (RCs), as well as five Makapuno Satellite Laboratories, and two National Seed Production Centers headed by a Regional Manager, Provincial Coconut Development Manager (PCDM) and Center Manager, respectively.

As of December 31, 2022, the PCA's personnel complement consisted of 478 regular employees and 1,440 workers hired under job order/contract of service, of whom, 76 were assigned at PCA Central Office (CO), Quezon City, and 1,364 at ROs, POs, and Centers.

The Authority's registered office is located in Elliptical Road, Diliman, Quezon City, Philippines.

FINANCIAL HIGHLIGHTS (In Philippine Peso)

I. Comparative Financial Position

	2022	2021 As restated	Increase/ (Decrease)
Total assets	4,992,195,295	3,907,941,695	1,084,253,600
Total liabilities	1,760,310,779	1,407,914,414	352,396,365
Net assets/equity	3,231,884,516	2,500,027,281	731,857,235

II. Comparative Results of Operations

	2022	2021 As restated	Increase/ (Decrease)
Total revenue	471,649,229	406,345,509	65,303,720
Current operating expenses	(1,865,336,807)	(1,937,351,320)	(72,014,513)
Deficit from current operations	(1,393,687,578)	(1,531,005,811)	137,318,233
Subsidy from national government	2,072,572,293	2,135,340,189	(62,767,896)
Other non-operating income	22,779,679	67,348,422	(44,568,743)
Gains	139,840,730	115,254,856	24,585,874
Losses	-	(591,603)	(591,603)
Surplus/(Deficit)	841,505,124	786,344,053	55,161,071

III. Comparison of Budget and Actual Amounts

	COB	Actual Expenses	Savings (Deficit)
Personnel services	550,487,000	450,162,700	100,324,300
Maintenance and other operating expenses	1,668,027,000	1,325,941,214	342,085,786
Capital outlays	131,764,000	110,964,876	20,799,124
	2,350,278,000	1,887,068,790	463,209,210

SCOPE OF AUDIT

The audit covered the examination, on a test basis, of the accounts and financial transactions of the PCA for the period January 1 to December 31, 2022 in accordance with the International Standards of Supreme Audit Institutions to enable us to express an opinion on the fairness of the presentation of the financial statements for the years ended December 31, 2022 and 2021. Also, we conducted our audit to assess compliance by the PCA with pertinent laws, rules, and regulations, as well as, adherence to prescribed policies and procedures.

AUDITOR'S OPINION

We rendered a qualified opinion on the fairness of the presentation of the financial statements of the PCA for the years ended December 31, 2022 and 2021 in view of the following:

1. The existence in the financial statements of the Receivables - Intra-agency receivables and Intra-agency payables accounts in the amounts of

P281.858 million and P195.268 million which could not be considered as assets and liabilities, respectively, as defined under Paragraph 7 of International Public Sector Accounting Standard (IPSAS) 1 due to the non-elimination at year-end of the Intra-agency accounts, resulted in the overstatement of the total assets and liabilities by P281.858 million and P195.268 million, respectively, as at December 31, 2022, and affected the faithful representation of the PCA's financial statements.

2. Agricultural supplies in the total amount of P112.277 million already distributed to farmer-beneficiaries and the semi-expendable items in the aggregate amount of P22.404 million already issued to end-users in calendar year (CY) 2022 and prior years were not yet derecognized in the books, contrary to Paragraph 44 of IPSAS 12 and, as a result the Inventories and Accumulated surplus/(deficit) accounts were overstated by P134.681 million and P100.172 million, respectively, as at December 31, 2022 and the Expenses accounts, i.e., Agricultural and marine supplies and Semi-expendable machinery, equipment, furniture, fixtures and books, were understated in the total amount of P34.509 million for the CY 2022.
3. The faithful representation in the financial statements and verifiability of the balance as at December 31, 2022 of the Inter-agency payables-Due to National Government Agencies (NGAs) account in the amount of P752.250 million were not established due to unreconciled variance of P73.544 million (in absolute amount) between the subsidiary ledger balances of the Source Agencies (SAs) in the aggregate amount of P18.578 million and the confirmed balances of these SAs in the total amount of P90.355 million, contrary to Paragraph 3.26 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (CFGPFRPSE) and Paragraph 27 of IPSAS 1.
4. The faithful representation in the financial statements and the verifiability of the balance of the Property, Plant and Equipment (PPE) account in carrying amount of P772.521 million as at December 31, 2022 were not ascertained due to: (a) variances in the total absolute amount of P31.542 million between the balances per books of P464.127 million vis-à-vis the Reports on the Physical Count of PPE (RPCPPEs) of PCA CO, four ROs and one Center in the aggregate amount of P443.063 million, which remained unreconciled at year-end; and (b) non-conduct of the physical count of PPE and non-submission of the RPCPPE in two ROs, with PPE balances per books in the aggregate amount of P178.045 million. These conditions are not in accord with Paragraph 3.26 of the CFGPFRPSE and Paragraph 27 of IPSAS 1.
5. The Cash and cash equivalents – Cash in bank account was understated by P11.557 million due to the: (a) unrecorded deposits made by clients in the total amount of P7.651 million of which the validated deposit slips or the bank credit memos were not furnished to the PCA to ascertain the nature/details thereof, thus also misstating the Accounts receivable, Income and other accounts affected; and (b) non-reversion by the four ROs of the stale checks in the total amount of P3.906 million, which likewise misstated the Accounts payable and other accounts affected. These conditions are not in consonance with IPSAS 1, *Presentation of Financial Statements*, Appendix B – Qualitative Characteristics on Financial Reporting.

For the above-mentioned observations which caused the issuance of a qualified opinion, we recommended that top Management direct the:

- 1.1. Finance Manager and Regional/Center Managers to instruct the CO Accounting Division and the ROs/RCs Accounting Units to:
 - a. Continuously prioritize the elimination of the reciprocal accounts, i.e., Inter-agency receivables and Inter-agency payables, by conducting a nationwide reconciliation of the discrepancies to have reliable financial statements balances at year-end.
 - b. Ensure that all adjustments are duly supported with proper and complete documentation.
- 1.2. Internal Audit Division to update the manual of operations to incorporate proper procedures in the accounting of intra-agency transactions for uniform application of all concerned offices.
- 2.1. Regional Manager of RO No. VIII to instruct the PCA POs concerned to submit immediately to the Accounting Unit the Acknowledgement Receipts duly signed by the farmer-beneficiaries as proof of their receipt of the agricultural supplies to facilitate the recording thereof in the books of accounts.
- 2.2. Regional Managers of RO Nos. IV, VI, VII and VIII to instruct their respective Accounting Units to record the agricultural supplies already distributed to farmer-beneficiaries and the semi-expendable items already issued to end-users in CY 2022 and prior years, to fairly present in the financial statements the balances of the accounts affected.
- 3.1. Finance Manager to instruct the Accounting Division to: (a) assign personnel who will retrieve documents, such as, liquidation reports with supporting documents, acknowledgement receipts of the submission of liquidation reports to SAs concerned, etc.; (b) submit to the SAs the liquidation reports for recording in their books of accounts; (c) analyze the balances of the fund transfers to determine if there are unutilized funds and cause the remittance thereof to the SAs concerned; and (d) conduct reconciliation on a regular basis with the concerned SAs to minimize if not totally eliminate the variances between their records, moving forward.
- 3.2. Regional/Center Managers of ROs/RCs to require the Accounting Units to: (a) submit immediately to the Accounting Division the Report of Disbursements (RDs) and supporting documents, which are not yet submitted to SAs concerned; and (b) henceforth, submit regularly the liquidation reports for the fund transfers to the Accounting Division for consolidation of the latter prior to submission to the SAs concerned.
- 4.1. Finance and Administrative Managers and Regional/Center Managers concerned to instruct the Inventory Committees, Accounting Division/Units and Property Division/Supply Units in CO, RO Nos. VI, X, XII, XIII and Zamboanga Research Center (ZRC), to reconcile the variances between the accounting and property

records and the RPCPPE and effect the necessary adjustments or corrections on the affected records to arrive at reconciled balances and for fair presentation of the PPE account balances in the financial statements.

- 4.2. Regional Managers of RO Nos. I-III and CAR and IV to ensure the conduct of physical count of all PPE by the Inventory Committee annually and furnish the COA with the RPCPPE, moving forward.
- 5.1. Finance Manager and the Regional Manager of RO No. VI to instruct the Accountants to:
 - a. Record temporarily the unidentified collections in the books of accounts using the Undistributed Collections account prescribed under the Revised Chart of Accounts for Government Corporations (GCs), COA Circular No. 2020-002 dated January 28, 2020; and
 - b. Communicate with the clients and request copies of the duly validated deposits slips to determine the details/nature thereof, for proper recording in the books of accounts.
- 5.2. Regional Managers of RO Nos. VI, VII, VIII, and XIV to instruct the Accounting Units to cause the reversion to the Cash in bank account the stale checks in the total amount of P3.906 million and, henceforth, ensure that stale checks are regularly reverted back to the Cash in bank account.

OTHER SIGNIFICANT AUDIT OBSERVATION AND RECOMMENDATIONS

The other significant audit observation and the corresponding recommendations that need immediate action follows:

6. Only P66.305 million or 8.78 per cent of the approved budget for Year 1 in the amount of P755 million for the Crafting and Dissemination of the Coconut Farmers and Industry Development Plan (CFIDP) and the Coconut Hybridization Project (CHP) was disbursed/utilized due to late approval of the necessary financial documents in the project implementation, such as, Supplemental Corporate Operating Budget (COB), Supplemental Annual Project Procurement Plan (APP) and the Corporate Order delegating to the PCA Administrator the authority to approve the Memorandum of Agreement (MOA), brought about by the change in national leadership following the 2022 national elections, and the slow hiring/training of the CHP workforce, among others. As a result, the unutilized amount of P688.695 million was reverted to the Trust Fund Principal in the custody of the Bureau of the Treasury (BTr), thus somewhat adversely affected the timely attainment of the objectives of the CHP of tackling the shortage of coconut seedlings and enhancement of coconut yields by developing and promoting hybrid coconut varieties to eventually augment the incomes of coconut farmers.

- 6.1. We recommended that top Management direct the Program Management Office (PMO)/concerned Offices to ensure that:
- a. All the required documents for the release of the projects' funds from the Coconut Farmers Industry Trust Fund (CFITF) are promptly prepared and to submit the same to the BTr pursuant to the COA Department of Budget and Management (DBM)-BTr Joint Circular (JC) No. 1, s. 2022, for the early release of the funds;
 - b. The targets indicated in the approved annual Work and Financial Plan (WFP) for the CHP and other programs to be implemented by the PCA under the CFIDP are fully accomplished during the year; and
 - c. There are enough personnel who will perform the activities indicated in the annual WFP and are duly trained.

SUMMARY OF UNSETTLED AUDIT DISALLOWANCES, CHARGES, AND SUSPENSIONS

As of December 31, 2022, total unsettled disallowances and suspensions amounted to P84.827 million and P1.921 million, respectively. The details and status thereof are presented in **Annex A**, Part IV of this Report. There were no audit charges at year-end.

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the 110 audit recommendations embodied in Part II and Part III of the Annual Audit Report on the PCA for the years ended December 31, 2021 and 2020, 22 were fully implemented, while 24 were reiterations of prior years' recommendations, hence, deleted from the Status. Of the remaining 64 audit recommendations, 26 were fully implemented, 30 were partially implemented, 2 were not implemented, and 6 were closed, the details are presented in Part III of this Report.

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REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
COMMONWEALTH AVENUE, QUEZON CITY

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Philippine Coconut Authority
Elliptical Road, Diliman
Quezon City

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of the **Philippine Coconut Authority (PCA)**, which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of financial performance, statements of changes in net assets/equity and statements of cash flows for the years then ended, statement of comparison of budget and actual amounts for the year ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects and possible effects of the matters described in the *Bases for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the **PCA** as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Bases for Qualified Opinion

The existence in the financial statements of the Receivables - Intra-agency receivables and Intra-agency payables accounts in the amounts of P281.858 million and P195.268 million which could not be considered as assets and liabilities, respectively, as defined under Paragraph 7 of IPSAS 1 due to the non-elimination at year-end of the Intra-agency accounts, resulted in the overstatement of the total assets and liabilities by P281.858 million and P195.268 million, respectively, as at December 31, 2022, and affected the faithful representation of the PCA's financial statements.

Likewise, agricultural supplies in the total amount of P112.277 million already distributed to farmer-beneficiaries and the semi-expendable items in the aggregate amount of P22.404 million already issued to end-users in calendar year (CY) 2022 and prior years were not yet derecognized in the books, contrary to Paragraph 44 of IPSAS 12 and, as a result the Inventories and Accumulated surplus/(deficit) accounts were overstated by P134.681 million and P100.172 million, respectively, as at December 31, 2022 and the Expenses accounts, i.e., Agricultural and marine supplies and Semi-expendable

machinery, equipment, furniture, fixtures and books, were understated in the total amount of P34,509 million for the CY 2022.

Also, the faithful representation in the financial statements and verifiability of the balance as at December 31, 2022 of the Inter-agency payables-Due to National Government Agencies account in the amount of P752.250 million were not established due to unreconciled variance of P73.544 million (in absolute amount) between the subsidiary ledger balances of the Source Agencies (SAs) in the aggregate amount of P18.578 million and the confirmed balances of these SAs in the total amount of P90.355 million, contrary to Paragraph 3.26 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (CFGPFRPSE) and Paragraph 27 of IPSAS 1.

Moreover, the faithful representation in the financial statements and the verifiability of the balance of the PPE account in carrying amount of P772.521 million as at December 31, 2022 were not ascertained due to: (a) variances in the total absolute amount of P31.542 million between the balances per books of P464.127 million vis-à-vis the Reports on the Physical Count of PPE (RPCPPEs) of PCA Central Office (CO), four Regional Offices (ROs) and one Center in the aggregate amount of P443.063 million, which remained unreconciled at year-end; and (b) non-conduct of the physical count of PPE and non-submission of the RPCPPE in two ROs, with PPE balances per books in the aggregate amount of P178.045 million. These conditions are not in accord with Paragraph 3.26 of the CFGPFRPSE and Paragraph 27 of IPSAS 1.

Further, the Cash and cash equivalents – Cash in bank account was understated by P11.557 million due to the: (a) unrecorded deposits made by clients in the total amount of P7.651 million of which the validated deposit slips or the bank credit memos were not furnished to the PCA to ascertain the nature/details thereof, thus also misstating the Accounts receivable, Income and other accounts affected; and (b) non-reversion by the four ROs of the stale checks in the total amount of P3.906 million, which likewise misstated the Accounts payable and other accounts affected. These conditions are not in consonance with IPSAS 1, *Presentation of Financial Statements*, Appendix B - Qualitative Characteristics on Financial Reporting.

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the PCA in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the bases for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the IPSASs and for such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, 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 but to do so.

Those charged with governance are responsible for overseeing the PCA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 PCA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PCA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PCA to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

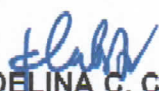
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit observations, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements, taken as a whole. The supplementary information in Note 35 to financial statements is presented for the purpose 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 of the PCA.

COMMISSION ON AUDIT


FIDELINA C. CABERTO
OIC - Supervising Auditor
Audit Group C - PCA/SRA/PHILSUCOR
Cluster 5 - Agriculture and Natural Resources
Corporate Government Audit Sector

June 2, 2023



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, 2022 and 2021, 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 PCA Board is responsible for overseeing the PCA's financial reporting process.

The PCA Board 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 PCA Board, has expressed its opinion on the fairness of presentation upon completion of such audit.

DOMINGO F. PANGANIBAN

Senior Undersecretary of the Department of Agriculture/
Ex-Officio Chairman, PCA Board



DA-CO-OSEC-UC20230525-00060

BERNIE F. CRUZ

Administrator



EDUARDO F. SUAREZ

Department Manager II, Finance Department

Signed this 1st day of June 2023.

"A food-secure Philippines with prosperous farmers and fisherfolk"



PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2022 and 2021
(In Philippine Peso)

	Note	2022	2021 As restated
ASSETS			
Current assets			
Cash and cash equivalents	5	2,676,106,425	1,404,184,269
Receivables - net	6	692,198,816	891,701,924
Inventories	7	358,304,997	291,102,845
Other current assets	8	26,701,221	26,332,959
		3,753,311,459	2,613,321,997
Non-current assets			
Receivables - net	6	141,738,853	176,707,624
Investments	9	-	88,515
Investment property - net	10	4,606,062	5,575,353
Property, plant and equipment - net	11	772,520,691	823,623,570
Biological assets	12	293,402,434	261,308,772
Other non-current assets	13	26,615,796	27,235,864
		1,238,883,836	1,294,619,698
TOTAL ASSETS		4,992,195,295	3,907,941,695
LIABILITIES			
Current liabilities			
Financial liabilities	14	439,074,866	621,466,606
Inter-agency payables	15	778,395,869	83,314,919
Intra-agency payables	16	195,267,759	391,866,742
Trust liabilities	17	11,914,924	25,629,951
Other payables	18	47,827,608	48,313,984
		1,472,481,026	1,170,592,202
Non-current liability			
Provisions	19	282,917,870	233,681,685
Deferred credits/unearned income	20	4,911,883	3,640,527
		287,829,753	237,322,212
TOTAL LIABILITIES		1,760,310,779	1,407,914,414
NET ASSETS (TOTAL ASSETS LESS TOTAL LIABILITIES)		3,231,884,516	2,500,027,281
NET ASSETS/EQUITY			
Government equity	31	471,952,526	471,952,526
Accumulated surplus/(deficit)	32	2,740,076,990	2,008,219,755
Revaluation surplus	33	19,855,000	19,855,000
TOTAL NET ASSETS/EQUITY		3,231,884,516	2,500,027,281

The notes on pages 11 to 65 form part of these financial statements

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2022 and 2021
(In Philippine Peso)

	Note	2022	2021
REVENUE			
Service and business income	21	471,649,229	406,345,509
Gain on Initial recognition of biological assets	22	139,582,482	115,058,621
		611,231,711	521,402,130
CURRENT OPERATING EXPENSES			
Personnel services	23	450,162,700	378,658,623
Maintenance and other operating expenses	24	1,325,928,979	1,477,422,760
Financial expenses	25	12,235	6,811
Non-cash expenses	26	89,232,893	81,263,126
		1,865,336,807	1,937,351,320
DEFICIT FROM CURRENT OPERATIONS		(1,254,105,096)	(1,415,949,190)
Net financial assistance/subsidy	28	2,072,572,293	2,135,340,189
Other non-operating income	29	22,779,679	67,346,422
Gain on foreign exchange	22	258,248	198,235
Losses	27	-	(591,603)
SURPLUS FOR THE PERIOD		841,505,124	786,344,053

The notes on pages 11 to 65 form part of these financial statements

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2022 and 2021
(In Philippine Peso)

	Government equity Note 31	Accumulated surplus/(deficit) Note 32	Revaluation surplus Note 33	Total
BALANCE AT JANUARY 1, 2021	471,952,526	1,423,828,090	19,855,000	1,915,633,616
CHANGES IN NET ASSETS/EQUITY FOR CY 2021				
Add/(Deduct)				
Surplus/(Deficit) for the period	-	786,344,053	-	786,344,053
Adjustment due to change in accounting policy	-	(45,372,708)	-	(45,372,708)
Adjustment due to prior period errors	-	10,401,610	-	10,401,610
Adjustment of net revenue recognized directly in net assets/equity	-	(166,979,290)	-	(166,979,290)
RESTATED BALANCE AT DECEMBER 31, 2021	471,952,526	2,008,219,755	19,855,000	2,500,027,281
CHANGES IN NET ASSETS/EQUITY FOR CY 2022				
Add/(Deduct)				
Surplus/(Deficit) for the period	-	841,505,124	-	841,505,124
Adjustment of net revenue recognized directly in net assets/equity	-	(109,647,889)	-	(109,647,889)
BALANCE AT DECEMBER 31, 2022	471,952,526	2,740,076,990	19,855,000	3,231,884,516

The notes on pages 11 to 65 form part of these financial statements

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021
(In Philippine Peso)

	Note	2022	2021 As restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash inflows			
Collection of income/revenues		476,633,827	524,413,216
Receipt of assistance/subsidy		2,072,572,293	2,135,340,189
Receipt of coconut farmers industry trust fund		755,000,000	-
Collection of receivables		15,887,479	30,437,795
Receipt of inter-agency fund transfers		240,931,280	202,581,664
Receipt of intra-agency fund transfers		68,589,855	2,124,658,099
Trust receipts		60,868,068	35,987,377
Other receipts		26,596,515	38,636,390
Adjustments		68,972,916	90,800,230
		3,786,052,233	5,182,854,960
Cash outflows			
Payment of expenses		1,400,300,565	1,674,008,870
Purchase of inventories		49,219,531	61,953,253
Purchase of consumable biological assets		1,479,594	-
Grant of cash advances		150,810,807	39,849,830
Prepayments		2,049,199	4,904,084
Refund of deposits		4,655,213	168,480
Payment of accounts payable		172,851,168	310,839,558
Remittance of personnel benefit contributions mandatory deductions		147,786,220	141,847,122
Release of inter-agency fund transfers		148,573,615	92,553,366
Release of intra-agency fund transfers		181,463,833	2,156,294,971
Other disbursements		46,441,026	34,823,234
Adjustments		172,250,426	17,024,742
		2,477,881,197	4,534,267,510
Net cash provided by operating activities		1,308,171,036	648,587,450
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows			
Proceeds from sale/disposal of property, plant and equipment		19,601	16,516
Receipt of interest earned		208,422	180,130
		228,023	196,646
Cash outflows			
Purchase/construction of property, plant and equipment		36,735,151	48,352,027
		36,735,151	48,352,027
Net cash used in investing activities		(36,507,128)	(48,155,381)
INCREASE IN CASH AND CASH EQUIVALENTS		1,271,663,908	600,432,069
Effects of exchange rate changes on cash and cash equivalents		258,248	(73,339)
CASH AND CASH EQUIVALENTS, JANUARY 1		1,404,184,269	803,825,539
CASH AND CASH EQUIVALENTS, DECEMBER 31	5	2,676,106,425	1,404,184,269

The notes on pages 11 to 65 form part of these financial statements

PHILIPPINE COCONUT AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2022
(In Philippine Peso)

	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
RECEIPTS				
Service and business income	388,155,000	388,155,000	471,649,229	(83,494,229)
Assistance and subsidy	2,115,718,000	2,115,718,000	2,072,572,293	43,145,707
Gains	-	-	139,840,730	(139,840,730)
Other non-operating income	-	-	22,779,679	(22,779,679)
	2,503,873,000	2,503,873,000	2,706,841,931	(202,968,931)
PAYMENTS				
Personnel services	550,487,000	550,487,000	450,162,700	100,324,300
Maintenance and other operating expenses	1,811,094,000	1,668,027,000	1,325,928,979	342,098,021
Financial expense	-	-	12,235	(12,235)
Capital outlays	142,292,000	131,764,000	110,964,876	20,799,124
	2,503,873,000	2,350,278,000	1,887,068,790	463,209,210
NET RECEIPTS/PAYMENTS	-	153,595,000	819,773,141	(666,178,141)

The notes on pages 11 to 65 form part of these financial statements