



Republic of the Philippines  
**PHILIPPINE COCONUT AUTHORITY**  
Diliman, Quezon City

# FINANCIAL STATEMENTS

For the period ending December 31, 2018

1. Condensed and Detailed Statement of Financial Position;
2. Condensed and Detailed Statement of Financial Performance;
3. Statement of Changes in Net Assets/(Equity)
4. Statement of Cash Flows (Detailed and Consolidated)
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Amounts
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PHILIPPINE COCONUT AUTHORITY  
DETAILED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018  
(In Philippine Peso)

	2018	2017 (Restated)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
<b>Cash and Cash Equivalents</b>		
	<u>518,276,702</u>	<u>883,222,493</u>
Cash on Hand		
Cash-Collecting Officer	12,227,351	3,616,553
Petty Cash	12,144,441	3,523,477
Cash in Bank - Local Currency	82,910	93,076
Cash in Bank-Local Currency, Current Account	365,041,072	770,980,365
Cash in Bank-Local Currency, Savings Account	362,329,559	768,290,749
Cash in Bank - Foreign Currency	2,711,512	2,689,616
Cash in Bank-Foreign Currency, Current Account	2,378,855	2,754,613
Cash in Bank-Foreign Currency, Savings Account	1,697,004	2,072,766
Treasury/Agency Cash Accounts	681,850	681,848
Cash-Modified Disbursement System (MDS), Regular	136,516,335	103,757,873
Cash Equivalents	136,516,335	103,757,873
Time Deposits-Foreign Currency	2,113,089	2,113,089
	<u>2,113,089</u>	<u>2,113,089</u>
<b>Receivables</b>	<u>1,010,043,730</u>	<u>3,265,863,906</u>
<b>Loans and Receivable Accounts</b>		
Accounts Receivable - Current	2,104,474	653,475,997
Allowance for Impairment-Accounts Receivable Current	2,124,625	712,180,773
Net Value- Accounts Receivable	(125,609)	(58,707,988)
Interests Receivable	1,999,016	653,472,785
Allowance for Impairment-Interests Receivable	105,457	3,212
Net Value- Interests Receivable	-	-
Inter-Agency Receivables	105,457	3,212
Due from National Government Agencies	269,972,007	373,080,010
Due from Local Government Units	46,397,607	46,506,481
Due from Government Corporations	37,081,320	35,581,320
Intra-Agency Receivables	186,493,080	290,992,209
Due from Operating Units	577,113,635	2,066,511,110
Due from Other Funds	18,040	5,340
Due from Central Office/Home/Head Office	493,780,148	707,404,355
Due from Regional/Branch Offices	83,315,447	1,344,996,453
Other Receivables	-	14,104,962
Receivables-Disallowances/Charges	160,853,614	172,796,788
Due from Officers and Employees	133,912,904	133,996,240
Due from Non-Government Organizations/People's Organizations	568,934	523,745
Other Receivables	1,310,993	1,310,993
Allowance for Impairment-Other Receivables	30,947,394	42,781,227
Net Value-Other Receivables	(5,886,610)	(5,815,416)
	<u>25,060,783</u>	<u>36,965,811</u>
<b>Inventories</b>	<u>156,489,119</u>	<u>68,344,974</u>
<b>Inventory Held for Distribution</b>		
Agricultural and Marine Supplies for Distribution	89,351,255	21,342,080
<b>Inventory Held for Consumption</b>	89,351,255	21,342,080
Office Supplies Inventory	51,567,270	33,956,704
Accountable Forms, Plates and Stickers Inventory	2,747,445	1,158,533
Medical, Dental and Laboratory Supplies Inventory	138,161	86,711
Fuel, Oil and Lubricants Inventory	818,968	876,476
Agricultural and Marine Supplies Inventory	718,801	405,066
Construction Materials Inventory	43,399,874	26,076,324
	27,392	

Other Supplies and Materials Inventory	3,716,831	5,353,594
<b>Semi-Expendable Machinery and Equipment</b>	<b>13,443,584</b>	<b>11,513,392</b>
Semi-Expendable Machinery	14,000	14,000
Semi-Expendable Office Equipment	3,391,653	3,030,320
Semi-Expendable Information and Communication Technology Equipment	1,292,871	1,038,693
Semi-Expendable Agricultural and Forestry Equipment	2,856,958	1,676,569
Semi-Expendable Communication Equipment	124,734	113,201
Semi-Expendable Disaster Response and Rescue Equipment	126,361	126,361
Semi-Expendable Medical Equipment	1,516,509	1,507,869
Semi-Expendable Printing Equipment	161,240	152,735
Semi-Expendable Technical and Scientific Equipment	278,241	229,125
Semi-Expendable Construction and Heavy Equipment	45,946	45,946
Semi-Expendable Other Machinery and Equipment	3,835,071	3,578,573
<b>Semi-Expendable Furniture, Fixtures and Books</b>	<b>2,137,011</b>	<b>1,532,797</b>
Semi-Expendable Furniture and Fixtures	2,133,315	1,565,002
Semi-Expendable Books	3,695	3,695
<b>Other Current Assets</b>	<b>18,040,291</b>	<b>9,895,023</b>
<b>Advances</b>	<b>5,486,931</b>	<b>3,497,764</b>
Advances for Payroll	-	-
Advances to Special Disbursing Officer	4,088,198	2,379,149
Advances to Officers and Employees	1,398,733	1,118,614
<b>Prepayments</b>	<b>9,697,482</b>	<b>3,507,968</b>
Advances to Contractors	9,024,978	3,004,529
Prepaid Rent	193,030	193,031
Prepaid Insurance	324,832	190,939
Other Prepayments	154,641	119,470
<b>Deposits</b>	<b>2,855,878</b>	<b>2,889,291</b>
Guaranty Deposits	1,153,239	1,186,652
Other Deposits	1,702,639	1,702,639
<b>TOTAL CURRENT ASSETS</b>	<b>1,702,859,841</b>	<b>4,227,326,396</b>
<b>NON-CURRENT ASSETS</b>		
<b>Receivables</b>	<b>4,840,416</b>	<b>(638,657,983)</b>
<b>Loans and Receivable Accounts</b>	<b>4,840,416</b>	<b>(638,657,983)</b>
Accounts Receivable - Non Current	729,764,106	(5,772,751)
Allowance for Impairment-Accounts Receivable, Non Current	(724,923,690)	(632,865,232)
Net Value- Accounts Receivable	4,840,416	(638,657,983)
<b>Investments</b>	<b>88,515</b>	<b>88,515</b>
<b>Other Investments</b>	<b>88,515</b>	<b>88,515</b>
Investments in Stocks	88,515	88,515
<b>Investment Property</b>	<b>8,504,727</b>	<b>(1,174,365)</b>
<b>Investment Property-Buildings</b>	<b>8,504,727</b>	<b>(1,174,365)</b>
Investment Property-Buildings	52,943,228	-
Accumulated Depreciation-Investment Property	(44,438,501)	(1,174,365)
Accumulated Impairment Losses-Investment Property	-	-
Net Value	8,504,727	(1,174,365)
<b>Property, Plant and Equipment</b>	<b>865,843,610</b>	<b>710,114,116</b>
<b>Land</b>	<b>142,415,549</b>	<b>142,415,549</b>
Land	142,415,549	142,415,549
Accumulated Impairment Losses-Land	-	-
Net Value	142,415,549	142,415,549
<b>Land Improvements</b>	<b>4,403,098</b>	<b>4,971,984</b>
Other Land Improvements	25,911,062	25,911,062
Accumulated Depreciation-Other Land Improvements	(21,507,964)	(20,939,078)
Accumulated Impairment Losses-Other Land Improvements	-	-

Net Value		
<b>Infrastructure Assets</b>	4,403,098	4,971,984
Water Supply Systems	2,828,839	1,645,321
Accumulated Depreciation-Water Supply Systems	4,984,469	3,803,523
Accumulated Impairment Losses-Water Supply Systems	(2,286,853)	(2,348,212)
Net Value	-	-
Power Supply Systems	2,697,616	1,455,307
Accumulated Depreciation-Power Supply Systems	653,226	653,226
Accumulated Impairment Losses-Power Supply Systems	(522,002)	(463,212)
Net Value	-	-
<b>Buildings and Other Structures</b>	131,223	190,014
Buildings	106,666,885	92,099,561
Accumulated Depreciation-Buildings	251,025,688	273,911,251
Accumulated Impairment Losses-Buildings	(144,358,804)	(181,811,689)
Net Value	-	-
<b>Machinery and Equipment</b>	106,666,885	92,099,561
Machinery	561,690,147	413,917,147
Accumulated Depreciation-Machinery	92,769,951	34,326,236
Accumulated Impairment Losses-Machinery	(12,168,356)	(8,185,544)
Net Value	-	-
Office Equipment	80,601,595	26,140,694
Accumulated Depreciation-Office Equipment	55,944,207	49,474,131
Accumulated Impairment Losses-Office Equipment	(36,228,662)	(36,878,847)
Net Value	-	-
Information and Communication Technology Equipment	17,715,545	12,595,284
	52,789,258	42,068,556
Accumulated Depreciation-Information and Communication Technology Equipment	(28,257,677)	(25,285,677)
Accumulated Impairment Losses-Information and Communication Technology Equipment	-	-
Net Value	-	-
Agricultural and Forestry Equipment	24,531,580	16,782,878
Accumulated Depreciation-Agricultural and Forestry Equipment	287,804,043	248,758,539
Accumulated Impairment Losses-Agricultural and Forestry Equipment	(84,811,379)	(70,351,750)
Net Value	-	-
Communication Equipment	202,992,665	178,406,788
Accumulated Depreciation-Communication Equipment	14,103,517	14,014,134
Accumulated Impairment Losses-Communication Equipment	(10,725,282)	(10,744,287)
Net Value	-	-
Disaster Response and Rescue Equipment	3,378,235	3,269,847
Accumulated Depreciation-Disaster Response and Rescue Equipment	180,301	86,101
Accumulated Impairment Losses-Disaster Response and Rescue Equipment	(55,292)	(36,693)
Net Value	-	-
Medical Equipment	125,009	49,408
Accumulated Depreciation-Medical Equipment	14,714,867	32,352,070
Accumulated Impairment Losses-Medical Equipment	(3,342,923)	(11,540,787)
Net Value	-	-
Technical and Scientific Equipment	11,371,943	20,811,283
Accumulated Depreciation-Technical and Scientific Equipment	100,863,860	70,313,675
Accumulated Impairment Losses-Technical and Scientific Equipment	(51,107,188)	(34,590,421)
Net Value	-	-
Other Machinery and Equipment	49,756,672	35,723,254
Accumulated Depreciation-Other Machinery and Equipment	205,515,922	143,716,947
Accumulated Impairment Losses-Other Machinery and Equipment	(34,299,021)	(23,579,237)
Net Value	-	-
<b>Transportation Equipment</b>	171,216,901	120,137,710
Motor Vehicles	28,524,665	35,507,059
Accumulated Depreciation-Motor Vehicles	102,103,713	107,727,634
Accumulated Impairment Losses-Motor Vehicles	(73,669,648)	(72,312,175)
Net Value	-	-
Other Transportation Equipment	28,434,065	35,415,459
Accumulated Depreciation-Other Transportation Equipment	916,000	916,000
Accumulated Impairment Losses-Other Transportation Equipment	(825,400)	(824,400)
Net Value	-	-
	90,600	91,600

<b>Furniture, Fixture and Books</b>		
Furniture and Fixtures	5,470,027	3,350,911
Accumulated Depreciation-Furniture and Fixtures	9,586,975	6,984,228
Accumulated Impairment Losses-Furniture and Fixtures	(4,148,775)	(3,665,145)
Net Value	-	-
Books	5,438,200	3,319,084
Accumulated Depreciation-Books	320,961	320,961
Accumulated Impairment Losses-Books	(289,134)	(289,134)
Net Value	-	-
<b>Other Property, Plant and Equipment</b>	31,827	31,827
Other Property, Plant and Equipment	3,725,160	4,544,476
Accumulated Depreciation-Other Property, Plant and Equipment	7,150,194	7,004,676
Accumulated Impairment Losses-Other Property, Plant and Equipment	(3,425,034)	(2,460,200)
Net Value	-	-
<b>Construction in Progress</b>	3,725,160	4,544,476
Construction in Progress-Buildings and Other Structures	10,119,242	11,662,108
	10,119,242	11,662,108
<b>Biological Assets</b>	<b>553,940,281</b>	<b>2,536,028</b>
<b>Bearer Biological Assets</b>		
Breeding Stocks	551,129,753	25,000
Accumulated Impairment Losses-Breeding Stocks	25,000	25,000
Accumulated Depreciation-Breeding Stocks	-	-
Net Value	-	-
Livestock	25,000	25,000
Accumulated Impairment Losses-Livestock	-	-
Accumulated Depreciation-Livestock	-	-
Net Value	-	-
Trees, Plants and Crops	-	-
Accumulated Impairment Losses-Trees, Plants and Crops	551,104,753	-
Accumulated Depreciation-Trees, Plants and Crops	-	-
Net Value	-	-
Other Bearer Biological Assets	551,104,753	-
Accumulated Impairment Losses-Other Bearer Biological Assets	-	-
Accumulated Depreciation-Other Bearer Biological Assets	-	-
Net Value	-	-
<b>Consumable Biological Assets</b>		
Livestock Held for Consumption/Sale/Distribution	2,810,528	2,511,028
	339,500	40,000
Accumulated Impairment Losses-Livestock Held for Consumption/Sale/Distribution	-	-
Net Value	-	-
Trees, Plants and Crops Held for Consumption/Sale/Distribution	339,500	40,000
Accumulated Impairment Losses-Trees, Plants and Crops Held for Consumption/Sale/Distribution	2,471,028	2,471,028
Net Value	-	-
	2,471,028	2,471,028
<b>Other Non Current Assets</b>	<b>718,862,723</b>	<b>719,470,008</b>
<b>Other Assets</b>		
Deferred Charges/Losses	718,862,723	719,470,008
Other Assets	237,914	237,914
Accumulated Impairment Losses-Other Assets	722,424,629	723,103,320
Net Value - Other Assets	(3,799,820)	(3,871,227)
	718,624,809	719,232,093
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,152,080,272</b>	<b>792,376,319</b>
<b>TOTAL ASSETS</b>	<b>3,854,940,113</b>	<b>5,019,702,715</b>
	3,277,844,519	5,019,702,715
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
<b>Financial Liabilities</b>		
<b>Payables</b>	<b>760,521,732</b>	<b>1,048,566,555</b>
Accounts Payable	760,521,732	1,048,566,555
Due to Officers and Employees	753,628,067	1,037,849,952
	6,893,666	10,716,602

<b>Inter-Agency Payables</b>		
Due to BIR	<u>73,277,294</u>	<u>88,646,393</u>
Due to GSIS	7,124,799	5,622,241
Due to Pag-IBIG	974,426	1,586,305
Due to PhilHealth	243,358	213,678
Due to NGAs	281,572	267,970
Due to Government Corporations	35,766,786	44,489,955
Due to LGUs	822,205	890,632
Due to Treasurer of the Philippines	27,360,374	33,902,068
Due to SSS	433,456	433,456
Value-Added Tax Payable	6,495	275
	263,821	1,239,792
<b>Intra-Agency Payables</b>		
Due to Other Funds	<u>556,860,497</u>	<u>1,616,547,412</u>
Due to Central/Home/Head Office	503,687,931	707,192,516
	53,172,566	909,354,896
<b>Trust Liabilities</b>		
Guaranty/Security Deposits Payable	<u>8,928,361</u>	<u>10,930,858</u>
	8,928,361	10,930,858
<b>Other Payables</b>		
Other Payables	<u>61,477,254</u>	<u>52,898,222</u>
	61,477,254	52,898,222
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,461,066,138</u>	<u>2,817,588,439</u>
<b>NON-CURRENT LIABILITIES</b>		
<b>Deferred Credits/Unearned Income</b>		
Other Deferred Credits	<u>21,547,711</u>	<u>21,542,596</u>
	21,547,711	21,542,596
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>21,547,711</u>	<u>21,542,596</u>
<b>TOTAL LIABILITIES</b>	<u>1,482,612,849</u>	<u>2,839,132,035</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>	<u>2,372,327,265</u>	<u>2,180,570,680</u>
<b>EQUITY</b>		
Government Equity		
Government Equity	<u>2,372,327,265</u>	<u>2,180,570,680</u>
Government Equity	1,715,795,737	1,203,828,074
Accumulated Surplus/(Deficit)	656,531,528	976,742,605
<b>TOTAL NET ASSETS/EQUITY</b>	<u>2,372,327,265</u>	<u>2,180,570,680</u>



**PHILIPPINE COCONUT AUTHORITY**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**  
**(In Philippine Peso)**

	Note	2018	2017 (Restated)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & Cash Equivalents	3.4, 4	518,276,702	883,222,493
Receivables - net	3.3, 5	1,010,043,730	3,265,863,906
Inventories	3.5, 6	156,499,119	68,344,974
Other Current Assets	7	18,040,291	9,895,023
<b>Total Current Assets</b>		<b>1,702,859,841</b>	<b>4,227,326,397</b>
<b>Non-current assets</b>			
Receivables - net	3.3, 5	4,840,416	(638,657,983)
Investments	8	88,515	88,515
Investment Property	3.6, 9	8,504,727	(1,174,365)
Property, Plant & Equipment - net	3.7, 10	865,843,610	710,114,116
Biological Assets	3.8, 11	553,940,281	2,536,028
Other Non-Current Assets	12	718,862,723	719,470,008
<b>Total Non-Current Assets</b>		<b>2,152,080,272</b>	<b>792,376,319</b>
<b>Total Assets</b>		<b>3,854,940,113</b>	<b>5,019,702,716</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	3.3b, 13	760,521,732	1,048,566,555
Inter-Agency Payables	14	73,277,294	88,646,393
Intra-Agency Payables	15	556,860,497	1,616,547,412
Trust Liabilities	16	8,928,361	10,930,858
Other Payables	17	61,477,254	52,898,222
<b>Total Current Liabilities</b>		<b>1,461,065,138</b>	<b>2,817,589,439</b>
<b>Non-Current Liabilities</b>			
Deferred Credits/Unearned Income	18	21,547,711	21,542,596
<b>Total Non-Current Liabilities</b>		<b>21,547,711</b>	<b>21,542,596</b>
<b>Total Liabilities</b>		<b>1,482,612,849</b>	<b>2,839,132,035</b>
<b>NET ASSETS (Total Assets Less Total Liabilities)</b>		<b>2,372,327,265</b>	<b>2,180,570,681</b>
<b>NET ASSETS/EQUITY</b>			
Government Equity	28	2,372,327,265	2,180,570,680
<b>Total Net Assets/Equity</b>		<b>2,372,327,265</b>	<b>2,180,570,680</b>

Certified Correct:

  
**MADELEINE M. CORPUZ**  
OIC-Department Manager, Finance Department

Noted:

  
**GLENN B. SANTOS**  
OIC-Administrator



**PHILIPPINE COCONUT AUTHORITY**  
**CONDENSED STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(In Philippine Peso)

	Note	2018	2017
<i>Revenue</i>			
Service and Business Income	3.12 & 19	359,478,714	328,410,649
Gains	26.2	-	25,000
<b>Total Revenue</b>		<b>359,478,714</b>	<b>328,435,649</b>
<i>Less: Current Operating Expenses</i>			
Personnel Services	21	360,769,200	377,187,566
Maintenance and Other Operating Expenses	22	1,711,662,716	1,791,305,098
Financial Expenses	23	450	1,663
Non-Cash Expenses	24	207,326,530	62,048,100
<b>Total Current Operating Expenses</b>		<b>2,279,758,896</b>	<b>2,230,542,427</b>
<b>Surplus/(Deficit) from Current Operations</b>		<b>(1,920,280,182)</b>	<b>(1,902,106,779)</b>
Net Financial Assistance/Subsidy	25	1,373,549,227	1,339,117,000
Other Non-Operating Income	26.1	216,823,797	149,521,787
Gains	26.2	44	7
<b>Surplus/(Deficit) for the period</b>		<b>(373,113,539)</b>	<b>(413,467,985)</b>

Certified Correct:

*mm*  
**MADELEINE M. CORPUZ**  
OIC-Department Manager, Finance Department

Noted: <sup>c</sup>

*[Signature]*  
**GLENN B. SANTOS**  
OIC-Administrator

**PHILIPPINE COCONUT AUTHORITY**  
**DETAILED STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(In Philippine Peso)

<b>REVENUE</b>	<b>2018</b>	<b>2017</b>
<b>Service and Business Income</b>		
<b>Service Income</b>		
Permit Fees	211,839,779	205,480,719
Supervision and Regulation Enforcement Fees	75,818,644	58,783,192
Inspection Fees	17,075,806	6,748,720
Fines and Penalties-Service Income	874,129	2,375,915
Other Service Income	25,140,668	20,301,538
<b>Total Service Income</b>	<b>330,749,026</b>	<b>293,690,084</b>
<b>Business Income</b>		
Rent/Lease Income	21,781,966	27,199,272
Income from Hostels/Dormitories and Other Like Facilities	147,035	180,550
Fidelity Insurance Income	-	-
Interest Income	895,756	4,408,032
Fines and Penalties-Business Income	5,904,932	2,952,710
<b>Total Business Income</b>	<b>28,729,687</b>	<b>34,720,565</b>
<b>Gains</b>		
Gain on Sale of Biological Assets	-	25,000
<b>Total Gains</b>	<b>-</b>	<b>25,000</b>
<b>Total Revenue</b>	<b>359,478,714</b>	<b>328,435,649</b>
<b>Less: Current Operating Expenses</b>		
<b>Personnel Services</b>		
<b>Salaries and Wages</b>		
Salaries and Wages - Regular	222,931,190	217,591,325
<b>Total Salaries and Wages</b>	<b>222,931,190</b>	<b>217,591,325</b>
<b>Other Compensation</b>		
Personnel Economic Relief Allowance (PERA)	12,568,850	13,330,443
Representation Allowance (RA)	6,573,091	6,198,625
Transportation Allowance (TA)	3,903,809	3,460,289
Clothing/Uniform Allowance	3,150,000	2,835,000
Honoraria	70,650	141,937
Longevity Pay	78,178	115,665
Overtime and Night Pay	1,157,381	1,036,444
Year End Bonus	37,506,179	36,004,594
Cash Gift	2,621,000	2,687,250
Other Bonuses and Allowances	4,140,417	41,952,952
<b>Total Other Compensation</b>	<b>71,769,565</b>	<b>107,763,199</b>
<b>Personnel Benefit Contributions</b>		
Retirement and Life Insurance Premiums	26,476,013	26,054,018
Pag-IBIG Contributions	624,400	663,900
PhilHealth Contributions	2,624,783	2,084,775
Employees Compensation Insurance Premiums	626,900	669,000
<b>Total Personnel Benefit Contributions</b>	<b>30,352,096</b>	<b>29,471,693</b>
<b>Other Personnel Benefits</b>		
Terminal Leave Benefits	34,230,459	21,323,350
Other Personnel Benefits	1,485,900	1,038,000
<b>Total Other Personnel Benefits</b>	<b>35,716,359</b>	<b>22,361,350</b>

<b>Maintenance and Other Operating Expenses</b>		
<b>Traveling Expenses</b>		
Traveling Expenses-Local	67,806,808	62,451,437
Traveling Expenses-Foreign	282,331	1,705,485
<b>Total Traveling Expenses</b>	<b>68,089,139</b>	<b>64,156,922</b>
<b>Training and Scholarship Expenses</b>		
Training Expenses	56,111,424	36,610,084
<b>Total Training and Scholarship Expenses</b>	<b>56,111,424</b>	<b>36,610,084</b>
<b>Supplies and Materials Expenses</b>		
Office Supplies Expenses	13,567,309	13,106,285
Accountable Forms Expenses	324,450	234,561
Medical, Dental and Laboratory Supplies Expenses	236,530	956,862
Fuel, Oil and Lubricants Expenses	15,678,982	13,884,602
Agricultural and Marine Supplies Expenses	960,491,291	1,080,395,981
Semi-Expendable Machinery and Equipment Expenses	2,147,720	296,111
Semi-Expendable Furniture, Fixtures and Books Expenses	427,380	182,140
Other Supplies and Materials Expenses	23,860,894	14,133,540
<b>Total Supplies and Materials Expenses</b>	<b>1,016,734,555</b>	<b>1,123,200,083</b>
<b>Utility Expenses</b>		
Water Expenses	3,446,103	3,421,814
Electricity Expenses	26,627,299	23,879,028
Other Utility Expenses	18,033	-
<b>Total Utility Expenses</b>	<b>30,091,434</b>	<b>27,300,842</b>
<b>Communication Expenses</b>		
Postage and Courier Services	1,465,183	1,189,345
Telephone Expenses	8,127,161	8,213,063
Internet Subscription Expenses	1,586,015	1,242,946
Cable, Satellite, Telegraph and Radio Expenses	170,157	7,790
<b>Total Communication Expenses</b>	<b>11,348,517</b>	<b>10,653,144</b>
<b>Awards/Rewards, Prizes and Indemnities</b>		
Awards/Rewards Expenses	1,165,000	384,400
<b>Total Awards/Rewards, Prizes and Indemnities</b>	<b>1,165,000</b>	<b>384,400</b>
<b>Survey, Research, Exploration and Development Expenses</b>		
Research, Exploration and Development Expenses	-	525,593
<b>Total Research, Exploration and Development Expenses</b>	<b>-</b>	<b>525,593</b>
<b>Confidential, Intelligence and Extraordinary Expenses</b>		
Extraordinary and Miscellaneous Expenses	873,911	681,970
<b>Total Confidential, Intelligence and Extraordinary Expenses</b>	<b>873,911</b>	<b>681,970</b>
<b>Professional Services</b>		
Legal Services	-	40,000
Auditing Services	25,515,531	31,573,530
Consultancy Services	1,193,674	305,150
Other Professional Services	264,482,386	202,108,054
<b>Total Professional Services</b>	<b>291,191,592</b>	<b>234,026,734</b>
<b>General Services</b>		
Janitorial Services	4,090,630	3,674,924
Security Services	44,144,913	41,048,105
Other General Services	97,657,786	133,824,404
<b>Total General Services</b>	<b>145,893,329</b>	<b>178,547,433</b>
<b>Repairs and Maintenance</b>		
Repairs and Maintenance - Buildings and Other Structures	10,476,387	11,772,391
Repairs and Maintenance - Machinery and Equipment	2,719,764	1,168,892

Repairs and Maintenance-Transportation Equipment	9,726,726	8,910,330
Repairs and Maintenance-Furniture and Fixtures	66,500	12,100
Repairs and Maintenance - Semi-Expendable Furniture, Fixtures and Books	-	34,768
Repairs and Maintenance-Other Property, Plant and Equipment	1,385,930	
<b>Total Repairs and Maintenance</b>	<b>24,375,307</b>	<b>21,898,481</b>
<b>Taxes, Insurance Premiums and Other Fees</b>		
Taxes, Duties and Licenses	2,846,272	2,865,051
Fidelity Bond Premiums	1,905,765	1,457,324
Insurance Expenses	3,042,199	2,622,406
<b>Total Taxes, Insurance Premiums and Other Fees</b>	<b>7,794,237</b>	<b>6,944,780</b>
<b>Other Maintenance and Operating Expenses</b>		
Advertising, Promotional and Marketing Expenses	303,747	296,392
Printing and Publication Expenses	2,644,581	1,110,964
Representation Expenses	364,175	357,388
Transportation and Delivery Expenses	11,460,093	11,049,442
Rent/Lease Expenses	12,132,801	12,175,516
Membership Dues and Contributions to Organizations	-	-
Subscription Expenses	243,527	252,266
Donations	3,581,017	42,620,502
Documentary Stamps Expenses	-	373,742
Other Maintenance and Operating Expenses	27,264,331	18,138,417
<b>Total Other Maintenance and Operating Expenses</b>	<b>57,994,271</b>	<b>86,374,631</b>
<b>Total Maintenance and Other Operating Expenses</b>	<b>1,711,662,716</b>	<b>1,791,306,098</b>
<b>Financial Expenses</b>		
<b>Financial Expenses</b>		
Interest Expense	-	1,513
Bank Charges	450	150
<b>Total Financial Expenses</b>	<b>450</b>	<b>1,863</b>
<b>Non-Cash Expenses</b>		
<b>Depreciation</b>		
Depreciation - Investment Property	1,010,617	
Depreciation - Land Improvements	568,886	523,193
Depreciation - Infrastructure Assets	65,267	99,330
Depreciation - Buildings and Other Structures	4,677,649	5,241,275
Depreciation - Machinery and Equipment	49,219,338	40,805,705
Depreciation - Transportation Equipment	5,951,441	5,963,208
Depreciation - Furnitures, Fixtures and Books	533,491	541,666
Depreciation - Other Property, Plant and Equipment	964,834	980,089
<b>Total Depreciation</b>	<b>62,991,522</b>	<b>54,154,468</b>
<b>Impairment Loss</b>		
Impairment Loss-Loans and Receivables	144,335,008	7,893,632
<b>Total Impairment</b>	<b>144,335,008</b>	<b>7,893,632</b>
<b>Total Non-Cash Expenses</b>	<b>207,326,530</b>	<b>62,048,100</b>
<b>Current Operating Expenses</b>	<b>2,279,758,896</b>	<b>2,230,542,427</b>
<b>Surplus (Deficit) from Current Operation</b>	<b>(1,920,280,182)</b>	<b>(1,808,970,638)</b>
<b>Financial Assistance/Subsidy from NGAs, LGUs, GOCCs</b>		
Subsidy from National Government	1,373,549,227	1,339,117,000
<b>Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs</b>	<b>1,373,549,227</b>	<b>1,339,117,000</b>
<b>Other Non-Operating Income</b>		
<b>Sale of Assets</b>		
Sale of Garnished/Confiscated/Abandoned/Seized Goods and Property	1,953,682	706,905
Sale of Unserviceable Property	-	299,321

Total Sale of Assets	1,953,682	1,006,226
Miscellaneous Income		
Miscellaneous Income		
Gains	214,870,116	148,515,561
Gain on Foreign Exchange (FOREX)	44	7
Total Gains	44	7
Losses		
Other Losses		
Total Losses	43,206,425	-
Surplus (Deficit) for the period	43,206,425	-
	(373,113,539)	(413,467,985)



STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018

2018		
	Accumulated Surplus/ (Deficit)	Government Equity
Balance at January 1	₱ 1,538,635,836.36	₱ 1,203,828,074.34
Add/(Deduct):		
Change in accounting policy		
Additional impairment of receivables with legal constraints	(633,058,607.04)	
Prior period errors		
Subsidy income recognized but not yet received		
Reversion of Unused NCA	(15,000,000.00)	
Other prior period adjustments	139,067,837.76	
Restated balance	1,029,645,067.08	1,203,828,074.34
Add/(Deduct):		
Changes in Net Assets/Equity for the Calendar Year		
Surplus/(Deficit) for the period	(373,113,539.02)	
Additional impairment of receivables with legal constraints		
Issuances of Share Capital		
Additional Capital from National Government		
Appraisal Capital		
Purchase or Construction of Property, plant and equipment		9,126,719.29
Donations		498,202,291.10
Disallowances and other payments		(22,759.14)
Adjustment of net revenue recognized directly in net assets/equity		
Other adjustment		4,661,411.14
Balance at December 31	₱ 656,531,528.06	₱ 1,715,795,736.73

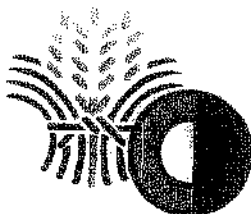
  

2017		
	Accumulated Surplus/ (Deficit)	Government Equity
Balance at January 1	₱ 3,123,062,128.00	₱ 1,202,245,523.17
Add/(Deduct):		
Change in accounting policy	(485,426.91)	
Additional impairment of receivables with legal constraints		
Prior period errors	(1,206,743,803.60)	
Other Adjustments	36,270,924.00	
Restated balance	1,952,103,821.49	1,202,245,523.17
Add/(Deduct):		
Changes in Net Assets/Equity for the Calendar Year		
Surplus/(Deficit) for the period	(975,361,216.10)	
Additional impairment of receivables with legal constraints		
Issuances of Share Capital		
Additional Capital from National Government		
Appraisal Capital		
Purchase or Construction of Property, Plant and Equipment		1,641,156.30
Donations		(2,688.13)
Disallowances and other payments		(55,917.00)
Adjustment of net revenue recognized directly in net assets/equity		
Balance at December 31	₱ 976,742,605.39	₱ 1,203,828,074.34

Certified Correct:

  
**MADELEINE M. CORPUZ**  
OIC-Manager, Finance Department

Noted:  
  
**GLENN B. SANTOS**  
OIC-Administrator



REPUBLIC OF THE PHILIPPINES

DEPARTMENT OF AGRICULTURE

PHILIPPINE COCONUT AUTHORITY

Elliptical Road, Diliman, Quezon City 1101 Philippines

Tel. Nos.: (02) 928-4501 to 09 Fax No.: (02) 926-7631

<http://www.pca.da.gov.ph>

CONDENSED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(In Philippine Peso)

	Note	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Receipt of Notice of Cash Allocation			
Collection of Income/Revenues		1,373,549,227	807,758,000
Receipt of Assistance/ Subsidy		422,388,493	330,052,357
Collection of Receivables		-	515,993,267
Receipt of Inter-Agency Fund Transfers		52,106,821	42,869,735
Receipt of Intra-Agency Fund Transfers		20,786,883	557,161,201
Trust Receipts		47,519,850	213,435,806
Other Receipts		83,199,042	46,899,870
Adjustments		11,690,261	18,732,529
<b>Total Cash Inflows</b>		<b>2,067,875,120</b>	<b>2,640,538,028</b>
<b>Cash Outflows</b>			
Payment of Expenses		1,508,082,404	1,399,623,842
Purchase of Inventories		75,378,070	74,957,423
Purchase of Consumable Biological Assets		14,709,232	13,225,450
Grant of Cash Advances		149,453,591	58,843,149
Prepayments		1,366,530	176,071
Refund of Deposits		669,525	1,925,599
Payment of Accounts Payable		183,301,201	196,998,626
Remittance of Personnel Benefit Contributions Mandatory Deductions		140,983,752	180,139,493
Release of Inter-Agency Fund Transfers		10,986,835	191,510,718
Release of Intra-Agency Fund Transfers		49,423,140	737,066,355
Other Disbursement		191,949,513	28,166,511
Adjustments		7,324,839	88,894,974
<b>Total Cash Outflows</b>		<b>2,340,291,818</b>	<b>2,971,530,209</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>		<b>(272,416,699)</b>	<b>(330,992,180)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from Sale/Disposal of Property, Plant and Equipment		-	-
Sale of Investments		-	275,441
Receipt of Interest Earned		463,014	3,157,684
<b>Total Cash Inflows</b>		<b>463,015</b>	<b>3,433,124</b>
<b>Cash Outflows</b>			
Purchase/Construction of Investment Property, Plant and Equipment		118,841,397	66,880,688
<b>Total Cash Outflows</b>		<b>118,841,397</b>	<b>66,880,688</b>
<b>Net Cash Provided by (Used in) Investing Activities</b>		<b>(118,378,383)</b>	<b>(63,447,564)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		<b>(390,795,080)</b>	<b>(394,439,745)</b>
<b>Cash and Cash Equivalents, Beginning Balance</b>		<b>909,071,782</b>	<b>1,303,511,527</b>
<b>Cash and Cash Equivalents, Ending Balance</b>	8	<b>518,276,702</b>	<b>909,071,782</b>

Certified Correct:

MADELEINE M. CORPUZ  
OIC-Manager, Finance Dept.

Noted:

GLENN B. SANTOS  
OIC-Administrator

PHILIPPINE COCONUT AUTHORITY  
DETAILED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(In Philippine Peso)

	2018	2017
<b>Cash Flows From Operating Activities</b>		
<b>Cash Inflows</b>		
Receipt of Notice of Cash Allocation	1,373,549,227	807,758,000
Receipt of Notice of Cash Allocation	1,373,549,227	807,758,000
Receipt of NCA for Trust and other receipts	-	-
Receipts of Working Fund for Foreign-Assisted Projects	-	-
Collection of Income/Revenues	422,388,493	330,052,357
Collection of service and business income	385,071,474	263,855,489
Collection of other income	57,297,018	66,196,868
Receipt of Assistance and Subsidy from Other NGA's, LGUs and GOCCs	-	515,993,267
Subsidy from CO/Ros/Staff Bureaus/Other Funds	-	515,449,267
Subsidy from Other National Government Agencies	-	544,000
Collection of Receivables	52,106,821	42,869,735
Collection of loans and receivables	13,822,547	1,990,377
Collection of lease receivables	13,764,228	-
Collection of receivable from audit disallowances	21,593	497
Collection of other receivables	24,398,453	40,878,861
Receipt of Inter-Agency Fund Transfers	20,786,683	557,161,201
Receipts of cash for the account of NGAs/LGUs/GOCCs	-	-
Receipts of funds for the implementation of projects from NGAs/LGUs/GOCCs	20,786,683	24,279,156
Receipt of funds for other inter-agency transactions	-	21,661,332
Receipt of fund from BOT	-	511,220,713
Receipts of Intra-Agency Fund Transfers	47,519,850	213,435,806
Receipt of RO Collections on Income	47,519,850	11,089,765
Receipt of funds from CO/Home/HQ/Ros/Branch/Ous for implementation of programs/projects	-	-
Receipt of funds from other intra-agency fund transactions	-	202,346,021
<b>Trust Receipts</b>	83,199,042	46,899,870
Receipt of Disaster Risk Reduction and Management Fund	-	-
Receipt of bail bonds	-	-
Receipt of guaranty/security deposits	7,340,252	6,427,294
Receipt of customers' deposits	-	-
Receipt of margin deposits	-	-
Receipt of deposit from prospective investors	-	-
Collection of other trust receipts	75,858,790	40,472,576
<b>Other Receipts</b>	11,690,261	18,732,529
Advance collection of Income	442,350	9,998,890
Receipt of deposits on Letter of Credits	-	-
Receipt of refund of guaranty deposits	368,155	14,358
Receipt of payment for liquidated damages	205,731	1,127,934
Unused Petty Cash Fund	357,743	134,476
Other deferred credits	-	-
Refund of overpayment of Personnel Services	11,422	20,766
Refund of overpayment of Maintenance and Other Operating Expenses	3,056,232	348,342
Receipt of refund of cash advances	3,510,693	2,566,908
Collection from trust receipts from entities other than NGAs/LGUs/GOCCs	765,181	409,380
Receipt of cash for payment of accounts under other payables	386,146	2,978,252
Other miscellaneous receipts	2,606,629	1,143,224
<b>Adjustments</b>	56,654,744	107,635,263

Restoration of cash for cancelled/lost/stale checks/ADA	5,074,709	22,566,985
Restoration of cash for unreleased checks	28,286,184	82,913,826
Recognition of waiver of charges to transfer of funds	450	8,975
Other adjustments - Inflow	23,291,402	2,145,477.41
<b>Total Cash Inflows</b>	<b>2,067,875,120</b>	<b>2,540,538,029</b>
<b>Cash Outflows</b>		
Remittance to National Treasury	6,663,185	-
Payment of Expenses	1,508,082,404	1,399,623,842
Payment of personnel services	270,198,377	217,947,292
Payment of maintenance and other operating expenses	1,153,442,084	1,169,745,449
Payment of financial expenses	2,161,760	262,580
Payment of expenses pertaining to/incurred in the prior years	82,280,183	11,668,522
Liquidation of prior years' cash advances	-	-
Purchase of Inventories	75,378,070	74,957,423
Purchase of inventories for sale	-	837,000
Purchase of inventories for distribution	40,034,624	39,840,460
Purchase of inventory held for consumption	34,546,208	33,914,880
Purchase of semi-expandable machinery and equipment	428,504	281,720
Purchase of semi-expandable furnitures, fixtures and books	369,833	83,584
Purchase of Consumable Biological Assets	14,709,232	13,225,450
Purchase of livestock held for consumption/sale/distribution	-	9,724,962
Purchase of trees, plants and crops held for consumption/sale/distribution	14,709,232	3,500,488
Purchase of other consumable biological assets	-	-
Grant of Cash Advances	149,453,591	58,843,149
Advances for operating expenses	55,855,822	1,951,101
Advances for payroll	56,972,538	33,772,531
Advances for special purpose/time-bound undertakings	11,513,608	545,000
Advances to officers and employees	25,111,622	22,574,516
Prepayments	1,366,530	176,071
Prepaid Insurance	316,497	157,015
Other Prepayments	1,050,033	19,055
Refund of Deposits	669,525	1,925,599
Payment of guaranty deposits	669,525	1,925,599
Payment of Accounts Payable	183,301,201	196,998,626
Payment of accounts payable	183,301,201	196,998,626
Payment of accounts payable obligated in prior year	-	-
Remittance of Personnel Benefit Contributions and Mandatory Deductions	140,983,752	180,139,493
Remittance of taxes withheld	45,043,536	48,676,171
Remittance to GSIS/Pag-IBIG/PhilHealth	56,782,202	59,963,832
Remittance of personnel benefits contributions	9,970,662	2,029,783
Remittance of other payables	29,187,352	69,469,727
Grant Financial Assistance/Subsidy	-	-
Grant of financial assistance to NGAs/LGUs/Other GCs	-	-
Grant of financial assistance to NGOs/Pos	-	-
Grant of subsidy to Ros/Staff Bureaus/Ous/Other Funds	-	-
Grant of other assistance/subsidy/contribution	-	-
Grant of assistance obligated in prior years	-	-
Release of Inter-Agency Fund Transfers	10,986,835	191,510,718
Release of funds to NGAs, GOCCs, LGUs for the implementation of projects	9,358,685	27,069,127
Release of other inter-agency fund transfers	1,628,151	164,441,591
Release of Intra-Agency Fund Transfers	49,423,140	737,068,355
Remittance of Income Collected from RO to CO	-	-

Issuance of working fund to head office/branches/agencies abroad	-	-
Issuance of funding checks by central office/home/head office to regional/branch	-	-
Release of funds to Regional Offices	10,399,498	-
Issuance of funds to other funds	35,507,063	737,068,355
Release of other intra-agency fund transfers	3,516,580	-
<b>Other Disbursements</b>	<b>191,949,513</b>	<b>28,166,511</b>
Refund of excess income	-	5,000
Refund of excess Working Fund/fund transfers/Trust Fund	32,173,606	3,874,472
Refund of bail bond	-	-
Refund of guaranty/security deposits	8,456,754	12,733,421
Refund of customers' deposit	-	49,200
Refund of cash advances	90,384	-
Refund of income taxes withheld	-	65,391
Other disbursements	151,228,769	11,439,026
<b>Adjustments</b>	<b>7,324,839</b>	<b>88,894,974</b>
Reversion/Return of unused NCA	-	188,167
Adjustment for dishonored checks	-	-
Reversing entry for unreleased checks in previous year	2,564,486	684,092
Other adjustments - Outflow	4,760,353	88,022,714
<b>Total Cash Outflows</b>	<b>2,340,291,817</b>	<b>2,971,530,210</b>
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>(272,416,698)</b>	<b>(330,992,181)</b>
<b>Cash Flows From Investing Activities</b>		
<b>Cash Inflows</b>		
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	-
Sale of investments	-	275,441
Proceeds from sale of stocks/bonds/marketable securities	-	275,441
Receipt of interest income	463,014	3,157,684
<b>Total Cash Inflows</b>	<b>463,014</b>	<b>3,433,124</b>
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	118,841,397	66,880,688
Construction of infrastructure assets	295,775	1,182,960
Construction of buildings and other structures	-	9,182,038
Purchase of machinery and equipment	100,693,491	55,659,097
Purchase of transportation equipment	-	-
Purchase of furniture, fixtures and books	154,636	348,988
Construction in progress	-	-
Purchase of other property, plant and equipment	16,840,928	479,488
Advances to contractors	856,567	-
Payment of retention fee to contractors	-	18,117
<b>Total Cash Outflows</b>	<b>118,841,397</b>	<b>66,880,688</b>
<b>Net Cash Provided by (Used In) Investing Activities</b>	<b>(118,378,383)</b>	<b>(63,447,563)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(390,795,080)</b>	<b>(394,439,745)</b>
<b>Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, Beginning Balance</b>	<b>909,071,782</b>	<b>1,303,511,527</b>
<b>Cash and Cash Equivalents, Ending Balance</b>	<b>518,276,702</b>	<b>909,071,782</b>



**PHILIPPINE COCONUT AUTHORITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(In Philippine Peso)

Particulars	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
RECEIPTS					
Services and Business Income	3 12 & 19	476,700,000	476,700,000	359,478,714	117,221,286
Assistance and Subsidy	25	1,486,486,000	1,486,486,000	306,767,138	1,180,698,862
Shares, Grants and Donations		6,175,000	6,175,000		6,175,000
Reprogrammed Subsidy from Prior Years		2,661,382,000	2,661,382,000	1,082,782,089	1,578,599,911
Gains					
Other Non-Operating Income	26 1	149,600,000	149,600,000	216,823,797	(67,223,797)
Other Non-Operating Receipts					
Loan Proceeds					
Refund of Petty Cash and Advances					
Gain on Foreign exchange	26 2			3,510,693	(3,510,693)
Total Receipts		4,780,323,000	4,780,323,000	1,968,362,476	2,808,296,218
PAYMENTS					
Personnel Services	21	499,824,000	499,824,000	360,769,200	139,054,800
Maintenance and Other Operating Expenses	22	2,882,182,000	2,882,182,000	1,711,662,716	1,170,519,284
Capital Outlay	10	1,026,716,000	1,026,716,000	236,735,120	789,980,880
Financial Expenses	23			450	(450)
Total Payments		4,408,722,000	4,408,722,000	2,309,167,486	2,099,554,514
NET RECEIPTS/PAYMENTS					
		371,601,000	371,601,000	(340,806,011)	709,741,704

Certified Correct:

*M. Corpuz*  
**MADELEINE M. CORPUZ**  
OIC-Manager, Finance Department

*Stenn E. Santos*  
**STENN E. SANTOS**  
OIC-Administrator



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF AGRICULTURE  
**PHILIPPINE COCONUT AUTHORITY**

Elliptical Road, Diliman, Quezon City 1101 Philippines  
Tel. Nos.: (02) 928-4501 to 09 Fax No.: (02) 926-7631  
<http://www.pca.da.gov.ph>

**PHILIPPINE COCONUT AUTHORITY**  
**Notes to Financial Statements**  
**For the year ended December 31, 2018**

**I. GENERAL INFORMATION**

The Financial Statements of Philippine Coconut Authority was authorized for issue on \_\_\_\_\_ as shown in the Statement of Management Responsibility for Financial Statements signed by Glenn B. Santos, the OIC-Administrator.

PPSAS  
1.63 (b)  
PPSAS  
14.26

The Philippine Coconut Authority was created on June 30, 1973 by virtue of Presidential Decree (PD) No. 232 as amended by PD No. 1468, otherwise known as Revised Coconut Industry Code.

PPSAS  
1.150

*Mandate*

"It is hereby directed to be the policy of the State to promote the rapid integrated development and growth of the coconut and other palm oil industry in all its aspects and to ensure that the coconut farmers become direct participants in, and beneficiaries of, such development and growth."

It establishes the legal basis for PCA's sole stewardship and responsibility over the coconut and other palm oil industries for the benefit of the coconut and oil palm farmers.

(Article I, Section 2, P.D. 1468 or the Revised Coconut Industry Code)

*Functions*

- Formulate and promote a strategic and comprehensive development program for the coconut and other palm oil industry in all its aspects;
- Implement and sustain a nationwide coconut planting and replanting, fertilization and rehabilitation, and other farm productivity programs;
- Conduct research and extension works on farm productivity and process development for product quality and diversification;
- Establish quality standards for coconut and palm products and by-products; and, develop and expand the domestic and foreign markets;
- Enhance the capacities and ensure the socio-economic welfare of coconut and palm farmers and farm workers.

*Vision*

A developed and globally competitive coconut and other palm oil industry that contributes to food security, improved income, and enhanced participation of all stakeholders by 2020.

*Mission*

The Philippine Coconut Authority shall ensure the development and implementation of high value programs for the coconut and other palm oil industry carried out in transparent, responsible, and accountable manner and with utmost degree of professionalism and effectiveness.

The PCA adopts the regionalization scheme except for Regions I, II, III and IV-B which are under the Regional Office in Quezon City and Region IV-A under the Regional Office in Lucena City.

It has 12 regional offices, 67 provincial offices, three research centers as well as training and seed production centers headed by a Regional Manager, Provincial Coconut Development Manager and Center Manager, respectively.

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

## **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in compliance with the Philippine Public Sector Accounting Standards (PPSASs) issued by the Commission on Audit through COA Resolution No. 2014-003 dated January 24, 2014.

PPSAS  
1.129  
PPSAS 2  
PPSAS 6

PPSASs were adopted by the agency last January 1, 2016. The accounting policies have been consistently applied throughout the year presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in peso (₱), which is also the country's functional currency.

Amounts are rounded off to the nearest thousand, unless otherwise stated.

The financial statements are presented in comparative figures with the immediately preceding year.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Basis of Accounting**

The Agency's financial statements are prepared on an accrual basis in accordance with the PPSAS.

PPSAS 1, 6

### **3.2 Combination of Financial Statements**

Financial statements are a combination of the 12 regional offices, three research centers, one training center, one coconut production center and that of the Central Office in accordance with PCA's One Fund Accounting System Manual.

PPSAS 6

All significant intra-fund items and transactions are eliminated in the consolidation.

The combined financial statements reflect the assets, liabilities, revenues and expenses of the Agency's Central Office and Regional Offices/ Centers.

### **3.3 Financial Instruments**

#### **a. Financial assets**

##### *Initial recognition and measurement*

Financial assets within the scope of PPSAS 29-Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The Agency determines the classification of its financial assets at initial recognition.

PPSAS  
29.10  
PPSAS  
30.31

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Agency commits to purchase or sell the asset. PPSAS 29.40

The Agency's financial assets include: cash; investments; and trade and other trade receivables.

#### Receivables

Receivables are recognized initially at transaction price. They are subsequently measured at amortized cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. PPSAS 29.10 PPSAS 29.48(a)

Trade receivables are financial assets with fixed or determinable payment that are not quoted in an active market. They arise when the Agency provides money, goods, or services directly to a debtor/customer with no intention of trading receivables. Receivables are carried at cost or amortized cost in the balance sheets. Receivables are included in current assets if maturity is within 12 months of the financial reporting date. Otherwise, these are classified as noncurrent assets.

Recoverability of specific receivables is evaluated based on the best available facts and circumstances, the length of the Agency's relationship with its debtors, the debtors' payment behaviour and known market factors. These specific reserves are re-evaluated and adjusted as additional information received affects the amount estimated to be uncollectible.

#### Allowance for impairment loss

Allowance for doubtful accounts was provided in the books specifically on PCA fees in accordance with Corporate Order No. 04 series of 2016. PPSAS 29.67-68

The policy of providing allowance includes the aging of receivables method of estimating uncollectible accounts. By this method, the accounts are classified according to age from 1 day to over 10 years and provisions for the allowance for doubtful accounts shall be as follows: PPSAS 30.AG5(f)

##### Age of Accounts

1-60 days	1%
61-180 days	2%
181 days-1 year	3%
More than 1 year to 10 years	5%
Over 10 years	100%
Accounts with legal constraints	100%

Any of the following conditions must be present before the accounts shall be considered as uncollectible and qualified for write-off from the books, duly approved by the Commission on Audit (COA):

- No response from the debtor after issuance of at least three demand letters with an interval of three months during the following year;
- The debtor has been declared bankrupt, insolvent and had ceased operation;
- The debtor had died and had left no assessable property/estate; and
- The debtor could no longer be located despite reasonable efforts.

#### *Impairment of financial assets*

The Agency assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has

an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty.
2. Default or delinquency in interest or principal payments.
3. The probability that debtors will enter bankruptcy or other financial reorganization.
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

#### **b. Financial liabilities**

##### *Initial recognition and measurement*

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition. PPSAS 29.10

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs. PPSAS 29.45  
The Authority's financial liabilities include trade payables, trust liabilities and other payables. PPSAS 29.49

##### *Derecognition*

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled. PPSAS 29.41

#### **c. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. PPSAS 28.47

### **3.4 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. PPSAS 2.8  
PPSAS 2.9  
PPSAS 2.56

### **3.5 Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory is received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Subsequently, inventories are valued using weighted average method. PPSAS 12.15  
PPSAS 12.17(a)

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of PCA. PPSAS 12.9

### **3.6 Investment Property**

Investment property are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is PPSAS 16.26  
PPSAS 16.86(a)

incurred if the recognition criteria are met and excludes the cost of day-to-day maintenance of an investment property.

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

PPSAS 16.27  
PPSAS 16.39  
PPSAS 16.42

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

PPSAS 16.77  
PPSAS 16.80  
PPSAS 16.66  
PPSAS 16.71

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

PPSAS 16.74  
PPSAS 16.39

The Agency uses the following criteria to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations (inventory):

A property (land or a building – or part of a building – or both) shall be recorded and classified as Investment Property if it is held to earn rentals or for capital appreciation, or both rather than for:

- Use in the production or supply of goods or services, or for administrative purposes; or
- Sale in the ordinary course of operations.

### **3.7 Property, Plant and Equipment**

#### **a. Recognition**

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

PPSAS  
17.13

The characteristics of PPE are as follows:

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

PPSAS  
17.14

An item of PPE is recognized as an asset if:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost or fair value of the item can be measured reliably.
- The cost is at least ₱15,000.00.

#### **b. Measurement at recognition**

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

PPSAS  
17.26

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

PPSAS  
17.27

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction its cost is its fair value as at recognition date.

PPSAS  
17.37

Cost includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- expenditure that is directly attributable to the acquisition of the items; and

PPSAS  
17.30

- initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

**c. Measurement after recognition**

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

PPSAS 17.43  
PAG2 of  
PPSAS 17

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

PPSAS  
17.24  
PPSAS  
17.25

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

PPSAS  
17.23

**d. Depreciation**

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

PPSAS  
17.59

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

PPSAS  
17.64

**I. Initial recognition of depreciation**

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

PAG3 of  
PPSAS 17

For simplicity and to avoid proportionate computation, depreciation starts in the month succeeding the month of acquisition.

**II. Depreciation method**

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

PAG4 of  
PPSAS 17

**III. Estimated useful life**

The Agency uses the life span of PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience, as follows:

PAG5 of  
PPSAS 17

Buildings	20 years
Heavy Equipment	10 years
Motor Vehicles	7 years
Furniture and Fixtures	10 years
Office Equipment	5 years

**IV. Residual value**

The Agency uses a residual value equivalent to at least five percent (5%) of the cost of PPE.

PAG6 of  
PPSAS 17

#### e. Impairment

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

#### f. Derecognition

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

PPSAS  
17.82  
PPSAS  
17.83  
PPSAS  
17.86

### 3.8 Biological Assets

Biological Assets are measured at fair value less costs to sell. The fair value of livestock is determined based on market prices of biological assets of similar age, breed and genetic merit. Agricultural produce are initially measured at its fair value less cost to sell at the time of produce. The fair value of agricultural produce are based on market prices in the local area.

PPSAS  
27.16  
PPSAS  
27.18

### 3.9 Leases

Philippine Coconut Authority as a lessor.

#### Operating Lease

Leases in which the Agency does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

PPSAS  
13.42

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

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. The depreciation policies for property, plant and equipment are applied to similar assets leased by the entity.

### 3.10 Changes in accounting policies and estimates

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

PPSAS 3.27  
PPSAS 3.30

The Agency recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

PPSAS  
3.41

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

PPSAS  
3.47

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

### 3.11 Foreign currency transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

PPSAS  
4.24

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

### **3.12 Revenue from Exchange Transactions**

#### **Measurement of Revenue**

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

PPSAS  
9.14

#### **Rendering of Services**

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

PPSAS  
9.19

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

PPSAS  
9.25

#### **Sale of Goods**

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

PPSAS  
9.28

#### **Interest Income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

PPSAS  
9.34

#### **Rental Income**

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

PPSAS  
9.34

### **3.13 Budget information**

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

PPSAS 24

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

These budget figures are those approved by the governing body both at the beginning and during the year following a period of consultation with the public.

### **3.14 Related Parties**

The Agency regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Agency, or vice versa.

PPSAS  
20.4

Members of key management are regarded as related parties and comprise of the Chairman, Members of the Governing Board, and the Principal Officers.

### 3.15 Employee benefits

The employees of the Agency are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The Agency recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

### 3.16 Measurement uncertainty

The preparation of consolidated financial statements in conformity with PPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the period.

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

## 4 CASH AND CASH EQUIVALENTS

This account consists of the following:

Particulars	2018	2017 (Restated)
Cash on Hand		
Cash- Collecting Officer	12,144,441	3,523,477
Petty Cash	82,910	93,076
	12,227,351	3,616,553
Cash in Bank		
Cash in Bank-Local Currency, Current Account	362,329,559	768,290,749
Cash in Bank-Local Currency, Savings Account	2,711,513	2,689,616
Cash in Bank-Foreign Currency, Current Account	1,697,005	2,072,766
Cash in Bank-Foreign Currency, Savings Account	681,850	681,848
Cash-Modified Disbursement System (MDS), Regular	136,516,335	103,757,873
Time Deposits-Foreign Currency	2,113,089	2,113,089
	506,049,351	879,605,940
<b>TOTAL</b>	<b>518,276,702</b>	<b>883,222,493</b>

Cash in banks generally earns interest at respective bank rates.

A reasonable amount of petty cash is maintained to cover small amount of payments or reimbursements which are not necessarily needed to be made in check for payments as described by the management.

Cash in Bank-Local Currency, Current Account represents the PCA's fund deposited at Land Bank of the Philippines; ₱ 55,604,139.62 and ₱ 306,725,419.42 for Central Office and Regional Offices and Centers, respectively.

Cash in Bank-Local Currency, Savings Account consists only of Cash with Region IV-A.

Cash-Modified Disbursement System (MDS), Regular consists of Cash - National Treasury account of General Fund 151 amounting ₱ 91,792,317.17 is composed of PCA's remittance to the Bureau of the Treasury (BTr) for collection from analysis fees of copra (oil content, moisture content, free fatty acid, and color), copra cake/meal, chemical analysis, microbiological analysis and others and

Cash - National Treasury account of Corporate Fund 503 of ₱ 44,724,017.66 represents the balance of remittances to the BTr for PCA fee of ₱0.12 imposed for every kilogram of copra or copra equivalent of husked/dehusked nuts, fresh young nuts ("buko") and copra equivalent in other coconut products delivered to and/or purchased by the coconut product exporters, oil millers, desiccators, exporters and other payor contemplated in Section 3 of Administrative Order (AO) No. 01, series of 2011 for the amended rules and regulations implementing PD No. 1854.

## 5 RECEIVABLES

This account consists of the following:

Particulars	2018		2017 (Restated)	
	Current	Non-current	Current	Non-current
Loans and Receivable Accounts				
Accounts Receivable	2,124,625	729,764,106	712,180,773	(5,772,751)
Allowance for Impairment	(125,609)	(724,923,690)	(58,707,988)	(632,885,232)
Interests Receivable	105,457	-	3,212	-
	2,104,474	4,840,416	653,475,997	(638,657,983)
Inter-agency receivables				
Due from National Government Agencies	46,397,607	-	46,506,481	-
Due from Local Government Units	37,081,320	-	35,581,320	-
Due from Government Corporations	186,493,080	-	290,992,209	-
	269,972,007	-	373,080,010	-
Intra-Agency Receivables				
Due from Operating Units	18,040	-	5,340	-
Due from Other Funds	493,780,148	-	707,404,355	-
Due from Central Office/Home/Head Office	83,315,447	-	1,344,996,453	-
Due from Regional/Branch Offices	-	-	14,104,962	-
	577,113,635	-	2,066,511,110	-
Other receivables				
Receivables - Disallowances/Charges	133,912,904	-	133,996,240	-
Due from Officers and Employees	568,934	-	523,745	-
Due from NGOs/People's Organizations	1,310,993	-	1,310,993	-
Other Receivables	30,947,394	-	42,781,227	-
Allowance for Impairment	(5,886,610)	-	(5,815,416)	-
	160,853,614	-	172,796,788	-
<b>Total</b>	<b>1,010,043,730</b>	<b>4,840,416</b>	<b>3,265,863,906</b>	<b>(638,657,983)</b>

### 5.1 Loans and Receivables

Accounts Receivable account consists of PCA Fees, and Interest and Surcharge on PCA Fees.

The schedule below corresponds to computation of the Allowance for Impairment-Accounts Receivable account:

Age	% Doubtful	Accounts Receivable	Allowance for Doubtful Accounts
1 to 60 days	1%	36,390	364
61 to 181 days	2%	1,711,391	34,228
181 days to 1 year	3%	116,235	3,487
More than 1 year to 10 years	5%	2,117,646	105,882
Over 10 years	100%	-	-
With Legal constraint	100%	724,368,959	724,368,959
<b>Total</b>		<b>728,350,621</b>	<b>724,512,920</b>
Adjustments:			
Andy Albao			(119)
Brania-Sulit			(71)
Co Say Company			(31)
Multi-Oil Manufacturing			(1,786)
Tongsan			(49)
Recovery of accounts previously written off (SC Global Coconut Prod.)			538,435
<b>Total Allowance for Impairment 2018</b>			<b>725,049,299</b>

\*Accruals for the month of December 31, 2018 amounting to ₱ 3,538,110.82 was not included in computation for allowance for doubtful accounts.

Status Report of Outstanding PCA Fee Obligation as of December 31, 2018 showed the following details for disclosure to long overdue accounts:

STATUS OF ACCOUNTS	NO. OF ACCOUNTS	AMOUNT
Cases archived (ceased operations)	28	28,934,161
No Case Filed	10	7,895,171
With Payment Plan	3	134,883,224
With ongoing case	18	662,087,858
Additional Assessment	30	2,472,821
<b>Total</b>	<b>89</b>	<b>836,273,236</b>

The following accounts are to be requested for written-off:

Company	Amount
Worldventure Commodities	24,617,480
PHIDCO	13,304,994
Samar Coco Products	10,561,740
Tantuco Enterprises	10,249,726
Globe Coco	10,390,362
New Asia Oil	4,574,641
Wilmar	38,669,639
Davao Bay Coconut Oil	35,989,956
Tacloban Oil Mills	18,622,520
New Davao Oil Mill	24,499,682
Catarman Oil Mill	13,249,433
Dipolog Coconut Oil Mill	13,297,283
Osamco Manufacturing Corp.	6,841,150
Visayas Coco Development	555,621
NDOMI	3,398,179
Far East Fresh Oil	550,782
Filipinas Standard Oil	1,326,165
<b>Total</b>	<b>230,699,352</b>

These amounts were accrued interests of Principal PCA Fee deficiency. However, the amount to be written-off will vary depending on the terms of payment in settling Principal PCA Fee deficiency as per Proposed Parameters in Settlement of PCA Fee deficiencies.

The balance of Interest Receivable account is from the recognition of maturity and renewal of short-term investments on high-yield savings accounts.

## 5.2 Inter-Agency Receivables

Due from National Government Agencies were releases to various National Government Agencies for the following purposes/projects:

Particulars	Description	Amount
Metal Industry Research and Development Center	Balance of Phase II for the project "Design and Development of Coco Coir Processing Equipment for the Nucleus Farm Development Program of PCS-DAR."	17,166.54

DOST-Food and Nutrition Research Institute	Phase I for the project "Glycemic Index and Changes in Glucose and Lipid Profile in Humans with Moderately Raised Glucose and Cholesterol Level after Feeding with Coconut Based Product."	1,644,152.10
University of the Philippines-Diliman	Balance of the First 50% payment for the project "On-Road Test of 5% Coco Methyl Biodiesel Blend in Public Transport."	167,816.00
University of Southern Mindanao	Balance of the First 60% payment for the project "Oil Palm Productivity for Peace of Poverty Alleviation in Mindanao."	605,717.81
University of the Philippines-Manila	Balance of the first and second payment for the project "Association of Dietary Intake of Coconut Oil and Coconut Products with Dyslipidemia and Hypertension."	2,052.22
Philippine Council for Health Research and Development	First payment for the project "Effects of Virgin Coconut Oil on Alzheimer's Disease."	4,560,000.00
Philippine Council for Health Research and Development	Second payment for the project "Effects of Virgin Coconut Oil on Alzheimer's Disease"	1,520,000.00
Procurement Service*	Balance of deposit to the cost of security service for 8 months.	30,818.79
Procurement Service*	Payment for the purchase of 1 set of PVC Tufting Machine and agency fee for R-VIII.	37,716,674.32
<b>Total</b>		<b>46,264,397.78</b>

\*A memorandum of agreement was executed between PCA and Procurement Service dated January 30, 2015 to tap the services of PS-DBM in the conduct of bidding for the supply and delivery of services. This was approved per Board Resolution no. 01-2015 dated January 21, 2015. The PVC Tufting Machine only awaits installation by the supplier to Region VIII. Target dates of installation is on January 2 to February 1, 2019.

Fund 101 has an outstanding receivable from the National Treasury amounting to P133,208.95.

Due from Local Government Units represents the balance of the funds transferred to the following LGUs:

Province/ City	Description of Project	Amount
Provincial Government of Biliran	Rehabilitation and management of the coconut plantation damaged by typhoon "Yolanda" which includes coconut disposal, timber utilization and restoration of agricultural productivity of the coconut areas.	23,065,548
Provincial Government of Samar	Coconut rehabilitation and restoration of agricultural activity/ farming systems project due to typhoon "Yolanda"	23,022,987
Local Government of Alabat, Quezon	Coconut Cacao Intercropping Project and Coconut Sap Sugar Production under the KANIB Enterprise Development Project (KEDP)	515,772
Local Government of Javier, Leyte	Establishment of Coconut Tufting Machine Facility	12,000,000
Provincial Government of Samar	Liquidation of Provincial Government of Samar	(23,022,987)
LGU Dipolog (Region IX)	Construction of Provincial Office and laboratory of PCA Zamboanga del Norte	1,500,000
<b>Total</b>		<b>37,081,320</b>

Due from GOCCs account includes fund released to Philippine International Trading Corporation (PITC) for the purchase of the agricultural grade salt multi nutrient fertilizers made possible through Board Resolution no. 123-2015 dated July 20, 2015. The balance consists of ₱ 95,221,497.74 and ₱ 91,271,578.23 from YRRP and Corporate Fund, respectively. The same amount was returned by PITC to PCA on January 17, 2019 as per O.R No. 1787753 upon submission of the latter of JEV No. 503-1811-551.

### 5.3 Intra-Agency Receivables

Due from Operating Units balance is from PCA-Region XII pertaining to its receivable from National Printing Office amounting to ₱ 5,340, and ₱ 12,700 from NCSPC for the overpayment of Philhealth Contributions supposedly paid by Region XII.

Due from Other Funds are outstanding balances after removal of intra-fund items amounting to ₱695,416 for Special Fund 201, ₱ 488,382,769 for Corporate Fund 503 and ₱ 4,701,962 for Yolanda.

Due from Central Office account represents balance of funds for different projects not yet released by PCA Central Office not yet taken up in the books of Central Office thus remain in the consolidation after intra-agency transactions elimination. This account consists of the following:

Particulars	Amount
VI	
ZRC	60,970,338
<b>Total</b>	<b>25,345,109</b>
	<b>83,315,447</b>

### 5.4 Other Receivables

Receivables-Disallowances/ Charges is used to record the amount of disallowances in audit due from officers and employees and other accounts that have become final and executory.

Due from Officers and Employees account are claims to several permanent and contractual employees caused by overpayment of various expenses. Some amounts are errors to be adjusted by 2019.

Due from Non-Government/ People's Organization represents fund transfer to NGO's for the implementation of specific projects in accordance with the provisions set by the government and are subject to liquidation pursuant to the agreement entered between PCA and the NGO.

PEACE Foundation	
UPLB Foundation, Inc.	498,377
<b>Total</b>	<b>812,616</b>
	<b>1,310,993</b>

Other Receivables consists of the following:

Account Name	Amount	Allowance for Doubtful Accounts	Net Book Value
Other creditors	8,716,515		
Working fund	694,090	(602,736)	8,113,779
Advances - others	2,285	-	694,090
Other officers - CISF	36,596	-	2,285
Receivables - SCFO	2,046,066	-	36,596
Farmers - NCIP	2,187,403	(1,531,440)	514,626
FAO - NCIP	198,180	(2,094,446)	92,957
Miscellaneous	14,559,445	(198,180)	-
Trade and business	2,506,814	(728,973)	13,830,472
<b>Total</b>	<b>30,947,394</b>	<b>(730,835)</b>	<b>1,775,979</b>
		<b>(5,886,610)</b>	<b>25,060,784</b>

## 6 INVENTORIES

This account consists of the following:

Particulars	2018	2017 (Restated)
Inventory held for distribution	89,351,255	21,342,080
Inventory held for consumption	51,567,270	33,956,704
Semi-expandable machinery and equipment	13,443,584	11,513,392
Semi-expandable furniture, fixtures and books	2,137,010	1,532,797
<b>Total</b>	<b>156,499,119</b>	<b>68,344,974</b>

6.1 Inventory held for distribution consist of agricultural products composed mainly of fertilizers, coconut seedlings and seednuts, earwigs and other agricultural supplies for distribution to farmers.

6.2 Inventory held for consumption consist of:

Particulars	2018	2017 (Restated)
Office Supplies Inventory	2,747,445	1,158,533
Accountable Forms, Plates and Stickers Inventory	138,161	86,711
Medical, Dental and Laboratory Supplies Inventory	818,968	876,476
Fuel, Oil and Lubricants Inventory	718,601	405,066
Construction Materials Inventory	27,392	
Agricultural and Marine Supplies Inventory	43,399,874	26,076,324
Other Supplies and Materials Inventory	3,716,831	5,353,594
<b>Total</b>	<b>51,567,270</b>	<b>33,956,704</b>

6.3 Semi-Expandable PPE represents purchased of tangible items with the amount of less than the ₱ 15,000 threshold during the year. Semi-expandable items remain as inventory until issuance to the end user.

Semi-Expandable Machinery and Equipment:

Particulars	2018	2017 (Restated)
Semi-Expandable Machinery	14,000	14,000
Semi-Expandable Office Equipment	3,391,653	3,030,320
Semi-Expandable Information and Communication Technology Equipment	1,292,871	1,038,693
Semi-Expandable Agricultural and Forestry Equipment	2,656,958	1,676,569
Semi-Expandable Communication Equipment	124,734	113,201
Semi-Expandable Disaster Response and Rescue Equipment	126,361	126,361
Semi-Expandable Medical Equipment	1,516,509	1,507,869
Semi-Expandable Printing Equipment	161,240	152,735
Semi-Expandable Technical and Scientific Equipment	278,241	229,125
Semi-Expandable Construction and Heavy Equipment	45,946	45,946
Semi-Expandable Other Machinery and Equipment	3,835,071	3,578,573
<b>Total</b>	<b>13,443,584</b>	<b>11,513,392</b>

6.4 Semi-Expandable Furniture, Fixtures and Books

Particulars	2018	2017 (Restated)
Semi-Expandable Furniture and Fixtures	2,133,314	1,529,102
Semi-Expandable Books	3,695	3,695
<b>Total</b>	<b>2,137,010</b>	<b>1,532,797</b>

## 7 OTHER CURRENT ASSETS

This account consists of the following:

Particulars	2018	2017 (Restated)
Advances	5,486,931	3,497,764
Prepayments	9,697,482	3,507,968
Deposits	2,855,878	2,889,291
<b>Total</b>	<b>18,040,291</b>	<b>9,895,023</b>

Advances account consists of the following:

Particulars	2018	2017 (Restated)
Advances to special disbursing officer	4,088,198	2,379,150
Advances to officers and employees	1,398,733	1,118,614
<b>Total</b>	<b>5,486,931</b>	<b>3,497,764</b>

Prepayments account consists of the following:

Particulars	2018	2017 (Restated)
Advances to contractors	9,024,978	3,004,529
Prepaid rent	193,031	193,031
Prepaid insurance	324,832	190,939
Other prepayments	154,641	119,470
<b>Total</b>	<b>9,697,482</b>	<b>3,507,968</b>

Deposits account consists of the following:

Particulars	2018	2017 (Restated)
Guaranty deposits	1,153,239	1,186,652
Marginal deposits	58,224	58,224
Deposits on containers	96,500	96,500
Other deferred charges	1,547,915	1,547,915
<b>Total</b>	<b>2,855,878</b>	<b>2,889,291</b>

## 8 INVESTMENTS

This account represents the cost of stock certificates issued by the United Coconut Planters Bank (UPCB), with a par value of ₱ 1.00 per common share for a total of 88,515 common share amounting to ₱ 88,515. These acquired stocks are not intended for trading. Further, these stocks do not have readily available fair market value, hence amortized at cost.

## 9 INVESTMENT PROPERTY

This account is composed of buildings and/or part thereof which are being leased out to third parties under operating lease to earn rental income. The fair value of these assets are not readily available.

Particulars	2018	2017 (Restated)
Carrying amount, January 1		
Reclassification	52,943,227.81	
<b>Total</b>	<b>52,943,227.81</b>	
Depreciation	(44,438,501.19)	(1,174,365.04)
<b>Carrying amount, December 31</b>	<b>8,504,726.62</b>	<b>(1,174,365.04)</b>

# 10. PROPERTY, PLANT AND EQUIPMENT

An illustration of the analysis of this account is shown below:

## CONSOLIDATED – GROSS AMOUNT

Type of PPE	Balance, January 1, 2018	Additions	Disposal/ Sale/ Transfer	Adjustments/ Reclassification	Balance, December 31, 2018
Land	142,415,549	-	-	-	142,415,549
Other Land Improvement	25,911,062	-	-	-	25,911,062
Water Supply Systems	3,803,523	923,023	(75,377)	-	4,651,169
Power Supply Systems	653,226	-	-	333,300	986,526
Buildings	268,451,408	26,243,392	-	-	294,694,800
Machinery	34,413,582	58,356,369	-	(43,669,111)	49,100,840
Office Equipment	51,157,612	8,063,451	(20,500)	-	59,100,563
Information and Communication Technology Equipment	43,207,799	12,025,043	(493,369)	(1,950,215)	53,289,258
Agricultural and Forestry Equipment	248,758,539	50,929,844	(11,897,172)	12,833	287,804,043
Communication Equipment	14,450,466	181,169	-	(528,117)	14,103,517
Disaster Response and Rescue Equipment	284,601	94,200	-	(198,500)	180,301
Medical Equipment	32,428,553	856,862	-	(18,570,549)	14,714,867
Technical and Scientific Equipment	71,901,790	12,515,771	(669,144)	17,115,443	100,863,860
Other Machinery and Equipment	146,806,335	59,004,075	(90,000)	(204,488)	205,515,922
Motor Vehicles	104,857,634	4,379,965	(2,690,142)	(4,443,744)	102,103,713
Other Transportation Equipment	916,000	-	-	-	916,000
Furniture and Fixtures	10,126,590	2,816,439	-	(3,356,055)	9,586,974
Books	543,534	-	-	(222,573)	320,961
Other Property, Plant and Equipment	7,272,353	345,518	-	(467,677)	7,150,194
<b>Total</b>	<b>1,208,360,155</b>	<b>236,735,120</b>	<b>(15,935,703)</b>	<b>(59,405,809)</b>	<b>1,369,753,762</b>

Construction-in-Progress at year-end amounted to P10,119,242 which are from Region VII and IX.

## CONSOLIDATED – ACCUMULATED DEPRECIATION

Type of PPE	Balance, January 1, 2018	Additions	Disposal/ Sale/ Transfer	Adjustments/ Reclassification	Balance, December 31, 2018
Land	-	-	-	-	-
Other Land Improvement	20,939,078	568,886	-	-	21,507,964
Water Supply Systems	2,348,216	6,477	(67,839)	-	2,286,853
Power Supply Systems	463,212	58,790	-	-	522,002
Buildings	181,934,674	4,677,649	-	(42,253,520)	144,358,804
Machinery	8,185,544	3,982,811	-	-	12,168,356
Office Equipment	38,337,059	2,307,462	(18,450)	(2,434,928)	38,191,143
Information and Communication Technology Equipment	26,324,096	3,473,618	(349,223)	(1,461,811)	27,986,680
Agricultural and Forestry Equipment	70,351,750	20,614,961	(1,512,426)	(4,642,907)	84,811,378
Communication Equipment	11,040,145	60,052	-	(374,915)	10,725,282
Disaster Response and Rescue Equipment	79,173	18,599	-	(42,480)	55,292
Medical Equipment	11,607,382	2,699,884	-	(10,964,342)	3,342,923
Technical and Scientific Equipment	35,602,320	6,219,060	(39,016)	9,324,824	51,107,188
Other Machinery and Equipment	25,296,146	10,406,744	-	(266,737)	35,436,154
Motor Vehicles	69,958,446	7,711,341	(44,228)	(4,784,527)	72,841,033
Other Transportation Equipment	824,400	1,000	-	-	825,400
Furniture and Fixtures	5,665,023	533,491	(43,732)	(2,006,008)	4,148,775
Books	363,070	-	-	(73,936)	289,134
Other Property, Plant and Equipment	2,711,906	964,834	-	(251,706)	3,425,034
<b>Total</b>	<b>512,031,641</b>	<b>64,305,659</b>	<b>(2,074,913)</b>	<b>(60,232,993)</b>	<b>514,029,394</b>

Type of PPE	Gross Amount	Accumulated Depreciation	Book Value as at December 31, 2018
Land	142,415,549	-	142,415,549
Other Land Improvement	25,911,062	(21,507,964)	4,403,098
Water Supply Systems	4,984,469	(2,286,853)	2,697,616
Power Supply Systems	653,226	(522,002)	131,223
Buildings	251,025,688	(144,358,804)	106,666,885
Machinery	92,769,951	(12,168,356)	80,601,595
Office Equipment	55,944,207	(38,191,143)	17,753,065
Information and Communication Technology Equipment	52,789,258	(27,986,680)	24,802,578
Agricultural and Forestry Equipment	287,804,043	(84,811,378)	202,992,665
Communication Equipment	14,103,517	(10,725,282)	3,378,235
Disaster Response and Rescue Equipment	180,301	(55,292)	125,009
Medical Equipment	14,714,867	(3,342,923)	11,371,943
Technical and Scientific Equipment	100,863,860	(51,107,188)	49,756,672
Other Machinery and Equipment	205,515,922	(35,436,154)	170,079,768
Motor Vehicles	102,103,713	(72,841,033)	29,262,681
Other Transportation Equipment	916,000	(825,400)	90,600
Furniture and Fixtures	9,586,974	(4,148,775)	5,438,199
Books	320,961	(289,134)	31,827
Other Property, Plant and Equipment	7,150,194	(3,425,034)	3,725,160
<b>Total</b>	<b>1,369,753,762</b>	<b>(514,029,394)</b>	<b>855,724,368</b>

As at December 31, 2017

	Carrying Amount, January 1, 2017	Additions	Total	Disposal/Sale/Transfer	Adjustments/Reclassification	Depreciation	Carrying Amount, December 31, 2017
Land	142,415,549	137,368,000	279,783,549	(137,368,000)	-	-	142,415,549
Land improvements	5,535,113	-	5,535,113	-	(39,936)	(523,193)	4,971,984
Infrastructure assets	520,071	1,192,960	1,713,031	-	31,620	(99,330)	1,645,321
Buildings	66,711,407	10,036,865	76,748,272	-	9,709,089	(5,047,507)	81,409,853
Machinery and equipment	347,564,751	133,274,856	480,839,607	(14,995,294)	(10,143,798)	(40,805,706)	414,894,808
Transportation equipment	40,401,389	642,652	41,044,041	-	2,772,845	(5,956,098)	37,860,788
Furniture, fixture and books	5,744,973	329,735	6,074,708	-	(845,982)	(541,666)	4,687,060
Other property, plant and equipment	11,527,423	98,290	11,625,712	-	(6,078,066)	(987,199)	4,560,447
Construction in progress	4,494,715	17,132,158	21,626,873	-	(9,964,765)	-	11,662,108
<b>Total</b>	<b>624,915,390</b>	<b>300,075,516</b>	<b>924,990,906</b>	<b>(152,363,294)</b>	<b>(14,558,994)</b>	<b>(53,960,700)</b>	<b>704,107,918</b>

	Gross Cost	Accumulated Depreciation	Accumulated Impairment Loss	Carrying Amount, December 31, 2017
Land	142,415,549	-	-	142,415,549
Land improvements	25,911,062	20,939,078	-	4,971,984
Infrastructure assets	4,456,749	2,811,428	-	1,645,321
Buildings	220,968,023	139,558,169	-	81,409,853
Machinery and equipment	640,190,627	225,295,819	-	414,894,808
Transportation equipment	108,643,634	70,782,846	-	37,860,788
Furniture, fixture and books	10,737,331	6,050,271	-	4,687,060
Other property, plant and equipment	7,272,353	2,711,906	-	4,560,447
Construction in progress	11,662,108	-	-	11,662,108
<b>Total</b>	<b>1,172,257,435</b>	<b>468,149,517</b>	<b>-</b>	<b>704,107,918</b>

The Agency reviewed the carrying value of property and equipment for any impairment as of December 31, 2018. Based on its evaluation, no impairment loss has occurred and no property and equipment has been pledged as security for liabilities.

## 11 BIOLOGICAL ASSETS

Particulars	2018	2017 (Restated)
Bearer biological assets		
Breeding stocks	25,000	25,000
Trees, Plants, and Crops	551,104,753	
Consumable biological assets		
Livestock held for consumption/sale/distribution	339,500	40,000
Trees, plants and crops held for consumption/sale/distribution	2,471,028	2,471,028
<b>Total</b>	<b>553,940,281</b>	<b>2,536,028</b>

Breeding stocks account balance is from Region VI, Trees, Plants, and Crops is recorded under DRC and ZRC, Livestock held for consumption/sale/distribution account is recorded under ZRC, and Trees, Plants and crops held for consumption/ Sale/ Distribution account is recorded under Region IV-B.

The Agency plan to examine other assets that can be recognized as biological assets was not yet taken up in the books as of the year of this report for compliance to PPSAS 27 in the succeeding years.

## 12 OTHER NON-CURRENT ASSETS

This account consists of the following:

Particulars	2018	2017 (Restated)
Deferred charges/losses	237,914	237,914
Other assets	722,424,629	723,103,320
Accumulated impairment losses-other assets	(3,799,820)	(3,871,227)
<b>Total</b>	<b>718,862,723</b>	<b>719,470,007</b>

Deferred Charges/ Losses account are long-term prepaid expenses that is carried forward until actually used amounting to ₱ 228,063 for Central Office and ₱ 9,851 for Region V.

Other Assets are unserviceable property, plant and equipment recommended to be reclassified to this account awaiting final disposition.

Particulars	2018	2017 (Restated)
Other assets	722,424,629	723,103,320
Accumulated impairment losses-other assets	(3,799,820)	(3,871,227)
<b>Net book value</b>	<b>718,624,809</b>	<b>719,232,093</b>

## 13 FINANCIAL LIABILITIES

This account is consisting of the following:

Particulars	2018	2017 (Restated)
Accounts Payable	753,628,067	1,037,849,952
Due to Officers and Employees	6,893,666	10,716,602
<b>Total</b>	<b>760,521,732</b>	<b>1,048,566,555</b>

Accounts payable account consists of the following:

Particulars	2018	2017 (Restated)
Trade and business	254,794,598	666,601,393
Unliquidated obligations - personal services	5,521,565	3,571,515
Unliquidated obligations - MOOE	282,650,743	174,609,369
Unliquidated obligations - miscellaneous	210,661,160	193,067,675
<b>Total</b>	<b>753,628,067</b>	<b>1,037,849,952</b>

Due to officers and employees account consist of payables due to various PCA employees.

#### 14 INTER-AGENCY PAYABLES

This account is consisting of the following:

Particulars	2018	2017 (Restated)
Due to BIR	7,124,799	5,622,241
Due to GSIS	974,426	1,586,305
Due to Pag-IBIG	243,358	213,678
Due to PhilHealth	281,572	267,970
Due to NGAs	35,766,786	44,489,955
Due to Government Corporations	822,205	890,632
Due to LGUs	27,360,374	33,902,088
Due to Treasurer of the Philippines	433,456	433,456
Due to SSS	6,495.00	275.00
Value-Added Tax Payable	263,821	1,239,792
<b>Total</b>	<b>73,277,294</b>	<b>88,646,393</b>

Due to BIR account consist of taxes withheld from employees and other entities as follows:

Particulars	2018	2017 (Restated)
Withholding tax on compensation	1,404,080	2,139,328
Expanded tax withheld	1,041,911	575,314
Withholding tax on GMP-Percentage Taxes	746,438	395,619
Withholding tax on GMP-Value Added Taxes (GVAT)	3,144,467	1,620,717
Other fees and taxes withheld	787,903	891,263
<b>Total</b>	<b>7,124,799</b>	<b>5,622,241</b>

Due to Government Service Insurance System (GSIS), Due to Home Development Mutual Fund (Pag-IBIG), Due to Philippine Health Insurance Corporation (PhilHealth) and Due to Social Security System (SSS) accounts consists of employees withheld premium payments and other payables for remittance to the respective government agency/ institution.

Due to Other National Government Agencies (NGAs) account includes cash from other government agencies held by PCA for the implementation of the Department of Agriculture's (DA) various special projects such as DA-National Agricultural and Fishery Council and DA-BAR programs, and the DOST-PCAARRD's Integrated Coconut Research Development Enhancement Program (ICREDEP), Genomics and Coconut Somatic Embryogenesis Technology (CSET) projects.

Due to Local Government Units (LGUs) account represents the shares of the municipalities and barangays in the permit fees imposed by PCA for every coconut tree cut, remittance of which is made on a quarterly basis.

Due to the Treasurer of the Philippines pertains to interest income earned from various procurement projects made by PITC previously recorded as interest income. The said amount shall be remitted immediately to BTr.

Due to Government Corporations account consist of the following:

Particulars	2018	2017 (Restated)
Miscellaneous	818,145	818,145
LBP loans	1,936	69,030
NHMF - housing loan	124	3,458
HDMF Housing Loan	2,000	-
<b>Total</b>	<b>822,205</b>	<b>890,632</b>

## 15 INTRA-AGENCY PAYABLES

This account is consisting of the following:

Particulars	2018	2017 (Restated)
Due to other funds	503,687,931	707,192,516
Due to central/home/head office	53,172,566	909,354,896
<b>Total</b>	<b>556,860,497</b>	<b>1,616,547,412</b>

Due to Other Funds accounts are further broken down as follows:

Particulars	2018	2017
CISF	109,201	109,201
General Fund 101	2,104,682	2,564,907
General Fund 151	9,554,432	5,446,343
General Fund 501	3,864	3,864
Corporate Fund 503	11,727,517.56	582,003
SCFDP Fund 401	249,479	186,900
Due to Yolanda	479,938,756	698,299,299
<b>Total</b>	<b>503,687,931</b>	<b>707,192,516</b>

CISF represents levies collected from the copra desiccators, copra exporters, oil millers, refiners and other end-users of copra or its equivalent in other coconut products for viability and stability of the coconut industry pursuant to PD Nos. 1468 and 1842. There are no financial transactions of the CISF considering collection of the levies was lifted on August 28, 1982.

Special Account in the General Fund – Fund 151 is sourced from automatic appropriations which expenditures are authorized under PD No. 1234.

National Coconut Productivity Program/Energy Self-reliance Program Fund – Fund 501 and Coconut Farms Safety Net Program (CFSNP) fund form part of the Corporate Fund- fund 503. Programs for said fund had already been completed several years ago.

Small Coconut Farms Development Project (SCFDP) - fund 401 was used for a foreign assisted project, financed through a World Bank loan, aimed to launch a program of coconut development and productivity improvement and increase the income of small scale coconut farmers by improving coconut yields and copra quality. The program started its implementation on June 4, 1990 and was terminated on December 31, 1999.

Due to Yolanda account represents funds transferred to Corporate Fund.

Intra-agency payables represent the difference between the accounts Due from Regional Offices and Due to Central Office; and Due from other funds and Due to other funds, which exist due to the time lag or errors in recording intra-office transactions.

#### 16 TRUST LIABILITIES

This account consists of guaranty or security deposits to be refunded after the fulfillment or forfeiture upon failure to comply to the purpose of the undertaking amounting to ₱ 8,928,361 in 2018 and ₱ 10,930,858 in 2017.

#### 17 OTHER PAYABLES

This account consists of other liabilities not falling under any of the specific payable account amounting to ₱ 61,477,254 in 2018 and ₱ 52,898,222 in 2016.

#### 18 OTHER DEFERRED CREDITS/UNEARNED INCOME

This account comprises other deferred credits account which is a suspense account for fertilizers and other intercropping agricultural supplies. Said account shall be adjusted once the documents, particularly the duly accomplished acknowledgment receipts of farmer- recipients are completely submitted.

Particulars	2018	2017
Central Office	177,960	177,960
Region IV-B	23,656	26,208
Region V	19,993,825	20,002,835
Region VIII		98,882
Region XIII	147,924	147,924
Albay Research Center	1,080,725	947,225
Zamboanga Research Center	123,620	141,561
<b>Total</b>	<b>21,547,711</b>	<b>21,542,595</b>

#### 19 SERVICE AND BUSINESS INCOME

Particulars	2018	2017
Service income		
Permit fees	211,839,779	205,480,719
Supervision and regulation enforcement fees	75,818,644	58,783,192
Inspection fees	17,075,806	6,748,720
Fines and penalties-service income	874,129	2,375,915
Other Service Income	25,140,668	20,301,538
	330,749,026	293,690,084
Business income		
Rent/lease income	21,781,966	27,199,272
Income from hostels/dormitories and other like facilities	147,035	160,550
Fidelity insurance income	-	-
Interest income	895,756	4,408,032
Fines and penalties-business income	5,904,932	2,952,710
	28,729,688	34,720,565
<b>Total</b>	<b>359,478,714</b>	<b>328,410,649</b>

#### 20 GAINS

There was no gain in sale of biological assets in 2018 and P25,000 in 2017.

#### 21 PERSONNEL SERVICES

This account is consisting of the following:

Particulars	2018	2017
Salaries and wages	222,931,190	217,591,325
Other compensation	71,769,555	107,763,199
Personnel benefit contributions	30,352,096	29,471,693
Other personnel benefits	35,716,360	22,361,350
<b>Total</b>	<b>360,769,200</b>	<b>377,187,566</b>

#### 21.1 Salaries and Wages

Salaries and Wages incurred for payment of services rendered by PCA employees occupying regular positions amounting to ₱ 222,931,190 in 2018 and ₱ 217,591,325 in 2017.

#### 21.2 Other Compensation

Particulars	2018	2017
Personnel economic relief allowance (PERA)	12,568,850	13,330,443
Representation allowance (RA)	6,573,091	6,198,625
Transportation allowance (TA)	3,903,809	3,460,289
Clothing/uniform allowance	3,150,000	2,835,000
Honoraria	70,650	141,937
Longevity pay	78,178	115,665
Overtime and night pay	1,157,381	1,036,444
Year-end bonus	37,506,179	36,004,594
Cash gift	2,621,000	2,687,250
Other bonuses and allowances	4,140,417	41,952,952
<b>Total</b>	<b>71,769,555</b>	<b>107,763,199</b>

#### 21.3 Personnel Benefit Contributions

These are the Agency's share in premium contributions GSIS, HDMF and PhilHealth.

Particulars	2018	2017
Retirement and life insurance premiums	26,476,013	26,054,018
Pag-IBIG contributions	624,400	663,900
PhilHealth contributions	2,624,783	2,084,775
Employees compensation insurance premiums	626,900	669,000
<b>Total</b>	<b>30,352,096</b>	<b>29,471,693</b>

#### 21.4 Other Personnel Benefits

Particulars	2018	2017
Terminal leave benefits	34,230,460	21,323,350
Other personnel benefits		
Counsel allowance	35,000	29,500
Loyalty award	315,000	455,000
Per diem of directors	1,135,900	553,500
Others	-	-
	1,485,900	1,038,000
<b>Total</b>	<b>35,716,360</b>	<b>22,361,350</b>

### 22 MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

Particulars	2018	2017
Traveling expenses	68,089,139	64,156,922
Training expenses	56,111,424	36,610,084
Supplies and materials expenses	1,016,734,555	1,123,200,083

Utility expenses	30,091,434	27,300,842
Communication expenses	11,348,517	10,653,144
Awards/rewards expenses	1,165,000	384,400
Research, exploration and development expenses	-	525,593
Extraordinary and miscellaneous expenses	873,911	681,970
Professional services	291,191,592	234,026,734
General services	145,893,329	178,547,433
Repairs and maintenance	24,375,307	21,898,481
Taxes, insurance premiums and other fees	7,794,237	6,944,780
Other maintenance and operating expense	57,994,271	86,374,631
<b>Total</b>	<b>1,711,662,715.77</b>	<b>1,791,305,097.00</b>

#### 22.1 Travelling expenses

Particulars	2018	2017
Traveling expenses-local	67,806,808	62,451,437
Traveling expenses-foreign	282,331	1,705,485
<b>Total</b>	<b>68,089,139</b>	<b>64,156,922</b>

#### 22.2 Training expenses

Represents expenses incurred in attending various trainings to expand knowledge and skills required amounting to in ₱ 56,111,424 in 2018 and ₱ 36,610,084 in 2017.

#### 22.3 Supplies and Materials Expenses

Particulars	2018	2017
Office supplies expenses	13,567,309	13,106,285
Accountable forms expenses	324,450	234,561
Medical, dental and laboratory supplies expenses	236,530	956,862
Fuel, oil and lubricants expenses	15,678,981	13,884,603
Agricultural and marine supplies expenses	960,491,291	1,080,395,981
Semi-expendable machinery and equipment expenses	2,147,720	296,111
Semi-expendable furniture, fixtures and books expenses	427,380	192,140
Other supplies and materials expenses	23,860,894	14,133,540
<b>Total</b>	<b>1,016,734,555</b>	<b>1,123,200,083</b>

#### 22.4 Utility Expenses

Particulars	2018	2017
Water expenses	3,446,103	3,421,814
Electricity expenses	26,627,299	23,879,028
Other utility expenses	18,032.75	-
<b>Total</b>	<b>30,091,434</b>	<b>27,300,842</b>

#### 22.5 Communication Expenses

Particulars	2018	2017
Postage and courier services	1,465,183	1,189,345
Telephone expenses	8,127,161	8,213,063
Internet subscription expenses	1,586,015	1,242,946
Cable, satellite, telegraph and radio expenses	170,157	7,790
<b>Total</b>	<b>11,348,517</b>	<b>10,653,144</b>

## 22.6 Awards/Rewards Expenses

This account amounts to ₱ 1,165,000 for the year ended December 31, 2018 and ₱ 384,400 for the year ended December 31, 2017.

## 22.7 Research, Exploration and Development Expenses

No RDE expenses was incurred as of December 31, 2018, and ₱ 525,593 for the year ended December 31, 2017.

## 22.8 Extraordinary and Miscellaneous Expenses

This account amounts to ₱ 873,911 for the year ended December 31, 2018 and ₱ 681,970 for the year ended December 31, 2017.

## 22.9 Professional Services

Particulars	2018	2017
Legal services	-	40,000
Auditing services	25,515,531	31,573,530
Consultancy services	1,193,674	305,150
Other professional services	264,482,386	202,108,054
<b>Total</b>	<b>291,191,592</b>	<b>234,026,734</b>

Other Professional Services account includes payment of services to Contractual personnel.

## 22.10 General Services

Particulars	2018	2017
Janitorial services	4,090,630	3,674,924
Security services	44,144,913	41,048,105
Other general services	97,657,786	133,824,404
<b>Total</b>	<b>145,893,329</b>	<b>178,547,433</b>

## 22.11 Repairs and Maintenance

Particulars	2018	2017
Repairs and maintenance - buildings and other structures	10,476,387	11,772,391
Repairs and maintenance - machinery and equipment	2,719,764	1,168,892
Repairs and maintenance-transportation equipment	9,726,726	8,910,330
Repairs and maintenance-semi-expendable furniture and fixtures	-	34,768
Repairs and maintenance-furniture and fixtures	66,500	12,100
Repairs and maintenance-other property, plant and equipment	1,385,930	-
<b>Total</b>	<b>24,375,307</b>	<b>21,898,481</b>

## 22.12 Taxes, Insurance Premiums and Other Fees

Particulars	2018	2017
Taxes duties and licenses	2,846,272	2,865,051
Fidelity bond premiums	1,905,765	1,457,324
Insurance expenses	3,042,199	2,622,406
<b>Total</b>	<b>7,794,237</b>	<b>6,944,781</b>

## 22.13 Other Maintenance and Operating Expense

Particulars	2018	2017
Advertising, promotional and marketing expenses	303,747	296,392
Printing and publication expenses	2,644,581	1,110,964

Representation expenses	364,175	357,388
Transportation and delivery expenses	11,460,093	11,049,442
Rent/lease expenses	12,132,801	12,175,518
Membership dues and contributions to organizations	-	-
Subscription expenses	243,527	252,266
Donations	3,581,017	42,620,502
Documentary stamps expenses	-	373,742
Other maintenance and operating expenses	27,264,331	18,138,417
<b>Total</b>	<b>57,994,271</b>	<b>86,374,631</b>

Other maintenance and operating expenses are further broken down as follows:

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Athletic and social events expenses	6,382,449	4,854,094
Duplicating costs	291,569	249,586
Meetings and conferences	4,469,048	2,885,378
Staple Food Expense	1,331	-
BAC honorarium	1,319,834	540,761
Laboratory analysis	1,843,667	713,100
Others	12,956,433	8,895,498
<b>Total</b>	<b>27,264,331</b>	<b>18,138,417</b>

## 23 FINANCIAL EXPENSES

Financial expenses consist of payments for bank charges amounting to ₱ 450 in 2018 and interest of ₱ 1513 and bank charges of ₱ 150 in 2017.

## 24 NON-CASH EXPENSE

### 24.1 Depreciation

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Depreciation - investment property	1,010,617	193,768
Depreciation - land improvements	568,886	523,193
Depreciation - infrastructure assets	65,267	99,330
Depreciation - buildings and other structures	4,677,649	5,047,507
Depreciation - machinery and equipment	49,219,338	40,805,705
Depreciation - transportation equipment	5,951,441	5,956,098
Depreciation - furniture, fixtures and books	533,491	541,666
Depreciation - other property, plant and equipment	964,834	987,199
<b>Total</b>	<b>62,991,522</b>	<b>54,154,466</b>

### 24.2 Impairment Losses

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Impairment loss-loans and receivables	144,335,008	7,893,632
Impairment loss-other receivables	-	-
<b>Total</b>	<b>144,335,008</b>	<b>7,893,632</b>

### 24.3 Losses

The amount of other losses was a result of the grant of Petition for Money Claim filed by Corona International, Inc. (CII) against PCA relative to the supply and installation of communications equipment with related office automation hardware for the agency's telecommunication system. The said garnishment was the result of Civil Case No. Q-93-14581 which amounted to ₱ 52,288,493. The unpaid balance of the contract which amounted to ₱ 9,082,068 was recorded in the Accumulated Surplus/(Deficit) account while the balance was reflected as Other Losses.

## 25 SUBSIDY INCOME FROM NATIONAL GOVERNMENT

For the year 2018, the following NCA were received by the Agency:

SARO		NCA		Amount
Date	Number	Date	Number	
January 12, 2018	BMB-C-18-0000080	January 12, 2018	BMB-C-18-0001253	₱ 13,950,000.00
February 19, 2018	BMB-C-18-0002141	February 19, 2018	BMB-C-18-0002976	41,874,000.00
March 26, 2018	BMB-C-18-0006845	March 26, 2018	BMB-C-18-0006392	175,690,000.00
August 28, 2015	BMB-F-15-0012151	May 17, 2018	BMB-C-18-0010110	10,244,637.00
October 27, 2015	BMB-C-15-0017518	May 17, 2018	BMB-C-18-0010110	39,443,664.00
March 18, 2016	BMB-C-16-0006608	May 17, 2018	BMB-C-18-0010110	121,363,064.00
November 11, 2016	BMB-C-16-0030979	May 17, 2018	BMB-C-18-0010110	8,398,172.00
May 17, 2017	BMB-C-17-0006962	May 17, 2018	BMB-C-18-0010110	341,776,988.00
March 26, 2018	BMB-C-18-0006845	May 17, 2018	BMB-C-18-0010111	39,836,303.00
March 26, 2018	BMB-C-18-0006845	July 10, 2018	BMB-C-18-0014302	19,416,835.00
August 28, 2015	BMB-F-15-0012151	July 10, 2018	BMB-C-18-0014303	17,134,430.00
October 27, 2015	BMB-C-15-0017518	July 10, 2018	BMB-C-18-0014303	14,865,149.00
March 18, 2016	BMB-C-16-0006608	July 10, 2018	BMB-C-18-0014303	220,194,409.00
November 11, 2016	BMB-C-16-0030979	July 10, 2018	BMB-C-18-0014303	7,969,630.00
May 17, 2017	BMB-C-17-0006962	July 10, 2018	BMB-C-18-0014303	301,391,946.00
<b>TOTAL</b>				<b>₱ 1,373,549,227.00</b>

The Agency also received during the year the amount of ₱ 15,000,000 as per NBC-BMB-C-18-0015459 dated July 26, 2018 to cover expenses under the Special Account in the General Fund authorized under the FY 2018 GAA, Republic Act No. 10964.

For the year 2017, the Agency received transfer of funds from the Bureau of Treasury to LBP C/A#0702-1001-86 for the subsidy released from the National Government per SARO-BMB-C-17-0000030 to cover the 1<sup>st</sup> Quarter of 2017 in the amount of ₱ 70,866,000; SARO-BMB-D-15-0012151 with NCA-BMB-C-17-0007113 to cover cash requirement for the implementation of various programs and projects for the year 2017 amounting to ₱ 760,514,000; SARO-BMB-C-15-0017518 with NCA-BMB-C-17-00021766 amounting to ₱ 492,737,000 for the release of unfunded allotment of the FY 2015 national government subsidy for the implementation of various programs and project of PCA chargeable against its 2015 authorized appropriation (RA 10651); and NCA-BMB-C-17-0021141 in the amount of ₱ 15,000,000.

## 26 NON-OPERATING INCOME, GAIN OR LOSSES

### 26.1 Non-Operating Income

Particulars	2018	2017
Sale of Assets		
Sale of Garnished/Confiscated/Abandoned/Seized Goods and Property	1,953,682	706,905
Sale of Unserviceable Property	-	299,321
	1,953,682	1,006,226
Proceeds from Insurance/Indemnities	33,413	-
Miscellaneous Income		
Sale of copra	7,289,483	6,524,642
Sale of coco-by-products	2,310,920	6,539,318
Sale of coco seedlings	5,567,756	2,767,026
Sale of intercrops	226,912	358,640
Sale of coco seednuts	7,846,316	4,876,025
Sale of waste materials	156,796	-
Sale of pollen	261,000	-
Analysis fee-PTAL	2,858,861	2,842,127
Transfer of technology	13,400	-
Income from reproduction/xerox	486,990	17,837
Filing/certification fees	2,266,810	1,772,464
Seednuts replacement	31,556,876	29,524,636
Income from sale of books	1,617,179	3,500
Others	152,377,402	93,289,347

	214,870,116	148,515,561
<b>Total</b>	<b>216,823,797</b>	<b>149,521,787</b>

## 26.2 Gains

This consist of gain on foreign exchange amounting to ₱ 44 in 2018 and ₱ 7 also in 2017.

## 27 RELATED PARTY TRANSACTIONS

The Agency does not have dealings with related parties involving transfer of resources and obligations.

### 27.1 Key Management Personnel

The key management personnel of Philippine Coconut Authority are the Chairman, the Members of the Governing Board, and the Principal Officers. The Governing Body consists of members appointed by the President of the Philippines. The Principal Officers consists of the Administrator and the Deputy Administrators.

### 27.2 Key Management Personnel Compensation

The Aggregate remuneration of the members of the governing body and the number of members determined on a fulltime equivalent basis receiving remuneration within this category, are:

Particulars	Aggregate Remuneration
Basic salary	
Salary differential	4,886,054
Allowance and other benefits	-
Extraordinary and Miscellaneous Expenses	2,701,160
<b>Total</b>	<b>360,487</b>
	<b>7,947,701</b>

*\*per Report on Salaries and Allowances (ROSA) including Extraordinary and Miscellaneous Expenses by Principal Officers and Members of Governing Board*

The chairman which has supervision over the Agency is not remunerated by the Agency.

## 28 GOVERNMENT EQUITY

This account is consisting of the following:

Particulars	2018	2017 (Restated)
Accumulated surplus/(deficit)	656,531,528	976,742,605
Invested capital - purchase or construction	109,702,903	100,576,183
Invested capital - general fund 101/CISF	712,919,145	712,919,145
Invested capital - donations received	608,855,237	110,652,946
Invested capital - fixed assets held in trust	62,826,994	58,125,195
Invested capital - fixed assets held in trust (SCFDP)	65,512,660	65,529,649
Invested capital - disallowances	104,089,728	104,144,587
Invested capital - other payments	31,221,880	31,213,180
Invested capital - investments	812,189	812,189
Revaluation surplus	19,855,000	19,855,000
<b>Total</b>	<b>2,372,327,265</b>	<b>2,180,570,679</b>

Accumulated Surplus/ (Deficit) account consist of the cumulative results of normal and continuous operations of the Agency including the prior year adjustments, effect of changes on accounting policies and other capital adjustments.

Revaluation Surplus represents the difference between the original cost and the fair market value, as appraised by Cuervo Appraisers, Inc. on August 25, 2004, of the land with the total area of 57,122

square meters of the defunct Desiccated Coconut Rationalization Fund's real property as enumerated as follows:

Location	Land Area (in sq. m.)	Cost	Appraised Value	Difference
Tiaong, Quezon	23,756	15,389,000	24,498,000	9,109,000
San Pablo City	17332	15,500,000	24,650,000	9,150,000
Lucena City	16034	13,500,000	15,096,000	1,596,000
<b>TOTAL</b>	<b>57,122</b>	<b>44,389,000</b>	<b>64,244,000</b>	<b>19,855,000</b>

Being a Government Owned and Controlled Corporation (GOCC), the Agency's projects are being subsidized by the Government.

#### Adjustments, Restatements and Corrections of Prior Periods Error

Adjustments for changes in accounting policies and restatements to correct errors in prior years are made retrospectively to the extent practicable, using the *Accumulated Surplus (Deficit)* account. The effects of changes in accounting estimates and correction of errors affecting the current year's accounts are reflected using the current year's accounts.

#### PRIOR PERIOD ADJUSTMENTS

The Agency has determined and restated the following accounts with the net effect in the financial statement, as summarized below:

Account Name	Account Code	Debit	Credit
Cash-Collecting Officer	1 01 01 010	44,398	
Cash-LCCA	1 01 02 020 01		10,655,902
Cash In National Treasury	1 01 04 040 03		15,237,786
Accounts Receivable - Current	1 03 01 010 01		454,718
Accounts Receivable - Non Current	1 03 01 010 02		5,772,751
Allowance for Impairment - Accounts Receivable	1 03 01 011		632,885,232
Due from ISI	1 03 04 050 03	3,015,067	
Due from Regional Offices/Centers	1 03 04 070	14,104,962	
Other Receivables	1 03 05 990 08	7,906,528	
Semi-Expendable Office Equipment	1 04 05 020		16,372
Semi-Expendable Communication Equipment	1 04 05 070		12,729
Semi-Expendable Furniture and Fixtures	1 04 06 010		35,900
Accumulated Depreciation - Investment Property	1 05 01 021		1,174,365
Office Equipment	1 06 05 020		1,753,481
Accumulated Depreciation - Office Equipment	1 06 05 021	1,458,212	
ICT Equipment	1 06 05 030		1,208,143
Accumulated Depreciation - ICT Equipment	1 06 05 031	1,038,418	
Communication Equipment	1 06 05 070		436,331
Accumulated Depreciation - Communication Equipment	1 06 05 071	295,858	
Firefighting Equipment and Accessories	1 06 05 090		198,500
Accumulated Depreciation - Firefighting Equipment and Accessories	1 06 05 091	42,480	
Medical Equipment	1 06 05 110		76,484
Accumulated Depreciation - Medical Equipment	1 06 05 111	66,595	
Technical and Scientific Equipment	1 06 05 140		1,194,860
Accumulated Depreciation - Technical and Scientific Equipment	1 06 05 141	1,011,900	
Other Machinery and Equipment	1 06 05 990		212,438
Accumulated Depreciation - Other Machinery and Equipment	1 06 05 991	189,112	
Accumulated Depreciation - Motor Vehicle	1 06 06 011		2,353,729
Furniture and Fixtures	1 06 07 010		3,209,568
Accumulated Depreciation - Furniture and Fixtures	1 06 07 011	2,022,057	
Books	1 06 07 020		222,573
Accumulated Depreciation - Books	1 06 07 021	73,936	
Other PPE	1 06 98 990		267,677
Accumulated Depreciation - Other PPE	1 06 98 991	251,706	
Trees, Plants, and Crops	1 07 01 030	52,902,462	
Prepaid Insurance	1 99 02 050		255,422
Accounts Payable - Trade and Business	2 02 01 010 01	356,205	
Accounts Payable - PS	2 02 01 010 02	83,854,950	

Accounts Payable - MOOE	2 02 01 010 03	1,016,798	
Due to Treasurer of the Philippines	2 02 01 090		433,456
Due to 151	2 03 01 050 03	4,400	
Due to 503	2 03 01 050 06		582,003
Other Payables	2 99 99 990 37	606	
Other Payables	2 99 99 990 52	3,000	
Accumulated Surplus/(Deficit)	3 01 01 010	508,990,769	
<b>TOTAL</b>		<b>678,650,420</b>	<b>678,650,420</b>

#### **Due to change in accounting policy**

In accordance with PPSAS 17, Property, Plant and Equipment and COA Circular No. 2017-04, "Tangible items below the capitalization threshold of ₱ 15,000 shall be accounted in accordance with the policies prescribed under paragraph 5.4 of COA Circular No. 2016-006 on Conversion from the Philippine Government Chart of Accounts under the New Government Accounting System per COA Circular No. 2004-008, as amended, to the RCA for GCs under COA Circular No. 2015-010, new, revised and deleted accounts, and relevant accounting policies and guidelines in the implementation thereof. These tangible items shall be recognized as expenses upon issue to end-user. The carrying amount as PPE already issued to end-user as of January 1, 2016 shall be recognized as an adjustment to the opening balance of "Accumulated Surplus/(Deficit)" for CY 2016".

In view thereof, a total of ₱ 2,362,887 were reclassified and booked as an adjustment in the CY 2017 financial statements.

#### **28.1 Due to prior period error**

Prior period errors are omissions from, and misstatement in, an entity's financial statements for one or more period arising from a failure to use, or misuse of, reliable information that was available and could reasonably be expected to have been obtained and taken into account in preparing those statements.

As a result, a total of ₱ 632,058,607 were booked as an adjustment due to the recognition of allowance for impairment loss of accounts receivable and ₱ 73,528,263 were booked as an adjustment due to prior period errors.

An increase in the Accumulated Surplus/(Deficit) amounting to ₱ 52,902,462 was due from the recognition of Bearer Biological Assets of the Davao Research Center.

#### **28.2 Capital Management**

The primary objective of the PCA's capital management is to ensure that resources of the agency is geared towards the attainment of its mandate and the implementation of its objectives thru the programs to be undertaken for the promotion and advancement of the coconut industry with the participation of the private sector and for the improvement of the working conditions of the coconut farmers. The Agency manages its net assets/equity by establishing controls in collection of fees and other sources of revenues, monitoring status of projects and periodic reporting of funds and disbursements while maintaining compliance to rules, regulations, and other legal requirements.

PCA is not subject to externally imposed capital requirements.

### **29 DISCLOSURES REQUIRED BY BIR UNDER RR 15 – 2010**

In compliance with Revenue Regulations No. 15 – 2010 amending Revenue Regulations No. 21 – 2002. This states that "In addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may heretofore be adopted, the Notes to Financial Statements shall include information on taxes, duties and license fees paid or accrued during the taxable year".

The Agency has been regularly deducting taxes from salaries and other benefits due from its employees as well as from cost of goods and services procured. Likewise, the amount

withheld from the same were remitted to the Bureau of Internal Revenue (BIR) within the prescribed deadlines. Total taxes withheld and remitted for the year were as follows:

Due to BIR	Tax on Compensation	
	2 02 01 010 01	
	Withheld	Remitted
Central Office	5,236,747.42	5,265,135.52
Central Office(YOLANDA)		
Region I-IVB	1,441,479.66	1,343,542.34
Region IV-A	883,787.45	865,131.21
Region V	1,154,947.00	1,154,947.00
Region VI	910,781.64	911,944.46
Region VII	988,428.88	988,428.88
Region VIII	1,125,826.68	1,125,826.68
Region IX	1,026,509.43	1,026,509.43
Region X	938,940.38	938,940.38
Region X - JAIF EEA		
Region XI	978,184.76	978,184.76
Region XI - PABLO		
Region XII	1,017,860.90	1,017,860.90
Region XIII	866,764.88	866,764.88
Region XIII-JAIF		
Region XIV	758,538.39	758,538.39
CETC		
DRC	249,647.99	249,647.99
ARC	392,771.42	367,590.57
ZRC	1,197,805.19	1,197,805.19
NSPC		
<b>TOTAL</b>	<b>19,169,022.07</b>	<b>19,056,798.58</b>

Due to BIR	Expanded Withholding Tax	
	2 02 01 010 02	
	Withheld	Remitted
Central Office	996,043.61	1,063,324.53
Central Office(YOLANDA)	1,680.00	1,680.00
Region I-IVB	645,141.22	549,468.85
Region IV-A	299,031.60	291,858.56
Region V	441,465.27	441,465.27
Region VI		
Region VII	2,832.41	2,832.41
Region VIII	1,102,979.06	1,102,979.06
Region IX	775,840.25	775,840.25
Region X	388,291.28	388,291.28
Region X - JAIF EEA	38,516.92	38,516.92
Region XI	262,490.88	135,012.13
Region XI - PABLO	15,590.34	9,933.65
Region XII	597,067.66	603,483.90
Region XIII	658,273.84	658,273.84
Region XIII-JAIF	1,410.11	1,410.11
Region XIV	730,587.26	533,886.97
CETC	38.18	38.18
DRC	133,432.08	101,169.93
ARC	336,366.41	284,656.51
ZRC	638,762.62	638,762.62
NSPC		
<b>TOTAL</b>	<b>8,065,841.00</b>	<b>7,622,884.97</b>

Due to BIR	Withholding Tax on GMP- Percentage	
	2 02 01 010 03	
	Withheld	Remitted

# PHILIPPINE COCONUT AUTHORITY

Central Office		
Central Office(YOLANDA)		
Region I-IVB		
Region IV-A	554,651.50	550,430.22
Region V		
Region VI	1,164,212.22	805,074.01
Region VII	1,297,384.41	1,297,384.41
Region VIII		
Region IX		
Region X		
Region X - JAIF EEA		
Region XI		
Region XI - PABLO		
Region XII		
Region XIII	429,175.35	429,175.35
Region XIII-JAIF	12,485.14	12,485.14
Region XIV		
CETC		
DRC		
ARC		
ZRC		
NSPC		
<b>TOTAL</b>	<b>3,457,908.62</b>	<b>3,094,549.13</b>

Due to BIR	Withholding Tax on GMP- VAT	
	2 02 01 010 04	
	Withheld	Remitted
Central Office	2,218,619.91	2,633,391.78
Central Office(YOLANDA)	4,200.00	4,200.00
Region I-IVB	813,641.11	705,920.74
Region IV-A	380,956.28	358,341.33
Region V	727,355.43	727,355.43
Region VI	336,463.20	302,139.57
Region VII	472,533.60	472,533.60
Region VIII		
Region IX		
Region X	480,567.31	480,567.31
Region X - JAIF EEA	148,993.88	148,993.88
Region XI	1,587,176.91	1,267,902.57
Region XI - PABLO	157,448.74	129,165.29
Region XII	1,188,088.06	1,158,872.43
Region XIII	819,341.96	819,341.96
Region XIII-JAIF	295.54	295.54
Region XIV	1,820,416.48	1,039,311.10
CETC	3,831.20	3,831.20
DRC		
ARC	1,203,382.77	962,322.05
ZRC		
NSPC		
<b>TOTAL</b>	<b>12,363,312.38</b>	<b>11,214,485.78</b>

Due to BIR	Other Fees & Tax Withheld	
	2 02 01 010 99	
	Withheld	Remitted
Central Office	738,939.02	834,263.11
Central Office(YOLANDA)	7,970.36	7,970.36
Region I-IVB	950,866.22	804,544.66
Region IV-A		
Region V	591,294.99	591,294.99
Region VI		

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Region VII		
Region VIII	1,197,937.71	1,197,937.71
Region IX	2,334,246.32	2,334,246.32
Region X	364,778.84	364,778.84
Region X - JAIF EEA	11,020.94	11,020.94
Region XI	1,433,367.12	1,433,367.12
Region XI - PABLO	46,277.66	46,277.66
Region XII		
Region XIII	366.42	366.42
Region XIII-JAIF		
Region XIV		
CETC	7,566.55	7,566.55
DRC	580,888.75	364,349.97
ARC	390,628.16	390,628.16
ZRC	3,600,403.88	3,600,403.88
NSPC		
<b>TOTAL</b>	<b>12,256,552.94</b>	<b>11,989,016.69</b>

## 30 COMPLIANCE WITH GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) LAW

The agency complied with Section 14.1 of Republic Act (R.A.) No. 8291 which provides that each government agency shall remit directly to the GSIS the employees' and government agency's contributions within the first ten (10) days of the calendar month following the month to which the contributions apply. Below is the summary of PCA's remittances of employees' premium contribution for the year 2018:

GSIS 2018	GSIS Life & Ret		GSIS Govt Share
	Withheld	Remitted	Remitted
Central Office	3,353,095.00	3,345,613.02	4,460,870.70
Region I-IVB	1,120,532.92	1,120,532.92	1,370,421.95
Region IV-A	1,659,374.53	1,536,278.35	2,051,998.26
Region V	1,762,341.30	1,762,341.30	2,346,527.34
Region VI	2,754,812.52	2,744,289.35	1,388,599.35
Region VII	1,039,730.03	1,039,730.03	1,385,827.91
Region VIII	1,681,707.07	1,681,707.07	2,242,276.02
Region IX	1,376,872.15	1,376,872.15	1,883,517.57
Region X	1,169,113.12	1,169,113.12	1,558,817.41
Region XI	1,118,033.80	1,116,886.20	1,489,181.19
Region XII	1,299,598.49	1,300,813.51	1,732,797.94
Region XIII	1,217,428.96	1,217,428.96	1,623,238.75
Region XIV	853,021.84	852,690.96	1,136,921.28
DRC	214,542.54	214,542.54	286,056.72
ARC	688,078.44	295,531.88	394,042.50
ZRC	780,243.38	780,243.38	1,040,324.59
<b>Total</b>	<b>22,088,526.09</b>	<b>21,554,614.74</b>	<b>26,391,419.48</b>

## 31 RISK MANAGEMENT OBJECTIVES AND POLICIES

This note presents information about the Agency's exposure to risks and the Agency's objectives, policies and processes for measuring and managing risks.

The Agency has an overall responsibility for the establishment and oversight of the Agency's risk management framework. The board has established a committee which is responsible for developing and monitoring risk management policies in their specific areas.

## PHILIPPINE COCONUT AUTHORITY

Pursuant to Special Order No. 20 S. 2016, an Adhoc Risk Management Committee (RMC) was formed to address the negative effects of financial, operational, organizational, political, social, economic and environmental risks on Authority and its stakeholders. The committee's role is to design the framework which will help PCA develop and implement an effective and pro-active risk management plan in response to the circumstances the organization face, perform risk assessment and develop strategies to mitigate risks using the resources available.

### 31.1 Risk Management Framework

This framework shows PCAs general protocol in its risk management process, conduct of training/ workshops and evaluation. The framework is an integral part of the Agency that is undertaken at the provincial, regional, divisional and corporate levels.

### 31.2 Risk Identification and Assessment

An activity aimed at determining risks that may undermine the Agency's capacity to observe its mandate based on the following aspects:

Types of risks	Definition
Financial Risk	This refers to risks that may disrupt the fiscal health of the agency.
Operational Risk	This refers to risks that may hamper or interfere with the programs and activities.
Organizational Risk	This refers to risks that affect the structural, cultural, regulatory, and contractual initiatives of the agency.
Environmental Risk	This refers to risks to external risks brought about by natural, social, cultural and regulatory threats to the agency.

Risk can be identified through conducting SWOT analysis, technical workshops and group consultations. The RMC will review the risk management template from the concerned offices and formulate a summarized management template.

Using the Probability-Consequence-Control formula, risks is subjected to evaluation. Using the risk rating, priorities will be distinguished. This procedure is derived using the formula  $(\text{Probability} \times \text{Consequence}) / \text{Level of Control} = \text{Risk Factor}$ . The components in the formula are as follows:

*Consequence (CO)* – this measures the potential effect of each risk. The scale are as follows:

Value	Description	Effect
4	Major	Costs more than ₱ 20,000,000, delays project duration by more than 25%, high probability for corporate penalty/imprisonment, long-term domestic and international coverage, closure of several operational areas
3	Moderate	Costs ₱ 5,000,000 to ₱ 20,000,000, delays project duration by 10% to 25%, possible corporate penalty/imprisonment, negative media coverage, closure of an office/ center/ division.
2	Minor	Costs ₱ 1,000,000 to ₱ 5,000,000, delays project duration by 2% penalties may be incurred, adverse publicity, reduction in the Agency's operational routine
1	Insignificant	Costs less than ₱ 1,000,000, little to no project delay, no penalty or imprisonment, minimal publicity, no interruption to the Agency's services

*Probability (P)* – this evaluates the risk's frequency of occurrence. The values are as follows:

Value	Description	Occurrence
4	Very high probability	More than once a year

3	High probability	Once a year
2	Low probability	Once in five years
1	Very low probability	Once in ten years

*Level of Control (C)* – This quantifies the extent by which the agency can manage the risk. The values are as follows:

Value	Description	Extent
4	Very high control	A protocol is in place to ensure data credibility, policy compliance, asset protection and utilization
3	High control	The protocol is implemented but it needs to be improved
2	Low control	The protocol can be relied but may have not addressed
1	Very low control	The protocol in place cannot be relied on

*Risk Rating* – to prioritize the risks based on the formula, the following thresholds for the Risk factors must be observed:

Value	Description	Action
>4	High risk	Implement mitigation plan immediately
3-4	Medium risk	Requires moderate attention
<3	Low risk	The implementation of the mitigation plan is optional

To arrive at a risk rating when there is no control or protocol in place to mitigate the identified risks, the Probability-Consequence Diagram can be used.

Probability	Consequence			
	Major	Moderate	Minor	Insignificant
Very high probability	High	High	Medium	Low
High probability	High	Medium	Medium	Low
Low probability	Medium	Low	Low	Low
Very low probability	Medium	Low	Low	Low

### 31.3 Risk Mitigation Planning and Assessment

The actions for risk mitigation will be identified in this step. The different type of risk treatment are as follows:

Type of risk treatment	Description
Avoidance	Alternative solutions will be adopted
Mitigation	Establishment of protocols to reduce risk's consequence and probability
Transfer	Assigning another party through a contract to reduce the effect of risk
Acceptance	No action will be adopted to treat the risk since the current protocols or interventions are appropriate

### 31.4 Risk Management Plan Implementation

Plans will be subjected to the approval of the Management and the Board after assessment. These approved plans will be observed by the responsible units and collated by the RMC

To monitor developments regarding the mitigation plans, the involved offices will submit monthly reports to the RMC.

### 31.5 Risk Management Plan Evaluation

Regular reviews will be conducted by the RMC to identify the strengths and weaknesses of the Agency's Risk Management Framework.

The Internal Audit will review the processes and controls of the Risk Management Framework. It will also provide an independent appraisal of the effectiveness of the established framework. The Agency may seek independent assurance providers that shall be overseen by the RMC to assess the elements of the Agency's Risk Management Plan.

**31.6 Risk Communication and Training**

The RMC ensures the continuous communication with the Agency's stakeholders and staff regarding the process and results of the RMF. The RMC coordinates with the field managers and Management to identify, assess and manage risks.

Annual training and workshop sessions will be conducted to improve the Risk management Framework. These will help safeguard the competency levels of the Agency with regards to risk management. The Authority may seek independent assurance providers that shall be overseen by the RMC to conduct and facilitate the aforementioned trainings and workshops.

*~ End of Report. ~*